

NATIONAL ASSEMBLY

OFFICIAL REPORT

Wednesday, 27th June, 2007

The House met at 9.00 a.m.

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

PRAYERS

PAPER LAID

The following Paper was laid on the Table:-

Report on the Seventh Ordinary Session of the Pan African Parliament held on the 7th to the 18th, of May 2007, at Gallagher Estate, Midrand, South Africa.

(By Mr. Oparanya)

NOTICES OF MOTIONS

APPROVAL OF TAXATION MEASURES

The Assistant Minister for Finance (Mr. Kenneth): Mr. Temporary Deputy Speaker, Sir, I wish to give notice of the following Motion:-

THAT, the proposals relating to:-

- (a) Excise Duties;
- (b) Value Added Tax (VAT);
- (c) Income Tax; and,
- (d) Miscellaneous Fees and Taxes contained in the Financial Statement of the Year of Account 2007/2008 be approved.

His Excellency the President has signified his consent to this Motion.

ADOPTION OF REPORT OF SEVENTH PAN AFRICAN ORDINARY SESSION

Mr. Oparanya: Mr. Temporary Deputy Speaker, Sir, I beg to give notice of the following Motion:-

THAT, this House adopts the Report of the Kenya Parliament representatives to the Seventh Ordinary Session of the Pan Africa Parliament Session held on 7th to 18th, May, 2007, at Gallagher Estate, Midrand, Republic of South Africa laid on the Table, on 27th, June, 2007.

The Temporary Deputy Speaker: Next Order!

ORAL ANSWERS TO QUESTIONS

The Temporary Deputy Speaker (Mr. Khamasi): Hon. Members, as you can see, we have only 25 minutes for Questions. There are five Questions and each will, therefore, take exactly five minutes!

I will start with Ordinary Questions and call upon the hon. Member for Kerugoya-Kutus Constituency!

Question No.120

ESTABLISHMENT OF KIE SHEDS IN KERUGOYA TOWN

Mr. Karaba asked the Minister for Trade and Industry:-

(a) whether he is aware that the Kenya Industrial Estates (KIE) is no longer meeting the objective for which it was established; and,

(b) when the Ministry will establish KIE sheds in Kerugoya Town.

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

(a) Yes, I am aware that due to inadequate financial resources the KIE has not been able to effectively meet its mandated objectives.

(b) The construction of the KIE sheds at Kerugoya Town is scheduled to commence during the period 2007 - 2011 subject to availability of land.

Mr. Karaba: Mr. Temporary Deputy Speaker, Sir, considering that industrialisation in Kenya is supposed to have picked by the year 2015; also noting that going by this phenomenal growth, time is running out, some KIE sheds should have been put up by now so that we can start the cottages. This is one of the priority areas that I think we must work on even before we do other things. We are thinking about an industrialised Kenya. Please, comment on that.

Mr. Awori: Mr. Temporary Deputy Speaker, Sir, I could not agree more with the Questioner. I realise that in order to achieve the objective of the Vision 2030, we need to strengthen the informal sector. That means that all the KIE sheds, including *Jua Kali* sheds, should be built.

I have said earlier that we intend to fulfil the need for KIE sheds in Kerugoya Town before the end of the next Session of Parliament. I have just undertaken that it is within the Budgets of the years between 2007 and 2011.

Mr. Muturi: Mr. Temporary Deputy Speaker, Sir, now that the Vice-President and Minister for Home Affairs has talked about the Vision 2030 with regard to its connection to the KIE sheds; given the success that has been noted with regard various devolved funds, could he consider making it a policy, that there will be such sheds in every constituency?

Mr. Awori: Yes, Mr. Temporary Deputy Speaker, Sir. I think the Minister for Trade and Industry can seriously consider that. That is a policy matter. I agree that, having started with devolving fund on the Constituencies Development Fund (CDF), we have seen the effects. The youth have now said they will have polytechnics in every constituency. I entirely agree and will pass that information to the substantive Minister whom I am sure will agree.

Mr. Wakoli: Mr. Temporary Deputy Speaker, Sir, given the fact that the Government had initiated the Youth Enterprise Development Fund and that, previously, KIE sheds were business centres in various communities before it collapsed as a result of lack of finances, could he initiate these sheds, so that the youth, who borrow money, can use them to run their businesses?

Mr. Awori: Again, Mr. Temporary Deputy Speaker, Sir, I cannot agree more with the Questioner. I think that is the way forward.

The Temporary Deputy Speaker (Mr. Khamasi): Ask your last question, Mr. Karaba!

Mr. Karaba: Mr. Temporary Deputy Speaker, Sir, the way forward starts from this year so that we can start realising that there is need--- The Government policy of industrialisation starts this year. We can set a fund for this year only.

Mr. Awori: (Mr. Awori): Mr. Temporary Deputy Speaker, Sir, in particular with Kerugoya, I have undertaken that from 2007 onwards, it is possible that we can start building sheds immediately.

Question No.066

REHABILITATION OF BUSIA AIRSTRIP

Mr. Ojaamong asked the Minister for Transport:-

(a) when the Busia Airstrip will be fully rehabilitated; and,

(b) when the Ministry will construct railway crossings at Kajei-Malaba and Kiriko-Kamolo.

The Assistant Minister for Transport (Ms. Mbarire): Mr. Temporary Deputy Speaker, Sir, I beg to reply.

(a) Rehabilitation works at the Busia Airstrip began in the 2005/2006 Financial Year by undertaking the construction of a perimeter fence, a gate and a sentry box under the Ministry of Roads and Public Works. Subsequently, the District Works Officer identified further works for implementation at the airstrip thereby ensuring that it is maintained in a good condition for the safe operation of aircraft. The work will involve clearing, grading and gravelling of the runway at an estimated cost of Kshs5.8 million. Full rehabilitation can now be undertaken because funds have been availed.

(b) The Ministry and Kenya Railways Corporation have not received any request or application for the construction of the railway crossings at Kajei-Malaba and Kiriko-Kamolo. There are, therefore, no arrangements in place for the construction of the level crossings. If there is need, the local authority should formally apply for the construction of the railway crossings directly to the Kenya Railways Corporation, which will give due consideration based on the operational, safety and other implications.

Mr. Ojaamong: Mr. Temporary Deputy Speaker, Sir, the railway line divides Teso District almost into two. So, it has made it very difficult for the population on one side to cross over to the other side because of Kenya Railways Corporation's regulations. Residents are being arrested day and night because they are not free to cross the railway line. Could the Ministry consider, because of the need of the people to cross from one part of Teso District to another, putting two railway crossings? It would only cost around Kshs100,000.

Ms. Mbarire: Mr. Temporary Deputy Speaker, Sir, it is in the interest of the Ministry to ensure that the residents move freely within the constituency. Therefore, if the hon. Member could organise for the application to be done immediately, we shall take action as soon as we receive the application.

Mr. Ligale: Mr. Temporary Deputy Speaker, Sir, one of the problems that led to the accident that occurred at Busia Airstrip in 2003 was the length of the runway. I did not hear the Assistant Minister, with regard to the rehabilitation works that are going to be done, indicate that they are going to lengthen the runway to ensure that the aircraft would land and take off safely on that airstrip.

Ms. Mbarire: Yes, Mr. Temporary Deputy Speaker, Sir, that will be taken into consideration.

Capt. Nakitare: Mr. Temporary Deputy Speaker, Sir, noting that airstrips are very important in the transport industry in Kenya; and also noting that this Ministry has not been strict enough to prohibit people from planting maize around airstrips, especially Kitale Airstrip, whose runway is 1,500 metres--- It caters for the DC's place. What action is the Assistant Minister going take to prohibit people from planting maize around the airstrip and burning corn stalks after harvest?

Ms. Mbarire: Mr. Temporary Deputy Speaker, Sir, we noted that problem and we are taking action on it. I need to let the House know that in the past, the management and maintenance of airstrips was under the Office of the President. Subsequently, all the work was being done by the Ministry of Roads and Public Works. Now, the management of these airstrips is under the Kenya Airports Authority (KAA). We are, therefore, taking due action to ensure that all airstrips are safe for landing.

Mr. Ojaamong: Mr. Temporary Deputy Speaker, Sir, first, I would like to thank the Ministry for availing the funds for the rehabilitation of the airstrip. However, previously, the money for the rehabilitation works was disbursed to the District Works Officer (DWO) in Busia District whereas the airstrip is in Teso District. Are there any measures that have been put in place this time to transfer this money to the District Works Officer in Teso and not the one in Busia? This is because he has been causing a lot of disharmony in the neighbouring district.

Ms. Mbarire: Mr. Temporary Deputy Speaker, Sir, just as I told the House, the maintenance of all airstrips is now under the KAA. Therefore, the money will not actually go to the DWO directly. The KAA will have direct control of that money.

Question No.322

NUMBER OF PUBLIC OFFICERS
SACKED/RETIRED IN 2003

Mr. J. Nyagah asked the Minister of State for Public Service:-

- (a) how many senior public officers were retired in the first year of the current Government;
- (b) how many received sacking, termination, or early retirement letters; and,
- (c) how many have received their pensions.

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

(a) Five Permanent Secretaries and 26 chairmen of parastatals were retired. Some had their contracts terminated or retired respectively in the first year of the current Government.

(b) All the five former Permanent Secretaries received letters of retirement on reorganisation of Government or abolition of office.

(c) Out of the five Permanent Secretaries, four have received their pensions. However, the former Permanent Secretary and Secretary to the Cabinet and Head of Public Service has not received her pension.

Mr. J. Nyagah: Mr. Temporary Deputy Speaker, Sir, I am extremely disappointed with his answer because every Kenyan knows that close to 500 people, who were senior officers in the public sector, that is, both Civil Service and parastatals, are at home without the things that I have asked for. I am prepared to assist the Assistant Minister. I have a list, which I have just been given, of 81 Kalenjins, just to mention one community. These people were sacked and the terms--- I am

willing to table this document to prove that not only five people were sacked or retired, rather it is, at least, 500 people. I can help him with this list of 81 names of people who come from one province alone so that he can do further investigations.

Mr. Temporary Deputy Speaker, Sir, this answer is not satisfactory. Am I allowed to table this document?

Hon. Members: Table it!

(Mr. J. Nyagah laid the document on the Table)

The Temporary Deputy Speaker (Mr. Khamasi): Mr. J. Nyagah, what is your question then?

Mr. J. Nyagah: Mr. Temporary Deputy Speaker, Sir, my question is whether the Assistant Minister is willing to relook at this as an example of what I am talking about and answer this Question afresh. This is because I want us to address how the sacking of senior civil servants will be done in future when Government changes.

Mr. Mganga: Mr. Temporary Deputy Speaker, Sir, I will be happy to have a look at that list of names so that I can comment competently on what the hon. Member is referring to. May I, please, have a look at the list?

The Temporary Deputy Speaker (Mr. Khamasi): Order, Assistant Minister! Mr. J. Nyagah, you have been here long enough. How do you expect the Chair to admit such a document?

Mr. J. Nyagah: Mr. Temporary Deputy Speaker, Sir, I was trying to help him.

The Temporary Deputy Speaker (Mr. Khamasi): Well, you must help with documentation that is legitimate and authenticated. This one is not even signed! What is its origin?

Mr. J. Nyagah: Mr. Temporary Deputy Speaker, Sir, they are names that I have collected from the villages, particularly in Rift Valley Province.

The Temporary Deputy Speaker (Mr. Khamasi): Order, Mr. J. Nyagah! We do not just accept documents in this format, and you know it. Let us know the origin, have it signed and then we can have a look at it.

(Mr. Osundwa stood up in his place)

Order, Mr. Osundwa! So, this is not admissible, Mr. J. Nyagah! That is the ruling! Next question, Mr. Ligale!

(Several hon. Members stood up in their places)

Order, all of you! Mr. Ligale, ask your question!

(Mr. Mukiri stood up in his place)

Order, Mr. Mukiri! Mr. Ligale is asking his question.

Mr. Ligale: Mr. Temporary Deputy Speaker, Sir, could the Assistant Minister tell this House the reasons for withholding the pension of the retired Head of Public Service, Dr. Sally Kosgey?

Mr. Mganga: Mr. Temporary Deputy Speaker, Sir, whenever public servants have their services terminated or they are retired, they are required to present certain papers to the their

personnel section in order for their pensions to be prepared after the same has been forwarded to the Director of Pensions for him or her to authenticate that the person whose pension is being applied for is actually a civil servant. In this particular case, Dr. Sally Kosgey has not, to date, submitted the following: A copy of her national identity card, commutation of pension and address form, which every civil servant must submit and the personal data for onward transmission to the Director of Pensions. The hon. Member, having been a former civil servant, should know that. Finally, she was required to submit her last pay slip.

The Temporary Deputy Speaker (Mr. Khamasi): Mr. Osundwa, now you can ask your question.

Mr. Osundwa: Thank you, Mr. Temporary Deputy Speaker, Sir. People are known by their names. It is sad that a list of 80 people from one province cannot be admitted in this House. From my district, there was the Post Master-General called Mr. Dan Ameyo, who was sacked by this Government.

(Applause)

There was another one from the Kenya Wildlife Service (KWS), Mr. Mukolwe, who was sacked by this Government. I was also sacked by this Government! So, is it in order for the Assistant Minister to deny obvious facts that people are being sacked without being given their dues?

Mr. Mganga: Mr. Temporary Deputy Speaker, Sir, I think there has to be a very clear understanding between sacking and retirement. Some of the people who are being referred to were retired having attained the normal retirement age of 55 years. Some may have been retired under the 50-year rule which is clearly provided for in the Civil Service Code of Regulations that the Government may retire somebody at such an age without even assigning a reason.

Mr. Sirma: On a point of order, Mr. Temporary Deputy Speaker, Sir. The former Managing Director of the Consolidated Bank of Kenya, Mr. Kipng'etich Bett, is not even 50 years old. He was retired because of his tribal origin and not on any other grounds. Is the Assistant Minister in order to mislead this House?

Mr. Mganga: Mr. Temporary Deputy Speaker, Sir, that is hearsay! We need documentary evidence to see that any person in this country was sacked or relieved of his or her services on account of his or her ethnic background.

Mr. J. Nyagah: Mr. Temporary Deputy Speaker, Sir, my concern in this Question has not been addressed. My concern is that the Kibaki Government will go home; whether today, or 2012 or wherever it comes. How shall we sack those people in an uncivilised manner as we have done now? Could this Government, to help future senior people in the Kenya Government or future governments, come up with criteria of how senior people in the Kenya Government will be treated in a civilised manner? This will ensure that we hand over in a smooth manner and not in an uncivilised manner where sackings were made and other people were put on others' desks. I know people who are sitting at home who have never been formally sacked and who will sue the Government one of these days. To avoid that, could the Assistant Minister agree to review the procedure from now, on how to lay off senior people?

The Temporary Deputy Speaker (Mr. Khamasi): You have already said that, Mr. J. Nyagah! Yes, Mr. Assistant Minister!

Mr. Mganga: Mr. Temporary Deputy Speaker, Sir, as I said earlier on, as for the senior officers who were retired, it was done following the laid down regulations. It is clearly provided for in Regulation 24 of the Civil Service Code of Regulations, that people who are removed on account of abolition or re-organisation of office, are given three months' salary and a similar house

allowance to allow them a soft landing. There is nowhere any civil servant is sacked outside the regulations as the hon. Member is trying to imply. In other words, he is still brewing what has not been admitted in this House. If he can bring a particular case of any individual who was unfairly treated, surely, we will look into the matter.

Question No.242

TARMACKING OF KAPSOIT
-SONDU-KUSA ROAD

Rev. Nyagudi, on behalf of **Mr. Odoyo**, asked the Minister for Roads and Public Works:-

(a) whether he is aware that tarmacking of Road D - Minis Kapsoit Market-Sondu-Kusa Road has not been completed; and,

(b) whether he could inform the House when this road will be completed.

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

(a) The tarmacking of Kapsoit Market-Sondu Road is complete.

(b) Sondu-Kusa Road is under the jurisdiction of the District Roads Committee (DRD). The road should, therefore, be tarmacked once the respective DRC prioritises its tarmacking.

Rev. Nyagudi: Mr. Temporary Deputy Speaker, Sir, I am aware that this road has not been completely tarmacked as the Assistant Minister is alleging. Could he undertake to go and visit this particular road so that he can ascertain what he is giving this House as an answer?

Eng. Toro: Mr. Temporary Deputy Speaker, Sir, the section of the road which was tarmacked is complete and was done between 1997 and January 2002. From that time, after the completion of that section, nothing has been done up to date. The section, as I said, should be looked into by the DRC. If they think it is a priority, then they should actually minute it and send their minutes to the Ministry prioritising that section of the road.

Mr. Bett: Mr. Temporary Deputy Speaker, Sir, the Assistant Minister has said that one section of that road is complete. Is he aware that, that particular section he is talking about as complete; Kapsoit-Sondu Road, is now impassable because it is full of potholes? That is Kapsoit-Sondu Road.

Eng. Toro: Mr. Temporary Deputy Speaker, Sir, the question was whether that section of the road--- Those are two sections of the road under two classifications. One is a Class C road and the other is a Class D road. The question is whether the tarmacking is complete. I said that the completion of the tarmacking was in January, 2002. The award was in 1997. The question is not asking whether the road is full of potholes or not. It was asking about the completion of that section of the road.

Mr. Sungu: On a point of order, Mr. Temporary Deputy Speaker, Sir. I want to know from the Assistant Minister the rationale of doing one part of the road and leaving the other part. I am talking from a position of knowledge. I went to school at Nyabondo, which is even older than the Kenyan Government.

This road from Sondu to Kusa serves a large economic community including the Sondu Miriu Power Plant. Could the Assistant Minister undertake to tarmack this section which was deliberately left out because of discrimination?

Eng. Toro: Mr. Temporary Deputy Speaker, Sir, I do not know who discriminated against the area because the prioritisation was done long before this Government came to power. This was done during the period between 1997 to January 2002. So, whatever criteria was used, I do not

know. Maybe the hon. Member might be knowing because they were in the Government at that time.

The section that was done is classified as C25 and the section that was not done, for whatever reason I do not know, is classified as D218. Those are two different classifications of the road. I do not think there is any discrimination in this. If this road serves a rich agricultural area, it should not have any problem being prioritised by the District Roads Board (DRC).

The Temporary Deputy Speaker (Mr. Khamasi): Hon. Members, we must come to a close. We must now go into the Committee of Ways and Means. Mr. Mukiri's Question is deferred to tomorrow.

Question No.291

TABLING OF LIST OF AFFILIATE
COLLEGES OF PUBLIC UNIVERSITIES

(Question deferred)

COMMITTEE OF WAYS AND MEANS

(Order for Committee read)

MOTION

THAT MR. SPEAKER DO NOW LEAVE THE CHAIR

(The Minister for Finance on 14.6.2007)

*(Resumption of Debate interrupted on
26.6.2007)*

(Fourth Day of Budget Debate)

The Temporary Deputy Speaker (Mr. Khamasi): Who was on the Floor? Mr. Bett, you have three minutes to finish!

Mr. Bett: Mr. Temporary Deputy Speaker, Sir, just to recap, we must allocate adequate funds to the Ministry of Agriculture, the Ministry of Lands and the others. The Government should appreciate that fact completely.

I would have wished to see more funds being allocated for environmental conservation. Global warming and climate change is facing the world. Today, we are having long spells of drought, floods and hailstorms. These are all attributed to climatic changes, which are attributed to the destruction of our forests. It can also be attributed to our lifestyles. We use fuel which releases fumes into the atmosphere which destroy the "blanket" that protects the earth from the sun rays. All these contribute to climate change.

The Ministry of Environment and Natural Resources should have been allocated more funds in order to sensitise the people of this country about forest conservation and the protection of the environment. This will save our future from further destruction from such weather vagaries that we are facing today. Looking at this Budget, I can see that we have allocated a token amount of money to the Ministry, which cannot assist us in mitigating against such weather changes.

Mr. Temporary Deputy Speaker, Sir, finally, a lot of money has been allocated to security and yet, there is still a lot of insecurity. I am concerned about the situation in Mt. Elgon and the *Mungiki* menace. The *Mungiki* sect members are killing a lot of our people, who would be useful economically. The Government must use the funds allocated to it and even more, to fight this menace and similar situations. In Mt. Elgon, the situation has not been resolved. It has been left to stay as it is. Nobody has gone back to Chebyuk because there is no security. I want to plead with the Government to seriously address the issue of land ownership in Chebyuk and other parts of this country, so that we do not have land or tribal clashes in our areas. In Mt. Elgon, the elders have not been listened to. If we fail to listen to the elders, this will continue to aggravate and worsen the situation in Mt. Elgon. We need to have many administrators, for example, District Officers, so that they can be close to the people and listen to them and not the police. We need the administrators, so that they can conduct public relations exercises and talk to the people. We need to appreciate the importance of the elders, the youth, the teachers, the clergymen and finally, the need to protect our children in schools.

With those few remarks, I support the Budget.

The Minister for East African Community (Mr. J.K. Koech): Thank you, Mr. Temporary Deputy Speaker, Sir. I would like to commend the Minister for Finance for coming up with a very good Budget.

It is important for all of us to appreciate what the Government is doing in preparing such a very good Budget and also in the way it is generating revenue for this nation. Currently, we are depending almost wholly on our own resources to finance the Budget. About 96 per cent of our national revenue is generated from within.

This is quite commendable. If we are going to depend on our own sources of revenue, we will, indeed, become independent and we will not bow to the wishes of donors and their conditionalities. This is a very big milestone in our development based on our local sources of revenue. I would like to commend the Minister for Finance and the Kenya Revenue Authority for effectively collecting funds.

Mr. Temporary Deputy Speaker, Sir, we have talked so much about corruption. I believe that corruption has come down even in terms of the amount of revenue we are collecting. Where was the Government revenue going to before? Why was the collection of revenue not to the extent it is being done today? This is one way of showing that the Government has tightened all the corruption loopholes in the collection of revenue. That is why we are collecting enough money to be used within the country.

So much has been said about the economic growth on the negative side. The fact that there has been a big growth rate in the economy of our country, should be commended by all the hon. Members. The current 6.1 per cent economic growth rate has really stimulated the growth of this country. Yesterday, an hon. Member said that there has not been a trickle-down effect of the growth of the economy. We should be appreciative of what is going on. The growth in the agricultural and the construction sectors has made it possible for quite a number of people to get employment. The fact that people have got jobs, shows that there has been a trickle-down effect of the economic growth.

Mr. Temporary Deputy Speaker, Sir, previously, people could not even get casual employment, but the fact that the construction sector is doing well, means that they are now getting some form of subsistence.

Mr. Temporary Deputy Speaker, Sir, it is very clear that the poverty index has gone down by more than 10 per cent which means that quite a good number of Kenyans enjoy better living standards than before. I think we should not downplay this and say "Why do we talk about a growth in the economy and there is no trickle down effect?" Quite a good number of farmers who

had not been paid for their sugar are now being paid. That must be having an impact on their livelihood.

Hon. Bett has talked about the environment. It is true that the Ministry of Environment and Natural Resources should be given more money. Global warming is not being caused by Kenyans. It is being caused by people from the Western countries who have got huge industries and they are spoiling the atmosphere. We would like to request those countries to pay for the damages. They should pay damages to a country like Kenya so that we can do re-afforestation because they have failed to control environmental degradation in their own countries.

The Ozone Layer is not being destroyed by Kenyans. It is being destroyed by the Western industrial states. They should compensate us by giving us more money so that we can plant trees in order to reduce the damage they are causing to the world. So, we should not talk here as if it is Kenyans who are causing global warming. The amount of carbon dioxide we are emitting into the atmosphere is a very small fraction of the amount of gas being emitted by the industrial countries into the atmosphere. That is why we have got climate change and floods. That is why the weather has changed. We have been having rains from October until this time. This time should be a dry period.

Some of us have not been able to plant crops because of too much rain. We come from water-logged areas where you cannot plant crops because you cannot go to the farm. This has been caused by global warming which has been generated by emission of gas into the atmosphere by industrial countries. That does not mean that we should not protect our environment. We should protect our environment, but we are not the cause of this global warming.

Mr. Temporary Deputy Speaker, Sir, I want to say a bit about the East African Community. I would like to request hon. Members to support us in passing out more information about the East African Community especially on the fast-tracking of a political federation. The establishment of the Customs Union, especially at this time when we are negotiating the protocol on the common market, will have a big impact on the economy of Kenya because we sell quite a good number of our products to Uganda, Tanzania, Rwanda and Burundi. This means that the East African Community is doing quite a lot for this nation.

The improvement of revenue collection which we have witnessed is as a result of the economic integration in the region. I want to request my colleagues that even when they go campaigning for elections, they should also talk about the fast-tracking of the political federation. This will assist us and strengthen the economy of this country if we move on that particular aspect.

Mr. Temporary Deputy Speaker, Sir, I would also like to commend the Government on the Rural Electrification Programme. When you travel throughout the country, you will see a lot of electric poles everywhere. Most of the centres in this country will now have electricity.

I find a lot of poles being imported from Tanzania. So, every time I go to Arusha, I know that the poles from there are benefiting the people of this country. Rural electrification has become extremely successful. Some people are complaining that roads are not being constructed. I am happy that when I go from here to my constituency, I have noted that there is heavy construction of roads from Maai Mahiu to Narok. There is another road which has been completed from Narok to Sotik. This road will enhance development in South Rift. I would like this House to appreciate that it will be extremely important.

Mr. Temporary Deputy Speaker, Sir, there is talk that the general elections will be held next year. I think we should be ready for elections in December. I think hon. Members of Parliament are tired. You can see that there are very few hon. Members in the House because they want to go for elections. So, if we talk about elections in February, there will be no quorum in this House. I think we should go for elections as scheduled in December.

We should not employ some funny tactics. Perhaps, some people are not prepared. I do not

think that the election date has been changed and it should not be changed. We are fully prepared to meet the challenges in elections. We should all go for elections come December. We should not be talking about having elections in February or extending the life of this Parliament. This is a cry from some people who are not prepared for elections.

Most of the time, there are very few hon. Members of Parliament in the House because they are tired. They want to go for elections so that they can renew their energy. Those who will come back to the House want to renew their energies.

Mr. Temporary Deputy Speaker, Sir, we went for a referendum so that we could have a new Constitution. The amendments were not accepted by the people of this country. So, we should leave all these issues of minimum reforms so that when we come next time we can go for a comprehensive overhaul of our Constitution. I think we have done a lot of damage to this nation for coming up with minimum constitutional reforms. If the country is going to be ready for a comprehensive constitutional review, then we should go for that. We should not be talking of minimum reforms and then we do a lot of patching up of our Constitution. We should have comprehensive reforms. This patching up is not doing this country any good. I think we should be talking about comprehensive reforms rather than minimum reforms which will not do anything for this nation.

With those few remarks, I beg to support.

Mr. Mwandawiro: Asante sana, Bw. Naibu Spika wa Muda kwa kunipatia fursa hii ili nichangie Hoja hii muhimu ya Bajeti. Tangu mwanzo kitu ambacho kimenipendeza zaidi katika hii Bajeti ni kwamba inategemea kidogo sana pesa kutoka kwa wafadhili. Nafikiri tukiwa na huo mwenendo wa kuhakikisha kwamba Bajeti yetu inategemea rasilmali zetu za ndani, nafikiri hapo tutakuwa tunaendelea vizuri sana kwa sababu uchumi wetu hauwezi kuyumbishwa yumbishwa na siasa kutoka kwa wafadhili kutoka nchi za nje.

Ni muhimu kwa Serikali, Bunge na Wakenya kwa jumla kutoa sauti kali kabisa kwamba hili deni kubwa ambalo tunabebeshwa na wabeberu iondoke. Serikali yoyote ya Magharibi ambayo inasema kwamba ni marafiki ya Wakenya haiwezi kuendelea kusema kwamba ina urafiki na Kenya wakati ambapo nchi yetu inabebeshwa deni kubwa sana ambalo tunalipa. Kama deni hilo lingekuwa limeondolewa, nafikiri Bajeti hii yetu ingekuwa inaendelea vizuri zaidi.

Kwa vile sasa tuna Kamati ya Bajeti ya Bunge, ni muhimu katika siku za usoni Bunge lihusishwe, kutoka mwanzo, katika kuandika Bajeti. Haitoshi tuje hapa kupiga debe na kusifu Bajeti na tunajua kwamba hatuwezi kubadilisha chochote ndani ya Bajeti.

Kwa hivyo, tunajua kwamba katika siku za usoni, ambazo zinaweza kuja, tunatarajia kwamba Bunge itahusishwa kutoka mwanzo katika kuandika na kuadhiri swala la Bajeti. Hofu yangu ni kwamba tunasema kuwa tunakusanya kodi nyingi zaidi na tunatengeneza Bajeti na pia mojawapo za hela tutazipata kutoka kwa kubinafsisha mashirika ya umma kama posta na huduma nyingine za simu.

Uchumi wa kimataifa umefanywa na wasomi, wazalendo Wafrika na wale ambao wanaingilia mambo ya kiuchumi kwa undani. Sijui kama Mawaziri wa mipango na fedha wanasoma. Lakini, tunafanya yale makosa ambayo wengine wanarekebisha. Tukiangilia huko America ya Kusini imekuwa ni uwazi. Uchumi utaendelea ikiwa sekta ya fedha itapewa kipaumbele. Tukisema kwamba tutauza kila kitu na kubinafsisha--- Tukibinafsisha, tunawanufaisha matajiri wa ndani na vile vile wabeberu kutoka nje. Uchumi hauwezi kukua. Bajeti haiwezi kukua. Ni muhimu kwa Bajeti kukua kwa sababu kuna mipango halisi ya kiuchumi. Lakini mipango ya kiuchumi ambayo inafanya uchumi wa nchi yetu utawaliwe na watu kutoka nje au matajiri walioko huko juu na pesa haziwafikii watu maskini, hiyo haiwezi kutuokoa. Watu kutoka Latin America walijifunza kutoka hayo na sasa, badala ya kubinafsisha mashirika yao, wanayafanya kuwa mikononi mwa Serikali na wananchi. Lakini huku kwetu, tunafanya kinyume.

Tunaendelea kubinafsisha na kufanya yale makosa ambayo wengine walifanya zamani. Tunarudisha makosa hayo hapa. Sidhani kwamba nchi hii itaendelea kuongeza nafasi za kazi, kuongeza ajira, kupunguza umaskini, kupunguza pengo kati ya matajiri na maskini ikiwa itaendelea na hizi sera za kiuchumi za kipebari na ubinafsishaji. Kufanya hivyo hakuwezi kutupeleka mbele.

Bw. Naibu Spika wa Muda, China iliendelea mbele kwa sababu ya kuweka misingi imara ya kiuchumi ya kisoshelisti. Na hivi sasa, ndio wamegundua na kuuhurisha uchumi wao. Lakini miundo msingi yote ya kiuchumi iko mikononi mwa watu wa China ambao wameidhibiti kabisa. Sasa hivi, nchi za Kusini Mashariki mwa Asia zina misingi kama hiyo. Misingi yao ya dola ilikuwa ni muhimu sana katika kuchangia uchumi wa nchi hizo.

Bw. Naibu Spika wa Muda, tunasema kwamba Bajeti imesifiwa sana. Ilikuwa Bajeti wa kuwaangalia maskini na kuwasaidia watu wengi. Lakini la muhimu zaidi ni utekelezaji. Mimi nimeona, miaka nenda, miaka rudi, tunafanaya Bajeti. Lakini mitaa ya mabanda huko Kibera, Korogocho na Mathare inazidi na inaendelea kuwa ile ile. Nitakiangalia kipimo cha hii Bajeti. Wananchi watapima na waulize: "Je, baada ya kutengeneza hii Bajeti, mitaa ya mabanda imepungua ama imeongezeka? Pengo kati ya matajiri na maskini limepanuka zaidi ama limepungua zaidi?" Nasema hivyo kwa sababu hii Bajeti imewekwa katika msingi wa mipango ya kiuchumi ya kipebari. Nafikiri hata tukiambiwa uchumi umekua, utaendela kukua kwa wale wachache ambao wako juu, yaani wale matajiri. Ile sehemu nyingine ya wananchi haiwezi kufikiwa.

Bw. Naibu Spika wa Muda, utekelezaji wa hii Bajeti ni lazima uangalie haki katika nchi. Tunazungumza kwamba Bajeti imetengenezwa kuboresha maji. Lakini huku ndani, hatujaona mpango wa Serikali wa maji hata kidogo. Karibu miradi yote ya maji ambayo inatekelezwa katika Wilaya ya Taita-Taveta inatumia pesa za Constituencies Development Fund (CDF). Hakuna mradi wa maji kutoka Wizara ya Maji katika Wudanyi. Kumekuwa na ubaguzi mkubwa sana. Sehemu nyingine za nchi zinapewa Kshs500 milioni kwa wilaya mzima. Sehemu nyingine zinapewa Kshs400 milioni. Wilaya ya Taita-Taveta imepewa Kshs5 milioni kutoka Wizara ya Maji. Hiyo Kshs5 milioni ni ya wilaya yote na sehenu nne za uwakilishi Bungeni! Hizo pesa hazitoshi kutekeleza miradi ya maji. Ufisadi ambao unaendelea katika Wizara ya Maji, hasa katika ngazi ya wilaya ni pingamizi kubwa ambayo inazuia maendeleo. Kwa hivyo, lazima kuwe na haki. Haiwezekani kwamba Mkoa wa Pwani unatoa karibu Kshs60 bilioni za kodi kila mwaka, lakini hatuoni chochote. Hatuoni chuo kikuu. Hatuoni miradi ya maji ikiendelea na mambo mengine yanafanywa huko nje. Ni lazima kuwe na haki. Ndio tunasema sisi watu wa Pwani tunangojea Katiba mpya nyenye msingi wa Bomas, ambapo kutakuwa na usambazaji wa mamlaka na mipango ambayo itagawa nchi yetu kimajimbo.

Bw. Naibu Spika wa Muda, na wakati huo huo, tukizungumzia uchaguzi unaokuja, ni muhimu kuwe na mabadiliko maalumu muhimu ya Katiba. Haswa, ili mtu awe Rais, ni lazima apate zaidi ya asilimia 51. Sijui ni kwa nini watu wanaogopa jambo hilo. Hata kusema Bunge litahairishwa ni kujaribu kuhujumu juhudi za wale watu ambao wanataka kuleta mabadiliko ya kimsingi ya Kikatiba. Nasema kwamba, ili nchi iendelee vizuri, hayo mabadiliko ya kimsingi ni lazima yawepo mwaka huu. Bunge hili litakuwa limechangia hayo. Hata ikiwa uchaguzi utahairishwa, ni sawa. Muhimu zaidi ni mabadiliko ya kimsingi ya Kikatiba yatokee, hasa kile kifungu kinachosema kwamba ili mtu awe Rais, ni lazima apate zaidi ya asilimia 51 ya kura zote.

Bw. Naibu Spika wa Muda, usalama ni jambo muhimu. Lakini Waziri wa Usalama asitumie ofisi yake kupambana na watu ambao anawaona ni maadui wake. Sioni ni kwa nini watu wengine wanyang'anywe ulinzi wa polisi wakati tunajua mtu ambaye ameongoza maandamano ya mungiki hapa katika nchi yetu. Halafu, inasemekana watu wengine wamenyang'anywa ulinzi. Na wale watu ambao wanafanya hiyo wanajulikana. Watu ambao wamekula kiapo wamesemwa hapa.

Halafu wanachaguliwa wengine wachache kutelekeza visasi vya kibinafsi. Halafu wananyang'anywa ulinzi huo. Ndiyo nasema hapa kwamba njama hizo sisielewi. Ukiwa Waziri, ni lazima Bajeti itengenezwe ya kuangalia usalama wa kila mtu. Sio kuangalia usalama wako mwenyewe na marafiki zako, na kuuondoa usalama kutoka kwa wengine ambao hukubaliani nao. Vile vile, wakati tunaangalia usalama, lazima tuhakikishe kwamba kuna usawa wa kisheria. Lazima tuhakikishe kwamba hatuvunji haki za kibinadamu. Hakuna mtu anataka kuvunjwa kwa sheria. Hakuna mtu ambaye hataki usalama wa wananchi. Lakini yule ambaye analenga maskini katika mitaa ya Mathare na Korogocho, eti anapambana na umaskini huku anakanyanga akina mama--- Na huku unavunja nyumba za watu na kuwauwa bila kuwapeleka mahakamani au kujua ikiwa kweli ni wahaalifu--- Nafikiri huo hautakuwa mfano mzuri katika nchi yetu ya Kenya.

Kuwa ujumla, wakati nazungumzia swala la uchaguzi wa mwaka ujao---

The Temporary Deputy Speaker (Mr. Khamasi): Time up!

Mr. Mwandawiro: Bw. Naibu Spika wa Muda, kwa hayo, sina budi kuunga mkono.

The Assistant Minister for East African Community (Dr. Khalwale): Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me this opportunity. I would like to say that I rise to support the Budget Speech because, in my view, it is an improvement on the previous Budget that we had an opportunity to listen to last year.

When I did a quick overview of the Budget that was read by the Minister, I realised that, probably, the best time to raise substantive issues would be when we shall be speaking on the various Votes. However, what becomes evident at the very beginning is that, one cannot use the system that we use in making the Budget in this country, and be able to achieve any form of equity. I mean equity in terms of the number of kilometres of roads built in this country, the distribution of water sources, health centres and housing. We cannot achieve that if we continue using this archaic system. It is important that we yield the ground and allow the creation of a Budget Office in this particular Parliament to address those issues. I would like to visit various issues that were raised in the Speech.

With regard to health, I would like, as I support the money that was voted for that particular sector, to mention that it is very disheartening to note that, over the last two years, in my constituency, for example, the Government has spent Kshs40 million to put up a modern sub-district hospital in the name of Iguhu. They did not allocate money for equipping and completion of that particular health centre which means that, the project is going to stall for the next 12 months when a lot of Government money has already been pumped into it.

Mr. Temporary Deputy Speaker, Sir, on this issue of health, I am also wondering whether the Ministry of Health and the Office of the President are aware of some of the serious conferences that take place in this country; that touch on serious health issues. Last year, we had the World Social Forum that attempted to justify some weird behaviour like homosexuality in this country. But the Office of the President was quiet as we saw our youth being exposed to groups that had the audacity of coming before cameras to advance the interests of homosexuals. This has replayed itself in a workshop that is currently taking place in this city which is advocating for the rights of women. I am surprised that, at that workshop, our Vice-President was represented by his Assistant Minister who is reported to have supported the issue of abortion.

I would like to use the Floor of this House to say that as much as we support the rights of women, we are also going to use this House and use our various professional callings, to ensure that also the rights of the children both born and unborn are also protected. It is important for us to know whether the speech that was read at this particular workshop was the position of the Government or the position of the Vice-President as an individual. I do not believe that some of us support abortion. We are going to oppose abortion at every stage.

Mr. Temporary Deputy Speaker, Sir, I would like to find out from the Minister for Finance

about the pyramid schemes. Hon. Members know the issue of DECI, Global and another one called ACID. I wonder how these particular organizations are licensed and allowed to operate to the extent of conning members of the public of millions of hard-earned money. The case of Global, for example, which is very active in Western Province, is actually run by a criminal. This is a criminal who stole Kshs400 million from a bank in Moshi. The man was arrested and arraigned before the court but he bribed his way out. He is now using that money to run a pyramid scheme that the Government has completely refused to regulate or close down altogether.

Time has come for the Central Bank of Kenya (CBK) to start playing a more active role. There are certain banks in this country which, when you look at what they are doing, you wonder whether we are going to have a replay of what happened in the past. In the past, we had Urban-Rural Bank in this country which collapsed with the savings of members of the public. We also had Trust Bank which collapsed with the savings of the members of the public. Now there is a bank by the name Equity, the way it is operating, I am not too sure that this bank is not also going to go under with money belonging to members of the public. It beats logic how a bank can accept somebody to open an account that is going to be transacting millions of shillings, without that person being introduced by somebody who is credible. It beats logic how the minimum opening account can be reduced to Kshs400 unless that particular bank is up to mischief or it is politically-correct.

Mr. Temporary Deputy Speaker, Sir, before I end my speech, I want to compliment the Minister for factoring in the directive of the President that tuition fees should not be paid in secondary schools. I want to compliment him, but also remind him that if we can afford to pay tuition in secondary schools, then we can also afford to pay salaries for our nursery school teachers. We can also afford to waive the little charges in nursery schools. Most of our little children in our constituencies who want to go to Standard One are unable to go because of those particular levies in the nursery schools.

I would like to say something about the East African Community. The combined population of 120 million in the East African Community after Burundi and Rwanda joined, plus the combined Gross Domestic Product (GDP) of US\$40 billion has opened a lot of interest for investors and development partners into our region. It would be my advice to the Government that it should pursue a policy whereby we should enjoin our various development projects and programmes to projects that are funded under the community, because those ones are more likely to attract funding.

Mr. Temporary Deputy Speaker, Sir, for example, the East African Road Network is attracting a lot of funding from the international community because of the above reasons like GDP and also the population. It, therefore, means that if we can link some of our most strategic roads to the East African Road Network it would be easier for those particular roads to get funding.

I would like to conclude my speech by saying one thing about security. I support all fund allocations to the security department. However, we would like to see the results of the money. Today in the evening, I will be attending a fund-raising function to raise money for a young man who was working in Nairobi as a carpenter. He is from Kakamega. His head was hacked off with a saw by the *Mungiki*. Since it is on record in this House that some Ministers, Assistant Ministers and hon. Members of Parliament are associated with *Mungiki*, I am telling them that they should make their contribution, not by giving me money for this particular funeral, but withdrawing from the Government so that those of us who have the backbone of standing up and saying: "To hell with *Mungiki*" can take over and run those Ministries.

Mr. Temporary Deputy Speaker, Sir, regarding the issue of water, the allocation of money towards water projects continuously to certain parts of the country leaving out others, is really causing us a lot of problems in operating in various fora in the constituency. It is very annoying that

certain parts in this country have been allocated hundreds of millions of shillings for water, when Kakamega District has only been allocated Kshs6 million.

With those few remarks, I beg to support.

Mr. Khamisi: Bw. Naibu Spika wa Muda, nashukuru kwa kupata nafasi hii ya kuweza kuchangia kwa Hoja hii ya Bajeti ya nchi hii katika mwaka unaokuja. Ningependa kuipongeza Serikali na haswa Waziri wa Fedha kwa kutoa Bajeti ambayo, kusema kweli, imeangalia maslahi ya watu mbalimbali katika nchi hii. Hata hivyo, kuna mambo fulani ambayo ni muhimu yatajwe katika mchango huu. Kwanza, ni vigumu sana kwa Serikali kujaribu kueleza kwamba kweli umaskini umepungua kutoka asilimia 46 na hivi sasa umefikia asilimia 56.8. Na kwamba, Wakenya hivi sasa, wanaishi katika hali bora zaidi kuliko awali. Nasema hivyo kwa sababu ukizunguka katika maeneo ya mashambani, utaona umasikini duni ambao, kusema ukweli, haujaweza kukubalika. Katika sehemu yangu ya uwakilishi Bungeni ya Bahari na Wilaya nzima ya Kilifi, ni wazi kwamba umasikini bado unatandaa. Ni shida kwa Serikali kuweza kueleza na watu kuweza kukubali kwamba uchumi kweli umeimarika. Nafikiri Serikali ina wajibu wa kuwaeleza zaidi wananchi, ili wapate kuelewa ni vipi uchumi umeendelea na hali bei za vitu zimeenda juu.

Bw. Naibu Spika wa Muda, ninatoka katika eneo la utalii -eneo la Pwani - ambapo asilimia 60 ya wageni wote watalii wanaoingia katika nchi hii wanapitia. Hata hivyo, wakati huu ambapo Serikali inatuambia kwamba pesa zinazotokana na utalii zimeongezeka mara tatu kutoka Kshs22 billioni mwaka wa 2003 hadi Kshs56 billioni mwaka wa 2006, hatujaona mtiririko wa pesa hizi au mapato haya katika sehemu zinazopakana na hifadhi za utalii. Kwa hivyo, ni muhimu kwamba wakati tunapowakaribisha wageni, ni lazima tuhakikishe kwamba watu wanaotoka katika sehemu ambazo wageni wale wanahudumiwa, wanafaidika kutokana na mapato yanayotokana na huduma hiyo.

Inasikitisha kwamba wengi wa wageni wanaokuja wanalipa pesa zao nyingi za kigeni katika nchi zao wanakotoka ilhali hapa nchini, kazi za hoteli ni kulipa mishahara tu. Kwa hivyo, ingawa idadi ya watalii wanaokuja Kenya imeongezeka hadi milioni moja na zaidi, ni wazi kwamba pesa zinazolingia katika nchi hii hazifananihwi na idadi ya watalii wanaoingia katika nchi hii. Hii ina maana kwamba watalii wa nchi hii, au Wakenya wenyewe wanaotembelea mbuga za wanyama wa pori au Pwani, wanalipa pesa nyingi zaidi za hoteli kuliko watalii. Itawezekanaje kwa familia moja ya watu wawili na watoto wawili kulipa Kshs30,000 ili kugharamia chumba cha hoteli ya utalii hivi leo, na kulipa Kshs140 ili kuweza kunywa bia katika hoteli hiyo? Ikiwa tunaambiwa kwamba uchumi umeimarika, basi hili ni jambo ambalo linataka ufafanuzi zaidi wa Serikali.

Tukiangalia hali ya barabara, tunaona kwamba hali hii haijaweza kuendelea. Barabara zetu zimeporomoka. Juzi nilitembelea sehemu ya Mt. Kenya na kuangalia barabara inayotengenezwa kutoka Nairobi hadi Nyeri ambako Rais mwenyewe anatoka. Kampuni inayotengeneza barabara hiyo ni Kirinyaga Construction Company. Masikitiko makubwa ni kwamba barabara ile iko katika hali mbaya zaidi kuliko ilivyokuwa hapo mbeleni. Hii ni kwa sababu utengenezaji na ukarabati wa barabara ile ni duni mno. Naomba Serikali itilie mkazo uchunguzi wa barabara, hasa barabara ya Mombasa kwenda Malindi. Kampuni mbili zimepewa kandarasi ya kukarabati barabara hii. Kampuni ya Danjel itakarabati barabara hiyo kutoka Mombasa hadi Kilifi na ile ya Haye Construction itakarabati barabara ya Kilifi hadi Malindi. Masikitiko ni kwamba barabara hiyo, mbali na kwamba zabuni ilitolewa zaidi ya miezi sita iliyopita, haijaweza kukarabatiwa. Usafiri kutoka Kilifi hadi Mombasa sasa unachukua zaidi ya masaa mawili, kwa sababu magari hayawezi tena kupitia katika barabara hiyo. Ikiwa hawa wanakandarasi hawawezi kufanya kazi vizuri, kwa nini Serikali haiwezi kutafuta wanakandarasi wengine wanaoweza kutengeneza barabara zetu vizuri?

Kuna uvumi kwamba barabara muhimu ya kuunganisha upande wa Kilifi na Mariakani

huenda ikatengenezwa. Naomba kwamba barabara hii iharakishwe ili kuwawezesha wasafiri wanaotoka Nairobi kupata njia ya kupitia Mariakani hadi Kilifi bila kuingia Jiji la Mombasa. Hatua hii itaendeleza hali ya uchumi katika Wilaya nzima ya Kilifi.

Bw. Naibu Spika wa Muda, tumeambiwa na Waziri wa Fedha ya kwamba deni la Kshs66.4 bilioni wanaodaiwa wakulima wa pareto limefutuliwa mbali. Vile vile, deni la Kshs641 milioni wanaodaiwa wakulima wa kahawa limefutuliwa mbali. Hatupingi jambo hilo, lakini, je, wale wakulima wengine wanafaidika namna gani kutokana na hali hii? Katika sehemu ya Pwani, korosho ni zao la muhimu sana. Hata hivyo, zao hilo limesahauliwa na Serikali. Serikali inaonekana haina tena hamu ya kufungua kiwanda cha korosho na kuendeleza ukulima wa zao hilo katika sehemu ile. Hii ina maana kwamba uchumi wetu umeporomoka kutokana na uhafifu wa Serikali katika kuendeleza kilimo.

Bw. Naibu Spika wa Muda, mnazi ni mti wenye mazao zaidi ya 40 yanayoweza kuleta hali bora ya uchumi. Hivi sasa, Serikali imeshindwa kukamilisha kazi ya kuendeleza zao la mnazi, ili kuhakikisha kwamba yale mazao 40 ambayo yako, kuanzia mbao, fito, makuti, madafu na kadhalika, yanawasaidia wananchi wa sehemu zile ambako zao hilo linakuzwa.

Bw. Naibu Spika wa Muda, tumeambiwa kwamba Kshs1.3 bilioni zimetolewa na Serikali ili kuwzesha kupewa makao watu ambao walinyang'anywa makao yao. Tunataka ufafanuzi wa Serikali kama pesa hizi pia zitatumwa kuwasaidi maskwota katika sehemu ya Pwani, ambao hivi sasa wanataabika. Kwa muda wa miaka minne, Serikali imekuwa inatuhadaa, kwamba hali ya uskwota itamalizika. Hadi leo, zaidi ya asilimia 80 ya wakaazi wa Pwani, wanaishi kama maskwota. Baada ya miaka 40, hatuwezi kukubali hali hii iendele. Tunataka Waziri atufafanulie ikiwa hizi Kshs1.3 bilioni zitakwenda pia kwa maskwota wa Pwani, au tu kwa wale ambao wameondolewa katika makaazi yao katika sehemu ya Mt. Elgon. Bw. Naibu Spika wa Muda, hivi sasa, kuna mambo yanayozungumzwa kuhusu kuchelewesha uchaguzi hadi mwaka ujao. Mimi napendelea mabadiliko ya Katiba, lakini tusahau mafikira ya kuchelewesha uchaguzi hadi mwaka ujao. Wananchi wa Kenya wanataka uchaguzi ufanywe mwaka huu. Kama kuna ujanja wowote ili kuchelewesha uchaguzi huo hadi mwaka ujao, sisi tunapinga jambo hilo.

Bw. Naibu Spika wa Muda, vile vile, ningependa Serikali iwe wazi kuhusu maeneo ya uwakilishi Bungeni. Inafaa kutueleza upesi ni maeneo mangapi na ya wapi ambayo yataweza kukatwa, kubadilishwa na kuongezwa. Kwa kuwa nchi hii hivi sasa ina shida ya pesa, sidhani kama tuna uwezo wa kuweza kuhudumia tena maeneo ya uwakilishi Bungeni 70 zaidi katika nchi hii.

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

The Assistant Minister for Education (Dr. Mwiria): Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me the opportunity to contribute in support of the good Budget that was read by the Minister for Finance.

Mr. Temporary Deputy Speaker, Sir, first, I want to appreciate what other hon. Members have pointed out; that, of all the budgets that we have had in the last four years, this is the most pro-poor Budget that we have witnessed. This is evidenced in the amount of money allocated for education, both primary and secondary schools, the expansion of university education, rural electrification programme, health and so on.

Mr. Temporary Deputy Speaker, Sir, it is also to the credit of the Minister that issues of taxation were highlighted, where we taxed many more of those that can afford, so that those who are not too lucky can benefit from that taxation. That is a pointer to, eventually, having what is referred to in the West as a welfare state, where those who can afford to pay, pay much more to support the majority that are not so lucky. However, as they pay the taxes, we need to take care of them. The people who are making it possible for us to do as much as we are doing as a Government are those in the business community, those who own industries, and those who are in

gainful employment who, therefore, as a reciprocation from the Government need protection. If they are in industries, they need protection from counterfeit goods and cheap imports. They also need incentives which will attract them to invest in various institutions in this country. We hope that by the time we conclude this Session of Parliament, we will have privatised, virtually, all Government parastatals so that future politicians do not have opportunities to use Government resources to reward people who are politically well-connected. The move will also result in more productivity.

Mr. Temporary Deputy Speaker, Sir, as we support those people who are in the private sector, we need to be careful that we do not block an emerging middle class. That is why there are worries about the Excise Duty imposed on used vehicle spare parts. I think a majority of people who drive nowadays, those who have just joined the driving class, are benefiting from used vehicle spare parts.

We need to support our people in terms of being very careful about share capital with regard to the establishment of banks. This is why I will differ with my friend, Dr. Khalwale, on the issue of Equity Bank. I think it is important for us to have banks that are easily accessible to majority of the poor people who do not have a lot of money to deposit. As long as we put the right mechanisms in place to ensure that customers are not exploited, that is the only way of supporting indigenous banks to compete with the well-established foreign banks of which much has been said about how much they make in terms of profits that are not necessarily channelled to benefit many Kenyans.

With regard to issues affecting poor people, it is okay to tax water. However, if we impose tax on water, it is important to ensure that more water is available to all those people who cannot afford bottled water not only in the form of fountains in various parts of the city, but also in terms of ensuring that the water which is available to the majority of the people in Kenya is well treated than is the case, currently, so that people have confidence in using that water in view of the fact that bottled water will become more expensive.

We need to congratulate the Minister for allocating money for settling squatters. There is already some money to relocate squatters. We need to be extremely sure that the mechanisms for identifying the squatters are rigorous, because there are many people who will come out to claim land because they think it is free. There are a lot of people who are used to benefiting from where they did not sow, or because they, just, want it for free. So, we need to have a very good mechanism to ensure that it is actually the real squatters who benefit.

Secondly, Mr. Temporary Deputy Speaker, Sir, it is important to ask ourselves: Apart from the resources that are available in the Budget, what else can make the available resources go a little further than it is the case? I think one of the ways is to ensure that we repossess grabbed public land, especially the former ADC farms. There are thousands of acres that are owned by people who never bought this land. There are people who got Government land and some of them are protected politically. If we can repossess that land, it could go a long way in supplementing the resources that are available in the Budget. That, itself, is a lot of land, especially when you think about the fact that many squatters are working in pieces of land that were grabbed from the Government. They are themselves squatters in land that really belongs to the people of this country, which was set aside for the people of this country.

One of the benefits of a Budget is also to ask questions on how the Government can spend less on bureaucracies, constituencies, Members of Parliament, Ministers and so on. As much as we talk about new constituencies and districts, we need to have a way of rationalising how we can come up with those new districts and constituencies. If we want to create new constituencies, the idea is not just to carve out those constituencies from existing ones. Maybe the fairest way, given the political nature by which the constituencies have been allocated, is to revisit all the

constituencies boundaries to ensure that there is some kind of fairness and rationalisation, so that it is not politics that determine how constituencies are established. This also applies to districts. We now have many districts because politicians apply to have new districts and they get them so that we have one district with one constituency and we have other districts that have three constituencies and so on, yet there are implications in terms of allocation of resources. If a new district goes with new resources, that then means we should form large districts and give them a proportional share of Government resources.

There are issues about recruitment to the military, to the other disciplined forces and to the teaching, and so on. There are implications with regard to admissions to national schools. If you create a one constituency district, and it is treated the same as a larger district with regard to admissions to national secondary schools, there is a very clear injustice here in terms of some districts being privileged by way of the facilities they got. My argument is that, it is okay to have new districts and new constituencies, but let there be some form of equity so that these new constituencies are established on some form of per capita, especially when we have CDF and bursary money being distributed on the basis of constituencies and other resources being distributed to the districts. It is completely unfair if these resources are distributed to these institutions, if the same institutions exhibit a great deal of inequality in terms of both the population as well as other resources that are available.

In this regard, I will also argue that if we will reduce on Government expenditure, especially on the politicisation of constituencies and the establishment of new Ministries and so on, we need to strengthen democracy to the extent that we will have a strong opposition, a strong Government and whereby politicians will not be available to change political parties. Politicians should not be available for sale like goats in a market place; just moving from one political party to another. We have problems here, because people are not in NARC(K) today and in Shirikisho tomorrow because they have any principles to uphold. They are not in LDP today and ODM(K) tomorrow because of any principles. They were not in DP last year and in NARC(K) this year because of any principles. This has got to situation where people are changing their political parties for the benefit of individual gain or to ensure that they are well stationed with those who are occupying positions of power. Democracy is not about that. It will be very difficult for us to have a strong opposition that will check the excess of Government or to have a Government that will do better than the previous one, if we can just be changing positions without regard for any guidance or any principles. It is for this reason that I think, if minimum reforms will make a difference in terms of making it impossible for politicians to move from one party to another and not to be available for sale at any time, it is worth pursuing that agenda.

Mr. Temporary Deputy Speaker, Sir, let me now turn to the issue of security. I am happy that we got more money for that. But there are certain issues that we have to deal with. First, is the issue about how many police officers we have as compared to the population, but more importantly, there are the issues of merit in the recruitment and promotion in the police force. If vacancies in the police force are available for sale, and in a lot of cases many of the candidates who qualify buy those vacancies--- Even on the issue of promotion, those officers who are promoted do not merit it, but they are able to find their way through some kind of corruption. How much do we expect in terms of those people being the best custodians of justice, if, in fact, they did not merit right from the beginning when they were being recruited? That is a problem that we must confront.

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

Mr. Temporary Deputy Speaker, Sir, it is high time we had a complete change of policy in terms of making the Budget in this country. We have said, time and again, that it is high time hon. Members were involved in the Budget-making process. It is not fair for us to discuss Budget

Speech without our input. Hon. Members here are giving very good contributions on the Budget Speech. However, I wonder whether their contributions will ever be implemented to assist this country.

Mr. Temporary Deputy Speaker, Sir, many hon. Members have complained about the way money meant for water is being distributed in this country. It is a pity that many constituencies in this country do not have sufficient water. Why is this so, when we have Lake Victoria? If we were to channel a lot of funds in the provision of water in this country, our people would not be suffering. This state of affair should not be allowed to prevail for a long time. Who will save this country from perennial water shortages? We do not want to see the Minister and his Assistant Ministers for Water and Irrigation allocating a lot of resources to their own constituencies to provide water to their constituents, while other areas continue to suffer.

Mr. Temporary Deputy Speaker, Sir, in most cases, this Government has never allocated enough funds to our roads. When will time come when this money will be allocated fairly and equitably in this country? This can only be possible if hon. Members are involved in the Budget-making process. They are the only people who can allocate road funds fairly throughout this country.

Mr. Temporary Deputy Speaker, Sir, on agriculture, we should allocate more funds in order to completely curb famine in this country. We should be self-reliant in terms of food production. We should not seek food aid from other countries. This makes us to be referred to as a beggar country. When shall we stop doing this?

Mr. Temporary Deputy Speaker, Sir, nowadays, we see many imported vehicles on our roads. When will we see Kenyan cars on our roads? Why can we not manufacture these vehicles ourselves instead of importing them? We should not make this country a place for only assembling vehicle parts. We should be self-reliant in this field. This is the only way we can realise the Vision 2030 we always talk about.

Mr. Temporary Deputy Speaker, Sir, on the minimum reforms, I would like to add my voice by saying that whenever some individuals want to vie for the presidency of this country, they actually advocate for minimum reforms on our Constitution. They are no longer talking about comprehensive Constitution. Some of these presidential aspirants are promising Kenyans a new constitution within 60 days once they are elected President of this country. We know Kenyans were cheated in 2002 that they would get a new constitution within 100 days of the NARC Administration. The hon. Members who promised Kenyans that they would deliver a new constitution within 100 days are in this House. So, it has been a slogan that whenever one wants to become a President of this country, he promises to deliver a new constitution within 100 days.

Mr. Temporary Deputy Speaker, Sir, let me tell Kenyans to be wary of those people who promise to deliver a new constitution within a stipulated time frame. The present Constitution is good for the rulers and bad for the ruled. If I, hon. Kimeto, wants to become the President of this country, I will also promise to deliver a constitution within 30 days. So, when will these people understand that we need a complete and comprehensive constitution? The former retired President Moi urged Kenyans to allocate enough time for a new constitution. However, many Kenyans, including hon. Members of Parliament here, dismissed him and promised to deliver a new constitution in 100 days. Why do Kenyans like to be cheated? They are being taken for a ride. It is only this Parliament that will sanction a new constitution when the right time comes. It is not possible for us to have a comprehensive constitution before we go for elections. Therefore, it will be a slogan for campaigns during general elections. I want to assure Kenyans we will not have a new constitution in this country if it is not delivered by the current Parliament. It will never be ready if it is not done now. We do not need minimum reforms on our Constitution. We need a constitution that will last for more than a 100 years.

Mr. Temporary Deputy Speaker, Sir, it is a bit sad that the Minister did not allocate money for construction of bridges, especially in flood prone areas. Why can this money not be factored in the Budget? So many people have been marooned by floods in those areas because of lack of bridges. I am sure, hon. Members, would have included this in the Budget if, at all, they were involved.

Mr. Temporary Deputy Speaker, Sir, the security situation in this country is worrying. In Egypt, for example, they do not take security issues for granted. The moment a visitor arrives in Egypt, a police officer is assigned to him. There are specific police officers who take care of whoever visits that country. They take care of their visitors. As a result of this security arrangement, many visitors are visiting Egypt. If this country is insecure as it is now, no visitors will come to invest here. If there is enough security, then our economy will be boosted, particularly in the tourism industry.

The Assistant Minister, Office of the President (Mr. Tarus): On a point of order, Mr. Temporary Deputy Speaker, Sir. Is it in order for the hon. Member on the Floor to discuss other issues? I thought we are discussing the Budget. I have tried to follow him but I cannot hear him mention anything about the Budget.

Mr. Kimeto: Mr. Temporary Deputy Speaker, Sir, why would you allow what we call "the Minister", who has little knowledge, to inform me on what I am talking about, yet I am giving information on what is real in the real Budget? I am giving an exemplary pattern of the Budget. Do not allow people who look at their own scenario as Ministers without being broad-minded to interrupt other people on the Floor. When I was giving an exemplary pattern about the Budget, I was going to say that you can get a lot of money from the visitors.

With those few remarks, I beg to support.

The Assistant Minister for Local Government (Mr. Muchiri): On a point of order, Mr. Temporary Deputy Speaker, Sir. I am seeking your guidance as to whether the rule not to speak again is cast in stone, because I had things that I had not finished with in my previous speech. Am I in order?

The Temporary Deputy Speaker (Mr. Khamasi): Order, Mr. Muchiri! I cannot understand you. What is your problem? Do you want to make a second contribution to this debate? Is that what you are asking?

The Assistant Minister for Local Government (Mr. Muchiri): Mr. Temporary Deputy Speaker, Sir, that is the guidance I am seeking from the Chair.

The Temporary Deputy Speaker (Mr. Khamasi): Mr. Muchiri, our Standing Orders are very clear. You cannot speak twice on this Motion. You have done it once, and that is it! Sorry!

The Assistant Minister for Local Government (Mr. Muchiri): Thank you. I am much obliged, Mr. Temporary Deputy Speaker, Sir.

The Assistant Minister for Livestock and Fisheries Development (Mr. Chiaba): Ahsante sana, Bw. Naibu Spika wa Muda, kwa kunipatia nafasi niungane na wenzangu ili niweze kuichangia Hoja juu ya Makadirio ya Mapato na Matumizi ya Pesa za Serikali ya mwaka wa 2007/2008. Kwa kawaida Serikali husoma Makadirio hayo, lakini kitu muhimu cha kutilia mkazo ni kuhakikisha kwamba sehemu zote za uwakilishi Bungeni humu nchini zimepata maendeleo ya kisawasawa.

Ijapokuwa sisi watu wa Lamu tumeweza kupiga hatua na kupata maendeleo ya kutosha katika kipindi hiki cha uwakilishi Bungeni, bado kuna mambo mengi ambayo tunayatarajia. Kwa mfano, masuala ya maji hayajazingatiwa kikamilifu katika Makadirio haya na Makadirio yaliyopita. Kuna sehemu nzuri za kuanzisha miradi ya maji ili maji yaweze kupatikana kwa matumizi ya watu wa Lamu Mashariki.

Watu wa Lamu Mashariki hutumia maji ya mvua. Maji ya mvua yakikosekana, huwalazimu wakazi wa sehemu hiyo kwenda kutafuta maji Kisiwani Lamu, mwendo ambao huchukua masaa sita kusafiri kwa mashua. Kwa hivyo, ninataka kuisisitizia Wizara inayohusika, pamoja na Wizara ya Fedha, itenge pesa za kutosha ili watu wa sehemu hiyo, ambao wanapenda amani, waweze kupata maji.

Bw. Naibu Spika wa Muda, kwa muda wa miaka 43 tumekuwa tukizungumzia suala la barabara ya kwenda Lamu. Wakati umefika. Mvua iliyonyesha katika sehemu hiyo hivi majuzi imeharibu barabara zote, na watu hawawezi kusafiri kwa usalama unaostahili.

Nikizungumzia usalama humu nchini, inaonekana kwamba kila tukikaribia wakati wa uchaguzi, makabila fulani huwa yako tayari kutumia mabavu, au kutumia mbinu zisizoambatana na sheria, ili kuwaogopesha watu wanaoishi katika sehemu nyingine. Mfano ni yale mapigano ya kikabila yaliyotokea katika sehemu kadhaa humu nchini katika miaka ya 1992 na 1997.

Kwa hivyo, tunaomba Serikali iwe macho ili huu muda uliobakia kabla ya uchaguzi mwakani, kusitokee mambo kama hayo. Mambo kama hayo huiletea nchi hii sifa mbaya, na kuwafanya watu wanaotaka kuleta raslimali humu nchini washuku kwamba raslimali zao hazitaweza kulindwa.

Bw. Naibu Spika wa Muda, jambo lingine ambalo ningependa kuongezea linahusu Mswada juu ya marekebisho kiasi ya Katiba, ambao tunautarajia Bungeni. Mimi sioni kwamba ni sawa kwamba eti kwa sababu tunataka kufanya marekebisho kiasi ya Katiba, ni lazima kipindi cha Bunge hili kiongezwe hadi mwaka ujao. Ninaamini kwamba katika miezi hii mitano iliyosalia, tunaweza kupitisha sheria zote kuhusu marekebisho hayo na kura ipigwe katika mwezi wa Desemba au kabla ya Desemba ili tuweze kuingia katika hicho kipindi kingine kama kawaida.

Kwa hayo machache, ninaunga mkono.

Mr. Chepkitony: Thank you very much, Mr. Temporary Deputy Speaker, Sir, for allowing me to contribute to this debate in support of the Budget Speech.

First of all, I would like to commend the Minister for presenting a Budget which aims at achieving what we desire in this country. The biggest achievement of this Government is sustenance of the Free Primary Education Programme, which was introduced immediately NARC took power. However, the employment of 11,000 teachers, mentioned by the Minister, is not enough. We would like the Minister to employ double or triple this number. Currently, the shortfall of teachers in both primary and secondary schools in the country is about 60,000. Employing only 11,000 teachers out of the 60,000 teachers required will not assist in achieving a high quality of education. So, the Government should attempt to increase the financial allocation to the Ministry of Education, so that it can employ more teachers, so that free primary education can, really, be free. As of now, parents of most primary schools employ teachers to supplement Government teachers. Mr. Temporary Deputy Speaker, Sir, I must commend the Government for waiving tuition fees from January next year. This will go a long way to assist parents to keep their children in school. I would have liked the Ministry to take over payment of salaries to non-teaching staff, who are known as "Board of Governors employees". In addition to waiving tuition fees, the Government should have gone ahead to pay the non-teaching staff in secondary schools, so that the burden on parents, of paying fees in secondary schools, is a little bit alleviated. That would be slightly better.

The amount of loan given to university students by the Higher Education Loans Board (HELB) has remained almost the same over the years. The Government should increase the allocation to the HELB. The HELB should extend its lending to privately-sponsored students. Most of the students who attend privately-sponsored programmes could not attend the regular programmes because of the cut-off point admission criteria; they miss a point or two to qualify for the regular programme. So, such students have no alternative other than pursuing university

education through private sponsorship. It does not mean that they are rich, or that their parents are financially able. So, the prospect of giving HELB loans to privately-sponsored students should be pursued vigorously. The Ministry should invest in all public universities, as well as in private universities.

Mr. Temporary Deputy Speaker, Sir, agriculture is a very important sector in this country. That has been said over and over again since Independence. The agricultural sector contributes 80 per cent of the country's employment, 60 per cent of our export earnings and 24 per cent of the Gross Domestic Product. The Minister mentioned that he is going to do something to restructure the institutions. This should be done. But he did not mention which institutions. We have been wanting the Ministry to assist institutions such as the Kenya Farmers Association (KFA), which used to assist farmers a lot in procuring various inputs, particularly fertilizers, chemicals, farm machinery and many others. But that institution is suffering from financial problems and they need to be assisted to stabilise. So, the Government should pump money to the KFA, the same way it has done to the Kenya Meat Commission (KMC) and the Kenya Co-operative Creameries (KCC). The KFA is very important for both dairy and livestock farming. So, this institution should be assisted.

The Minister mentioned that he is going to do something to reduce the cost of fertilizer, but he did not say how. He did not mention it. He just said it without detailing the concrete action which will be taken. It is currently being monopolized by traders who are interested in making the maximum profit, and you cannot stop a trader from reducing or increasing the price. So, this should be taken up. The only way to do this is, is to revive the KFA which used to be the major importing agent for all farm inputs.

Mr. Temporary Deputy Speaker, Sir, the Minister has taken good action in the dairy industry to reduce tax on powdered milk. This will assist to convert excess milk into powdered milk and vice versa or even export it. This was a commendable thing. He also mentioned something on sugar, coffee and tea, which is commendable. He took a good step regarding pyrethrum to provide, in the Budget, payment to farmers who have still not been paid from 2003 up to now. But he did not mention anything on maize, wheat and cashewnuts. Maize farmers are suffering. Up to now, farmers who delivered their crop to the National Cereals and Produce Board (NCPB) in February have not been paid. They have been told to go and take money from Equity Bank, which charges some interest on the money they take. They should meet that interest which the farmer is charged when he goes to take an advance payment from Equity Bank. Something must be done about the NCPB so that they are able to pay cash on delivery to farmers rather than buying maize on credit. They inconvenience farmers who have so many commitments to meet, for example, paying school fees, household requirements and so many others. So, the NCPB should have a rotating fund which should be there all the time. When they sell the maize, that money should go back to that account so that they do not rely on the Treasury every now and then, asking the Treasury to give them money every year. So, something must be done, in the reforms that the Minister mentioned, to address the issue of the NCPB on the purchase of maize and, possibly, wheat.

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

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

Mr. Temporary Deputy Speaker, Sir, infrastructure is a very important item. A good

amount of money was provided for roads, but they are still in a very bad state all over the country. One wonders when all these roads are going to be repaired. Work is being done on other roads while others are getting worse. The roads which used to be good two years ago are now bad. Since the amount provided for in the Budget is high, the repair and rebuilding of roads should be speeded up so that we are able to catch up with the improvement of the roads. It is contributing to the high cost of doing business, farming, transport and even fares are high because the roads are not good. There are breakdowns on machinery, resulting to high costs of maintenance of machinery and vehicles. This is contributing to the high cost of doing business. Efficiency is also affected. We cannot make proper use of whatever we want; fuel and so forth. This must be addressed.

Mr. Temporary Deputy Speaker, Sir, security is very important. The current state of the *Mungiki* menace is very worrying. It is a reflection of a revolt against the Government. It is a reflection of insecurity and instability. If it is not contained, the country is going to be unstable. So, the Government must use all the resources allocated to it in the Budget, to see to it that this issue is addressed and controlled.

With those few remarks, I beg to support.

Mr. Ojaamong: Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me the opportunity to contribute.

I wish to thank the Minister for having read a very good Speech whose vision or theme was: "Vision 2030: Working Together on the Path to Prosperity". The three pillars for the Vision 2030 were pegged on the economic, social and political pillars. The Minister expounded so much on the achievements of the Government on the economic path, social and even the political pillars.

Mr. Temporary Deputy Speaker, Sir, in our own observation, the Government has tried, compared to the past one, because I think the previous Government was doing nothing, at least, on those three pillars. That is why we are comparing it to a non-existent Government which used to operate our activities in the country.

Mr. Temporary Deputy Speaker, Sir, however, all is not rosy in these sectors. If you come to the political pillar, the Minister said that he is going to create an accountable political democratic system. From the past record of this Government, since it was elected by Kenyans through their own wisdom under NARC, we have ended up with what is now a very tattered Government. How sure are we that this Government is going to have a very sound democratic system in future? How will Kenyans believe you when you came into power as NARC, but now you have ended up as a Government of National Unity? We now have Shirikisho and everything else. We cannot know which Government is in place. How can Kenyans trust you to form the next Government?

It is my belief that even the "Vision 2030" will not be realized by this Government. I am appealing to Kenyans to use their own wisdom to ensure that this Government packs and goes back home so that we can have the Orange Democratic Movement (ODM) Government in power come the year 2008.

Mr. Temporary Deputy Speaker, Sir, when it comes to the allocation of resources, it is common knowledge that some areas have been blacklisted. Some of us who come from marginalized communities have nothing to talk about after representing our people for five years. To make this situation worse, last week, a group of FORD(K) Members of Parliament (MPs) went to State House; a place where we vote our money, where the President is supposed to listen to everybody and ensure that development is distributed equally, and blackmailed some communities in Western Province.

The Assistant Minister for Local Government (Mr. Muchiri): On a point of order, Mr. Temporary Deputy Speaker, Sir. Is it in order for the hon. Member to drag issues relating to party politics into the Budget debate? In any case, the President has the right to see any citizen of this country.

The Temporary Deputy Speaker (Mr. Karaba): Mr. Ojaamong, stick to the Budget debate.

Mr. Ojaamong: Mr. Temporary Deputy Speaker, Sir, what I am saying is that we vote money to State House and also to Office of the President. What I am saying is that the Head of State should not entertain people going there to blackmail other communities. The people should go there with an agenda, which represents their own people. I am saying this with bitterness because for you, you are represented very well there. People went there and talked very badly, and told the President that the Teso hate him, which is very wrong. We voted for His Excellency the President and we deserve to be listened to. The rest of the MPs from Western Province and the community also voted for him. There is no way six people should go there and scheme to exclude other people from the programme. We know the President is coming to Western Province to inspect some development projects and we want to be associated with him, because we have been part and parcel of the system.

So, these other people have a right to development. Last time when the Head of State was in Western Province, we asked him, as a community, and particularly as the Teso, for a few things. One, was the conversion of Alube Sub-District Hospital into a Medical Training College (MTC). We went with the Vice-President, inspected it and found that we have sufficient land, accommodation and laboratories, and we want him to actualise it. We want, in this Budget, money to be ear-marked for the construction of more hostels, facilities and infrastructure so that we can have a medical training college in Alupe.

The second thing we asked His Excellency last time, which we hope in this Budget will be captured, is the tarmacking of the Busia-Malaba Road. That has been in the pipeline all along. We put it to His Excellency the President, and if it is done, all will be good. The third one is that we had asked him as a community to build infrastructure at the Teso District Hospital. I am happy to report that we have already done a ward and money has been set aside for the construction of a theatre, which is on-going. But we need more money. If the Ministry of Health will earmark some funds for the completion of the construction work there, I will be happy.

The fourth thing we asked His Excellency, and which we hope he might do, is the appointment of the Teso people in the Civil Service. Currently, all the civil servants we had in the previous regime have all been wiped out. In fact, the highest ranking civil servant we have is a chief in this Government. We ask His Excellency to consider, so that we can also have ambassadors, Permanent Secretaries and the rest. So, those are the four basic things we are asking from this Government, and it is unfair for some people to scare the President from coming to Teso. He can still come and make promises there. His Excellency is welcome to Teso when he will be touring Western Province, and he will be received with a lot of enthusiasm.

Mr. Temporary Deputy Speaker, Sir, another thing we want urgently in Teso is the creation of an extra constituency. I represent around 80,000 voters as you see me here, and I represent a whole district, which is a very enormous task. I am appealing that when these changes are brought, they should be done in consultation. Previously, Tesos have suffered setbacks in that our Constitution gives the Electoral Commission of Kenya enormous powers to change the names and boundaries of constituencies. Previously, parts of Teso District were handed over to Busia District. So, Nambale has two constituencies. We foresee a similar problem occurring, because the hon. Wetangula is scheming to get part of Teso. I also see hon. Okemo is scheming to get part of Teso, so that they can add to their regions. Wetangula wants it so that he can have an extra constituency. The Busia Members of Parliament would like to have a chunk of Teso, so that they can have another constituency. I want to say before this House that---

The Assistant Minister for Finance (Mr. Kenneth): On a point of order, Mr. Temporary Deputy Speaker, Sir. In terms of our Standing Orders, is it in order for hon. Ojaamong to impute

improper motives on another hon. Member on the Floor of the House without bringing a substantive Motion?

Mr. Ojaamong: I am not imputing any improper motives. I am just trying to highlight what is likely to happen.

I want to state on the Floor of this House that despite the Teso community being accommodative, that should not happen because it will lead to disaster in the region. My appeal is, let the people of Busia and Bungoma concentrate on where they belong and leave the Teso alone. When the Electoral Commission of Kenya goes round, let it go and find out the views of the people on the ground. It should go by those views. Let them not come and cook up issues in Nairobi here and try to impose them on the people.

With those remarks, I beg to support.

Prof. Anyang'-Nyong'o: Mr. Temporary Deputy Speaker, Sir, I stand to contribute to the Committee of Ways and Means, and to make a few points, mainly regarding Government revenue and Government expenditure.

Mr. Temporary Deputy Speaker, Sir, one of the sources of Government revenue is, of course, taxation. We know in this country that when the Minister reads his Budget, he will talk about Income Tax, or the various sources of taxes such as Excise Duty and so on. We know that the port of Mombasa is, perhaps, the biggest source of revenue for the Government, or ought to be the biggest source of revenue. If there is no proper management of the port, if there is no proper accountability at the port, if there are no proper systems of revenue collection at the port, you expect a lot of "haemorrhage" to occur in terms of revenue coming in to Government.

Mr. Temporary Deputy Speaker, Sir, yesterday, as I was watching KTN, there was an extremely sad news of some commodities which came to the country more than ten year ago, I think in 1992, in a container and they are still lying at the Kenya Railways, because nobody has claimed them, or those trying to claim those goods cannot satisfy the Kenya Railways Corporation that they are the rightful owners. It is said that inside that container, whatever you call it, lies tea machinery worth Kshs70 million. I think this must have been as a result of reading the bills of landing that came with the commodities. We understand that wherever those commodities were destined to, whether they were coming into Kenya or heading to Rwanda, somebody has missed the use of this machinery for almost two decades. At the same time, that machinery is occupying useful space at the Kenya Railways Corporation (KRC), for which it should be charged demurrage. But that is not happening. The case is that something must have gone wrong at the Port of Mombasa and KRC, for the right documentation not to be done or for the right person not to be contacted to come and claim the goods. That is just one incident. How many such incidents do we have in this country, where revenue is being lost and commodities are not being used as a result of that inefficiency and, perhaps, corruption?

In that regard, we know that there is an internal container depot in Kisumu, which ought to be used for transiting goods to markets in western Kenya, or for onward transit to countries like Uganda, Rwanda, Burundi and so on. I would like to remind the Government that the internal container depot in Kisumu is grossly under-utilised. I would be surprised if the capacity utilisation of the internal container depot in Kisumu has even reached 30 per cent per annum, ever since it was established. Indeed, that facility is extremely expensive. It can be used very effectively to earn revenue for this country but, somehow, it is not being used to earn revenue for this country.

Mr. Temporary Deputy Speaker, Sir, if I take the rail and harbour system all the way from Mombasa to Busia, and with the introduction of the Rift Valley Railways Corporation (RVRC), which is supposedly a private sector initiative, and understanding that RVRC is only functioning at 47 per cent capacity utilisation, you can understand the opportunity cost that the Government is

going through, having assumed that the concessioning of the railways was going to produce efficiency. But, in actual fact, it has caused inefficiency. These are some of the issues that the Minister should have addressed in his Budget Speech. He should have introduced measures to tighten revenue generation and introduce efficiency in revenue generation, rather than concentrate too much in painting a rosy picture about how the Government is performing, but not telling the nation exactly what problems the Government is going through, so that this Parliament can help it become efficient in revenue collection.

Mr. Temporary Deputy Speaker, Sir, going back to the Port of Mombasa, it has been said and, indeed, there is evidence, that after the first two years of the NARC Government, there was a little bit of vigilance. Since the end of the year 2005, the Port of Mombasa has gone back to its original inefficiency and corruption. Not too long ago, a whole ship-load of small arms and grenades were imported through the Port of Mombasa. Under normal circumstances, such arms should be transported to Nairobi or wherever they are destined in Kenya through the railways, because of security reasons. We have it on record that those arms were transported by road, something which created a lot of insecurity in Kenya. No wonder, there are now reports that *Mungiki* are using grenades here and there. Where did those grenades come from? Could the Government give a proper account of why we need grenades in this day and time? We are not fighting a war with anybody! Since that incident occurred, the *Mungiki* are now having access to grenades in this country. How can we have a Government that wants security in the country, and then make it possible for elements of insecurity to have access to small arms? That is because of inefficiency at the Port of Mombasa, which is both a threat to our security and a threat to our efficiency in revenue collection. I would have liked the Minister to really dwell on this issue, because no Government can present an item of expenditure to the National Assembly without having the other positive side of increasing revenue. That is why we have had the biggest deficit in the history of this Parliament, of Kshs104 billion. I am not quite sure whether the Government has satisfied this House on how it will raise that amount. If the Government will raise the Kshs104 billion through Treasury Bills and Bonds, this will begin an inflationary tendency in this country, which is already too much for the common man. At 14 per cent inflation, when that goes downstream up to the consumer at the retail shop, it becomes unbearable to the people. Mr. Temporary Deputy Speaker, Sir, you only needed to talk to the ordinary *wananchi* on the streets of Nairobi after the Budget was read and analysed by newspapers in terms of buying wage goods in this country, to understand how anticipatory the traders and people in commerce and industry are becoming in terms of the on-coming inflation. Prices are already rising in anticipation of the inflation that is coming because of the deficit budgeting system that has been produced by this Government.

Mr. Temporary Deputy Speaker, Sir, I would not have minded if the Government wanted to go into debt. If the Government wants to invest heavily in infrastructure--- If the Government wanted to negotiate commercial debts internationally and invest that money in improving infrastructure in this country--- For example, in building a dual carriage way from Mombasa to Busia. That was a key plank in the NARC Manifesto in which I was very central. That was never done because of listening to the World Bank which made a very foolish argument. It said : "Because of the amount of traffic on the road, we cannot build a dual carriage way. We want to wait until the traffic there---" It has been proven historically that once you build a good road, the traffic will come because people will import cars to drive to Mombasa and Kisumu because they know there is a good road. But if there is no good road, you are crazy to import a car to drive from Mombasa to Kisumu! It is now understandable why people are trying to drive four-wheel drive cars and even Hummers. That is because the roads are so bad. Unless you have a Hummer, you cannot go to Kapsabet. To drive from Nakuru to Kisumu, you need a Hummer and a half! That is not good

for the revenue of this country. In order to reduce the amount of money people spend on cars, it is important that we go into debt to improve infrastructure. But we do not go into debt to subsidize an inflationary Budget, which is not investing equally in infrastructure.

Mr. Temporary Deputy Speaker, Sir, I was astonished! It was established over two years ago--- In fact, when we came into the Government, we were told that, in order to revamp the rail-road system, we need Kshs101 billion. What does the Budget present us today? An amount of Kshs66 billion! That is almost less than half of what we need. Let us spend money effectively where it is going to make a difference. I call this Budget a *Kalongolongo* Budget! If you want to know what *Kalongolongo* means, look at the dictionary. A *Kalongolongo* Budget means you allocate little things here, little things there and pretend that you are cooking. But you are not cooking! That is what it means!

The Temporary Deputy Speaker (Mr. Karaba): Order, Prof. Anyang'-Nyong'o! Your time is up!

Prof. Anyang'-Nyong'o: Mr. Temporary Deputy Speaker, Sir, with those few remarks, I beg to support.

Mr. Samoei: Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me a chance to make a contribution to the Budget Speech by the Minister for Finance. I want to congratulate the Minister because he made some very positive indications of what he intends to do.

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

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

Of specific concern to me is the money that the Minister intends to invest in infrastructure development. Infrastructure will play a very central role in turning the economy of this country round. It will generate a high level of activity and ease the environment in which businesses can go on in our country. I am thinking about infrastructure in terms of Information and Communication Technology (ICT), our road network, rural electrification and expanding our railway network. I would have expected the Minister to go a step further. It is possible for us to increase funding, especially to that sector, if we encourage private-public partnership. It is possible for us to raise between Kshs200 billion and Kshs300 billion. That is the money we require to put in place the kind of infrastructure that will give this country the opportunity to take off into the 21st Century as a first world economy and country.

Mr. Temporary Deputy Speaker, Sir, the proposal by the Minister falls short of even looking at avenues of raising more money through long term or specific bonds for infrastructure. It is possible for us to source these bonds around the world. It is also possible for us to even concession our roads. We can then bring on-board funds that would, otherwise, have not been brought on-board in the Budget.

Mr. Temporary Deputy Speaker, Sir, we will not be able to achieve an economic growth rate of 10 per cent or 12 per cent unless we begin to explore other avenues of raising money to enable us do what we have to for our country.

Mr. Temporary Deputy Speaker, Sir, I want to ask the Minister to be more specific. We vote a lot of funds to the Office of the President; specifically the docket on Provincial Administration and National Security. However, insecurity is a very serious issue in our country. I think after poverty, insecurity is the second most serious problem in our country. We will continue to talk, but unless we sort out the security situation in our country, we will not attract the three

million or five million tourists we are planning to attract in the next few years. We will not be able to give the much desired jobs to our youths. We cannot persuade people to invest in our country if our security situation is not right.

Mr. Temporary Deputy Speaker, Sir, I did not hear any comment from the Minister on how he intends to change the process that has been going on at the Office of the President. This is where purchases of security hardware; vehicles and other security items, would be much more transparent. The people of Kenya, would then, get value for the money they spend in that sector. So long as we classify even the purchase of motor vehicles under the security docket as secret, we will continue to pay two or three times the cost.

Mr. Temporary Deputy Speaker, Sir, the Minister should be candid to this country. He should open up purchases of security items to, at the very least, a committee of this House, so that they are open to scrutiny.

Mr. Temporary Deputy Speaker, Sir, so long as the *Mungiki* adherents and other crooks continue to roam our country, we continue to earn ourselves a very bad name. I took the trouble to go through his Budget Speech to find out the concrete steps he mentioned on adding the number of security personnel to the ones we have. It is unfortunate that the Minister told us here that they were going to employ 28,000 additional police officers. This was contained in his written speech, but 28,000 officers are not provided for in the Budget. This means that he took this House for a ride. What he said then, is not what was in his speech! Unless the Minister gives specifics on how many police officers they want to employ within the current Budget, we will continue to go round in circles when it comes to security items.

Mr. Temporary Deputy Speaker, Sir, I was shocked when the Minister indicated that, in this Budget, he intends to increase the share capital of local banks from Kshs250 million to Kshs1 billion. It is a shame that after the Minister himself had admitted that the banking sector in our country is controlled by foreigners, he went ahead, in the same Budget and on his admission, to propose legislation that is actually going to close down the small banks that are owned by indigenous Kenyans. What are we saying? What is the Minister telling this country? How does the Government sponsor regulation that is actually going to drive out local businessmen from doing business in favour of foreigners? What are we telling the local entrepreneurs? Simply because we cannot raise the billions of shillings that foreign banks can raise, we are telling them to close down? I would rather expect the Minister to allow these banks and insurance companies to compete and be driven out of business by competition and not by Government regulations.

Mr. Temporary Deputy Speaker, Sir, since the Assistant Minister for Finance is here, I would like to tell him that the Minister for Finance should reconsider and actually withdraw the proposals he has made on this attempt to drive out local entrepreneurs from participating in banking and insurance. This is because, for sure, no mergers, in history, have ever succeeded that much. Many local entrepreneurs will suffer a great deal and will have to close down. The net effect is that the banking and insurance sector will be controlled by foreigners. I do not think it is fair.

Mr. Temporary Deputy Speaker, Sir, in this Budget, much as the Minister has mentioned things that are pro-poor, I do not see anything in this Budget that will get us to narrow the gap between the rich and the poor. Apart from poverty and insecurity, the biggest problem that bedevils this country is the inequality of the people of Kenya. I would have expected the Minister to increase the allocation for the only Fund that ensures that funds get to the rural areas, that is, the Constituencies Development Fund (CDF), from the current 2.5 per cent to 10 per cent. That way, people in the rural areas can begin to access funds and we can begin to bridge the gap between those who have and those who do not have.

Mr. Temporary Deputy Speaker, Sir, as they say today, there are two sets of people in this country. *Kuna wale wanajivunia kuwa Wakenya na kuna wale wanavumilia kuwa Wakenya!*

The Temporary Deputy Speaker (Mr. Khamasi): What are you doing now, Mr. Ruto?

Mr. Samoei: Mr. Temporary Deputy Speaker, Sir, we should think critically of how we are going to sort out this issue and make sure that we are all proud to be Kenyans.

Thank you, Mr. Temporary Deputy Speaker, Sir. I beg to support.

The Minister for Gender, Sports, Culture and Social Services (Mr. Kamanda): Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me a chance to support the Budget Speech.

First, I want to thank Kenyan taxpayers who have enabled this Government to do what it has done, especially with regard to providing services to Kenyans. They have supported the Budget through the taxes they pay to the Government.

Mr. Temporary Deputy Speaker, Sir, the Minister for Finance, in his Budget, underfunded my Ministry by Kshs6 billion. We had requested for Kshs9.5 billion, but we managed to get Kshs3.1 billion. That is a shortfall of more than Kshs6 billion. However, we are hoping that during the Supplementary Budget, perhaps, the Minister will consider allocating us some extra funds. As you know, my Ministry is a service Ministry. With that kind of shortfall, there are some areas that we will not be able to provide services.

Mr. Temporary Deputy Speaker, Sir, we are operating with a shortage of more than 3,000 employees in the Ministry. Unless the Minister for Finance considers allocating us more funds, we may not be able to provide proper services to Kenyans. So, I hope he will consider our case during the Supplementary Budget.

We are also having a big shortfall in the area of reforms in football. You know that we have been having a lot of problems in this country as far as soccer is concerned. We had requested the Treasury to give us Kshs200 million so that we can develop some sports grounds and support the old stadia. However, in this Budget, the Minister has only given us Kshs10 million. That money cannot even do two or three - maybe a maximum of four - community sports grounds. I do not know why for many years the Ministry of Finance has always somehow forgotten that this is a very important Ministry. All the time when they have been allocating money, they have not been friendly to this Ministry. I am, therefore, hoping that we will still go and request to get some extra money.

Mr. Temporary Deputy Speaker, Sir, on the implementation of the Persons with Disabilities Act, this is another very crucial area. You cannot have an Act and you are not given money to implement that Act. We have been pleading with the Ministry of Finance to give us money, and this particular year, we had requested for Kshs91 million. They have only given the Persons with Disabilities Act Kshs15 million. It is still inadequate. However, we have no big quarrel because we know that, as a Government, we will work together with the Minister and see whether he can adjust that allocation during the Supplementary Budget.

Overall, I want to thank the Government, and in particular the Ministry of Roads and Public Works, particularly in Nairobi for the good work it has done for the people of Nairobi. If you move around the suburbs of Nairobi, you will see that for the four years that this Government has been in place, Nairobi is coming to shape. We are almost going back to where we were before. I want to thank the Ministry of Roads and Public Works and the Ministry for Local Government for beautifying Nairobi City.

Mr. Temporary Deputy Speaker, Sir, I also want to urge fellow hon. Members, we have a tendency that wherever we talk about issues that concern the Government, they ask for accountability on how the Government uses its money.

Mr. Temporary Deputy Speaker, Sir, we have now been given a very heavy responsibility, as hon. Members, through the CDF. The CDF is another way that we have been empowered by the Government to distribute money to our constituencies. This money needs to be properly audited. I would like to inform the Minister for Finance that there is no need of giving money to very busy

people. We are busy people. Sometimes, we need to have checks and balances on the use of this money.

As we talk about the Government's accountability, we also need to know that we have been given a lot of responsibilities. A lot of money has been channelled through us, which needs to be audited. The auditors should first be posted to my constituency, so that I can lead by example and be left without blame. We should not, as hon. Members, ask for accountability in other areas, but when it comes to what we are doing, we do not seem to care. One hon. Member has proposed that the CDF should be increased to 10 per cent, but unless we put in place measures to ensure that there is accountability and the CDF is audited, I do not think there is any need to increase the CDF.

Mr. Temporary Deputy Speaker, Sir, the issue of insecurity should not be left to the Government alone. It should be a collective responsibility for all of us as hon. Members. We should go back to our constituencies and preach peace, talk to our people and ask them to live in peace. The Opposition should not think that it is the Government's responsibility to fight insecurity. It is true that there has been a lot of insecurity in Nairobi, but we would like to ask all the hon. Members, regardless of their party affiliations, to preach peace.

During the last Parliament, we had clashes in Nairobi as a result of some leaders inciting people not to pay rent to their landlords. That caused a lot of chaos in this City. We sat together as leaders and ironed out that problem. Even in the current situation, we should not blame one another. This is a problem for all of us and we should handle it with a united front for the sake of our people in the City of Nairobi.

Mr. Temporary Deputy Speaker, Sir, I would also like the Ministry of Finance to consider giving an allocation to my Ministry. I have requests from almost all hon. Members of Parliament to uplift the standards of their community sports grounds in their constituencies, including where the Minister of Finance comes from. As I have said, the Kshs10 million is inadequate for that task. That is why I decided to seek these funds this year because my colleague Members of Parliament who are all my friends have been writing to me, to ask me to provide these funds and I have tried to assist them, but I am unable to do so.

With those few remarks, I beg to support the Budget Speech.

Mr. Mwiraria: Mr. Temporary Deputy Speaker, Sir, I rise to support this Motion. Let me start off by congratulating the Minister for Finance for a good, well balanced Budget. I have sat in this House listening to some of the contributions and it appears there is a complete misunderstanding as to what constitutes a budget deficit.

Yesterday afternoon one hon. Member talked of a budget deficit of Kshs107 billion and that is really not the case. The true position is that the Kshs107 billion is the shortfall between available revenue and expenditure. There are other sources of funds including sale of parastatals which will make good this shortfall.

Mr. Temporary Deputy Speaker, Sir, I left my notes and I cannot quite therefore, quote the actual figures, but I do know that the deficit to be financed through local borrowing amounts to about Kshs36 billion. That really is not a cause for concern.

I would only like to make one comment on what I consider to be the only aspect of the budget that I did not agree with. This is the increase in paid up capital from Kshs250 million to Kshs1 billion for anybody who wants to start a bank in Kenya. Our experience during the last days of the KANU regime clearly indicated that the country needs local banks which have got a broad network and are representative in most parts of this country. These should be banks which do not consider the profit motive to be their only reason for being operational.

We saw banks pull out of very many of our small towns like Isiolo, Nanyuki, Maua and others all over the country, purely because they wanted to maximise their profits. They were not interested in offering services to the *mwananchi*. Unless *mwananchi* has banking facilities and

financing at affordable interest rates, I am afraid we are wasting our time talking of developing this country and increasing the tempo of development.

Mr. Temporary Deputy Speaker, Sir, I am happy that the Government did everything possible to revive all the local banks, KCB, Co-operative Bank of Kenya and the National Bank of Kenya. But I want to make one point. By lowering the paid up capital for banks, some of the smaller banks were able--- In fact, some of the micro-financial institutions like K-Rep, Equity and Family Finance were able to form themselves into banks. They became banks which, today, can boast of paid up capital above the Kshs1 billion. Much as I respect the idea of getting small banks together so that they can raise the paid up capital and become large banks, I feel that we are closing out Kenyans who could afford to establish banks with smaller capital. I want really to suggest a way out. Let us maintain the paid up capital of Kshs1 billion for national banks. But the Government should then consider approving what we may call provincial or regional banks at lesser capital. We should allow them to be established and work on their capital. Once their capital grows up to Kshs1 billion, they can then be allowed to become national banks. That way, we should be able to get more banks in the country attending to the business and financial requirements of the public in all parts of the country.

The other question that I really want to comment very briefly on is on the manufacturers of some of the items which wananchi consume on a daily basis, like bread. They are threatening to increase the prices by as much as Kshs7, Kshs8 and Kshs9 for a loaf of bread under the guise that the removal of light plastics from the market would force them to increase costs. I know one firm which has been selling bread wrapped in paper. They have been selling at the same price as those who have been selling using the light plastics. What I am saying is that it is necessary for the Government to ensure that the removal of light plastics from our market is not used as an excuse to get money from poor Kenyans who have to live under fairly difficult conditions. If need be, the Government can show that you can get ordinary paper for the same cost, if not less. It should be possible, therefore, to wrap things in papers. We can get a paper bag that can be used to sell sugar, salt and other items at the same prices. Traders normally make excuses of anything to increase prices to benefit themselves.

Mr. Temporary Deputy Speaker, Sir, let me briefly comment on the allocation of resources in the Budget. Once again, I would like to congratulate the Minister for laying emphasis on the sectors which matter. That is the social sector where there have been substantial increases in the provision of expenditure on education and health. Those are key sectors. It is, really, gratifying to see that the major increases in the Budget are in those areas.

Mr. Temporary Deputy Speaker, Sir, the other area that I would like to address is with regard to roads. This section has been given, by far, the highest increase but for a very good reason. In some of our constituencies, where we have good rainfall and where we grow a lot of items which are required in towns and outside the constituency, during the rainy season, cabbages and other vegetables go to waste because they cannot be moved to the market. So, I really want to appeal to the Minister for Roads and Public Works to give priority to roads which help farmers move their goods to the market. We should not just make roads for the sake of doing so, so that they are seen to be there. We should make roads to help develop the economy. I know that the Ministry is doing a lot but we could do with a little more injection of capital in some of the wetter areas with a high agriculturally potential.

Thank you.

Mr. Kosgey: Mr. Temporary Deputy Speaker, Sir, thank you for this opportunity to make a contribution to this Financial Statement for this year. The Minister did say that he has a balanced Budget. But I do not understand the meaning of a balanced Budget from the Minister's point of view. First, he has a deficit of over Kshs100 billion which he proposed to finance through

privatisation and through local borrowing. That cannot be called a balanced Budget.

Mr. Temporary Deputy Speaker, Sir, the Kshs100 billion will have two effects: First, suppose you cannot realise the money from privatisation, where will the money come from? Secondly, if you try and raise the money through global borrowing, interest rates will go up and the local borrowers will not have access to credit. This has been a very contentious point for a very long time. The Government should not borrow from the local market. It should be a minimum. In this case, the Minister will say that he is only borrowing Kshs34 billion and regarding it as a small figure. That is not a small figure. We should have a situation where we do not have the Government going into the market and competing with borrowers or industrialists who want to borrow money.

This is really an election Budget because the Minister wanted to show that he is financing certain programmes in certain areas. So, he had to make a bloated Budget and he has to borrow Kshs100 billion or sell Government assets. We know that, the Kshs100 billion will not be available and, therefore, those who are dancing saying that their roads will be done, at the end of the year those roads will not have been done because there will be no revenue.

Mr. Temporary Deputy Speaker, Sir, I want to talk on agriculture because I, like most of us here, represent rural Kenya where the main industry is agriculture. In particular, I want to talk about the sugar sector. I represent - for those who may not know - sugar-cane growers within the Chemilil zone and my Constituency and the adjacent Aldai Constituency supply 65 per cent of the cane that is crashed in Chemilil. When the Minister allows certain manufacturers to import industrial sugar duty-free, that will have an impact on the local market. We know - and it has happened in the past - that, that industrial sugar actually finds its way into the local market, through whatever route. It is surprising that the Minister actually allowed this loophole. This loophole should be sealed forever. If there is a certain industrialist who imports sugar, he should actually pay duty like all the other importers and, later, make a claim, just the way Value Added Tax (VAT) refunds are claimed.

However, at the moment, it is very frustrating to get VAT refunds from the Kenya Revenue Authority (KRA). The Minister did say that the Government has allocated Kshs600 million every month for VAT refunds. However, this amount is not enough. We are told by the KRA that it has only Kshs300 million. At the moment, claiming VAT refunds from the KRA is almost an impossibility. I would like the Minister to simplify that process or exempt duty on those items that are used by local manufacturers.

Mr. Temporary Deputy Speaker, Sir, roads are, really, the lifeline of the infrastructure of this country. Without infrastructure, there cannot be any development. Those of us who come from the western part of Kenya, including the Rift Valley, know that to travel from Nairobi to Kisumu or Eldoret is a nightmare and, yet, we are told that the condition of roads is improving in this country. Maybe, that applies only to Central Province. Those of us who come from the western part of Kenya know that the roads in Narok, Nakuru, Keiyo and many other places are in a pathetic state. The main artery of this country, Road A104, is completely dilapidated. It now takes us close to eight hours to travel to Eldoret by road, yet, we used to take four hours in 2002 to travel to the same destination. It is a pity that even the Eldoret International Airport that was operational was closed by the Minister, in order to punish us even more so that we can travel by this road. This is a pathetic situation that needs attention.

Whereas we appreciate what is going on under the Rural Electrification Programme, the Government should ensure that three-phase electricity lines are supplied to trading centres, so that small industries can mushroom in those areas, including those doing welding, masonry, carpentry *et cetera*. If the Government is going to provide only single-phase electricity lines for lighting, then that will not promote industries in those areas.

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

*[The Temporary Deputy Speaker
(Capt. Nakitare) took the Chair]*

I know that the economy has grown by 6.1 per cent. However, that growth is being felt only in urban areas. It has not trickled down. As I speak, rural incomes have actually come down by a very big margin. In my opinion, they have come down by 50 per cent. People are poorer by that percentage, and something needs to be done. One of the things that needs to be done is to assist our people to sell their tea and horticultural products so that they can have a reasonable income. The Government, through the Central Bank of Kenya, has maintained a policy of making the Kenya shilling stronger. It is not in the interest of this country to have a strong currency. We want to make sure that those people who sell their produce, flowers, tea and coffee have a return. They can only have a return, if our shilling is slightly weaker.

Mr. Temporary Deputy Speaker, Sir, although the time is running out, I want to touch on education briefly. I looked at the Budget and I realised that the Higher Education Loans Board (HELB) is still being allocated the same amount it was allocated almost 10 years ago when it was first established. The HELB should be given more money so that all the applicants who want to be financed to continue with their university education can access those funds. In fact, I would suggest that the figure for the HELB should be increased to Kshs4 billion annually in order to meet the requirements of all the applicants. Since the last 10 years, the HELB has been allocated Kshs800 million annually. This is not sufficient to meet the requirements of all the applicants. Those of us who will be in Government next year when ODM(K) takes over, we will make secondary education free and not just tuition. We will make it free! When we talk about free secondary education, we know where the money will come from. The money has been going into fun corners. So, it will be free, and I repeat, it will be free!

Mr. Temporary Deputy Speaker, Sir, let me touch on health. At the moment, in Kenya, if you are sick and you do not have money, you are likely to die. Something should be done to make health care---

The Temporary Deputy Speaker (Capt. Nakitare): Your time is up!

Mr. Kosgey: Thank you, Mr. Temporary Deputy Speaker, Sir.

Mr. M'Mukindia: Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me an opportunity also to contribute to the Financial Statement by the Minister for Finance.

At the outset, Mr. Temporary Deputy Speaker, Sir, let me also join my colleagues in congratulating the Minister for presenting this year's Budget---

(Loud consultations)

The Temporary Deputy Speaker (Capt. Nakitare): Order! Order, hon. Members! When a Member is on the Floor, all hon. Members should pay attention to what he is saying.

Proceed, Mr. M'Mukindia!

Mr. M'Mukindia: Thank you, Mr. Temporary Deputy Speaker, Sir. I was saying that I want to join my colleagues in congratulating the Minister for delivering this year's Budget, which, in my opinion, is very ambitious. I think Kenyans, and Kenya as a whole, must be ambitious. If we have to achieve any goal, it is better to aim at the stars. Even if we do not reach there, we may well land on the moon. But if we do not aim for stars, we will end up remaining pedestrians. For that

reason, I wish to thank the Minister, and the Government as a whole, for trying to visualise the Vision 2030 and making the first or what I may call tentative steps towards achieving that Vision 2030, which is envisaged to ensure that, at least, we get rid of poverty and we become a middle income country in about 15 to 20 years. While the goal has been defined broadly, the actual path to achieving that goal has not been defined very, very clearly. In my opinion, having set the goal of 2030, then there must be some concrete steps which need to be taken in all sectors of our economy to try to achieve this. I believe there has been a bit of development or clarity of purpose and implementation, maybe, in the ICT sector. If you look at the other areas such as agriculture and manufacturing, I am not sure that there are concrete steps towards achieving this Vision 2030. I think a lot more work needs to be done in that area. We must ensure that we define the steps that we need to take in concrete terms and the amount of investment required to achieve those concrete steps towards achieving the goal of a middle income country by 2030.

The target of trying to achieve a growth rate of 10 per cent from 2008 onwards is a good goal. But how do you achieve that goal? What are the concrete steps that are going to be taken in order for us to get there? While I commend the Minister for an ambitious vision and coming up with the steps to get there, a lot more work needs to be done.

Mr. Temporary Deputy Speaker, Sir, the Minister also highlighted areas that he thinks work needs to be done on. I do commend him for trying to improve the quality of infrastructure. That is the expansion of roads. We shall need reliable supply of energy to ensure that we do not hold back development.

Mr. Temporary Deputy Speaker, Sir, I have mentioned the area of Information and Communication Technology (ICT) development where I think there are some clarity of minds, perhaps, because the Ministry of Information and Communications is very clear in what they want to achieve. I do not know whether other ministries are clear in their minds as to what they want to achieve in their own development agenda to achieve the Vision 2030.

Mr. Temporary Deputy Speaker, Sir, I also think that, in the educational side, there has been a right movement. However, I am disappointed personally that we have not put sufficient capital investment in our vocational schools and polytechnics. It will not be possible or feasible to achieve the goal that we have set for ourselves of achieving the Vision 2030 if we do not train our people on the technical side. Here, we are very poor as of now. There is a huge shortage in this country of engineers and technicians. There is not enough money being spent to improve and expand our vocational training institutions, polytechnics as well as the engineering departments in our various universities.

Mr. Temporary Deputy Speaker, Sir, I was also disappointed to note that while the Minister removed taxes on the construction of universities, he did not do something similar regarding technical colleges. We know there are very many entrepreneurs in this country who are willing to set up technical colleges where we really have a shortage of manpower and we shall continue to have a shortage of manpower. The Minister should extend those tax benefits to colleges as well as secondary schools.

Mr. Temporary Deputy Speaker, Sir, I also note that the Minister has set aside funds to pay off pyrethrum and coffee farmers. Pyrethrum has been a major issue over many years and we hope that the farmers will be paid fairly soon to ensure that they go back to farming pyrethrum. Pyrethrum, as you know, is a major industry. In the past, it has been discriminated through taxation. While we have exempted the tax on imported synthetic pyrethrin from abroad, we have actually taxed our own extracts. That does not make any sense. It looks ludicrous when we are trying to industrialise, achieve the Vision 2030 and create employment, at the same time, we are taxing our own farmers, while exempting tax on imported pyrethrin. Therefore, the new move by the Minister is welcome and I hope it is put in place urgently.

Mr. Temporary Deputy Speaker, Sir, the issue of the Youth Enterprise Development Fund (YEDF) and Women Enterprise Development Fund (WEDF) again is welcome. However, while that is ongoing, we must accept the fact that not all youths are potential entrepreneurs. I would say out of a population of 100, only about 20 per cent are entrepreneur-minded, that is both men and women. For that reason, 80 per cent of our youth will continue to depend on direct employment. Now, where does this one come from? The problem we have, as we are all aware of, is that of unemployment leading to insecurity, crime and drug abuse, *et cetera*. We have to address this issue head on. I was disappointed that the Minister did not elaborate on how to solve this problem or how to begin to solve it. I would have expected very specific and explicit statement from the Minister that, for example, all Government contracts must have a labour content of 40 per cent. We must begin somewhere. If we want to build a road from Maai-Mahiu to Lanet at Kshs1 billion, then 40 per cent of that money must go to labour-related payments. That way, we will be able to employ the youth in that area. If we were to make that statement very clear, and make it a contractual obligation by whoever is given the contract, then we may as well begin to address the issue of unemployment amongst our youth.

Mr. Temporary Deputy Speaker, Sir, therefore, I would want to encourage the Minister, and the Ministry as a whole, to look into this issue as a matter of urgency and re-address it and ensure that our roads, bridges, airports, ports, dams, building construction and so on and so forth, where Government contracts are concerned, the labour content is explicitly specified and that amount of money goes to the unskilled, semi-skilled and skilled youths, or people in that area. This is not a new idea. This is exactly what South Korea did in the 1980s.

We know that China has been building roads by hand. We know that Indian women still build roads by hand. So, it is nothing new. It is not that it is rocket science or anything. The question is: Are our people at the Treasury and in the various Ministries willing to work hard enough to ensure that they isolate what things can be done with machinery and what things can be done using hands? That way, we can engage our youth and keep them out of trouble. To me, the labour content of Government contracts is a major issue.

Mr. Temporary Deputy Speaker, Sir, in the manufacturing sector, the Minister mentioned that he is going to remove taxes from certain levels of housing, especially where housing is going to affect low income people. That is very welcome. However, I am aware that if you want to revolutionise manufacturing, the Minister could have gone further in the area of housing. If you look at a house, you will see that it has everything, from furniture to doors to cement and to everything else. If we were to target that area and say: Let us concentrate on whatever affects housing, we may be able to support our manufacturing sector and ensure that our houses actually become cheap.

With those remarks, I beg to support.

Mr. Sambu: Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me time to contribute to the debate on the Budget Speech.

Mr. Temporary Deputy Speake, Sir, I want to thank the Government and the Kenya Revenue Authority for going out and collecting the taxes, particularly the VAT. Many traders in the past were collecting VAT from the people, and they were not remitting it to the Government. If you went to a shop, they would say: "If you want a receipt, I will put in the VAT." If you do not want a receipt, they don't show the VAT. So, I want to say that it is a good effort, and we want all future Governments to make sure that they keep on collecting VAT, because it is very unfair for people to pay VAT and then for the traders not to remit the VAT.

Mr. Temporary Deputy Speaker, Sir, I want to say that, yes, the Minister has supported certain sectors in agriculture. He has supported pyrethrum and coffee. I have no problem, but he has to support all sectors. At the moment, the maize farmers in the maize-growing areas of Kenya

are owed Kshs1.5 billion from the deliveries they made late last year and early this year. Now, those farmers have had a problem carrying out maize planting this season. Those who have money to plant cannot top-dress, because they have not been paid. So, I want to tell the Treasury to release the Kshs1.5 billion to the Ministry of Agriculture, so that it can onward release it to the National Cereals and Produce Board (NCPB), so that the maize farmers can be paid their Kshs1.5 billion. There is no point in holding the money up to November/December, when the other crop is getting ready. Release the money now. The maize and wheat farmers are in a serious problem in the North Rift and Western parts of Kenya.

Mr. Temporary Deputy Speaker, Sir, on security, I want to say that, yes, the Minister said that they are going to employ, I do not know, 25,000 or 28,000 new policemen. I want to say that the Office of the President, particularly Internal Security, kept the biggest part of this Budget compared to other Ministries and departments. But they cannot facilitate the existing police. Yes, we shall employ more policemen, but why are we not facilitating the officers who are there? In Nairobi, yes, we see them mobile and we see them walk to bring down this menace which is on now; people killing each other. But in the outside districts, for example, in my own district, three people were killed last year at Mosoriot, where there is a teacher training college. One of the oldest teacher training colleges in this Republic. It is in Nandi North District at Mosoriot. Three people were killed near the college last year.

This year, last month, two more people have been killed by robbers and the DOs office is only 200 metres away. In the killing of last year, the DOs office was only 300 metres away. So, I asked--- I asked the DO why he is not doing his job and he said that they are not facilitated; no fuel, nothing. No vehicles, no fuel. Even the Administration Police (APs) who were there when these things happened last year--- There was a robbery there; they say their guns are too old and they jammed. So, they ran away. What is Internal Security doing with all this money? Facilitate the police and get people who are trained to do investigative work. Those who are there are just--- You know! Many of the Divisional Criminal Investigation Officers (DCIOs) are doing nothing, they are just collecting bribes.

Mr. Temporary Deputy Speaker, Sir, when we employ teachers, I support it, but let it be done at constituency level and not at the district level. If it is to be equitable, let it be done at the constituency level. We will solve a lot of these things if you do them at the constituency level.

Still on education, as my colleagues who have spoken earlier have said, we want the Higher Education Loans Board (HELB) to be given more funds. They should despatch these funds to all Kenyan students, even to those who are doing what they call "Parallel Programme". The parallel programme has arisen because the universities, and these are public universities which were built using public funds but they are now imposing--- Because they have raised the entry point to "A-Minus", very few Kenyan students get "A-Minus". So, a lot of students will still qualify to join the university but through this programme they call "Parallel Programme". This "Parallel Programme" is so expensive.

So, I am saying and I shall be saying it more when we debate the Budget of the Ministry, that, we want the HELB to be given more funds so that they can also disburse it to the parallel programme students. After all, it is a loan and everybody will repay it, whether they went through the parallel or regular programme.

*[The Temporary Deputy Speaker
(Capt. Nakitare) left the Chair]*

*[The Temporary Deputy Speaker
(Mr. M'Mukindia) took the Chair]*

On health, many dispensaries and health centres have been built using the good CDF funds. But the CDF funds cannot employ workers, because that is recurrent expenditure and, therefore, the Ministry of Health must employ workers now. It must employ more health workers. They have to employ more nurses, more clinical officers, more laboratory technicians and post them to the newly built-health facilities and dispensaries and health centres. Furthermore, they have to equip these health facilities. We cannot expect the CDF to also equip health centres and dispensaries, which have been built using CDF funds. We cannot, again, go ahead and use CDF funds to buy the equipment. What is the Ministry of Health doing? This thing called "Kenya Medical Supplies Agency", or whatever; I do not know; what is it doing? We understand there is a lot of equipment being kept there. Why is it not being distributed to the health centres?

It is unfortunate that we are talking to empty benches. A Government is supposed to listen. The core function of Parliament is to create taxation to enable the Government to get funds to run its services. But the people who are in the Executive, who are supposed to hear these things, are not there at all. It is a sad factor. But be that as it may, we hope that they will get the message; that health facilities which have been built do urgently require equipment and staff.

Mr. Temporary Deputy Speaker, Sir, taxation must be seen to be fair. You have heard of the polythene paper being taxed. As I said earlier, taxing polythene paper will not solve the problem. We have to be practical. If we are going to tell the people going shopping, to use paper for wrapping their goods, we will do more damage. I come from a region that supplies bulky goods to Panpaper Mills in Webuye, and we have depleted our forests, and we will do more damage. It was easier if we supplied more funds through LATF, or whatever, to the local authorities to employ young Kenyans to collect the polythene sheets, which have been dumped. It would be easier to collect them and bring them to Nairobi, to the factory which recycles them into polythene beams for fencing and other materials. But taxing polythene paper will not solve the problem. We have to be practical. If we think that we can get paper bags to do this, it will not work. We will only be taxing the consumer, because what the supermarket people will do is to push that taxation on polythene paper to the consumer, and you are making Kenyans suffer.

With those few remarks, I beg to support.

Mr. Mukiri: Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me this chance to make my contribution. On the outset, let me congratulate the Minister for Finance for a very good Budget that he presented to this House.

Mr. Temporary Deputy Speaker, Sir, let me thank the Minister for setting aside money for resettlement of squatters. I come from a constituency where there are so many people who are landless, some of them because of the clashes that have been there over the years. That is a very timely move. I hope the Minister will address that issue and the Government will allocate more money towards the resettlement of the landless. Kenya, as a country, purely depends on agriculture. Much of our economy is dependent on the agricultural sector. It is not right for some segments of the society to stay idle in the rural areas because they have no land. That is wasted manpower.

Mr. Temporary Deputy Speaker, Sir, last year, when the Minister set aside Kshs400 million for resettling the landless, my constituency benefited from part of that allocation. But there seems to be a problem with the Ministry of Lands. I hope that His Excellency the President will address that issue. The Minister for Lands is a very busy person. He also serves as a Minister in the Ministry of Environment and Natural Resources. It has become very difficult for him to perform some of his duties. The Government purchased land in my constituency, but it has become completely impossible to have the Minister come and move the process to the next step of allocation. I pray that he finds time to visit my constituency so that people do not continue waiting, when the Government has already done its part.

Mr. Temporary Deputy Speaker, Sir, there is also another issue about the pyrethrum industry. That is something that I have talked about for so long. I am happy to hear that, for once, the Minister has set aside some money to address that problem. The Minister for Agriculture should be serious in the way his Ministry is dealing with pyrethrum issues. That is an industry which used to earn this country about Kshs2 billion yearly. What has happened now is that many farmers have uprooted the pyrethrum crop because they have not been paid over the years. The Minister should not just come up with stop-gap measures of giving small monies here and there to farmers. The Government should address issues affecting the pyrethrum industry very seriously. That industry has been giving this country a lot of money in terms of foreign exchange. Therefore, I would have expected the Government to invest more because of the many years of serious mismanagement. Even if we pay the farmers who have not been paid over the years, it does not change anything. Those are poor people who need to be helped with seedlings. The Government should, therefore, invest more money so that, at least, farmers could gain some confidence. I believe that the Government is capable of sorting out the problems affecting the pyrethrum industry. It is not just an issue of payment. It is an issue of investment. Personal interests that have been expressed before should not be used to make the farmers suffer. We hope that, as much as the Government may want to privatise or liberalise the sector, it must first sort out issues of mismanagement and other problems that have dogged that sector.

Mr. Temporary Deputy Speaker, Sir, I wish to speak about our universities---

ADJOURNMENT

The Temporary Deputy Speaker (Mr. M'Mukindia): Order, Mr. Mukiri! When the debate on this Motion resumes, you will have four minutes to finalise your contribution.

Hon. Members, it is time to interrupt the business of the House. This House, therefore, stands adjourned until this afternoon at 2.30 p.m.

The House rose at 12.30 p.m.