

# NATIONAL ASSEMBLY

## OFFICIAL REPORT

Wednesday, 16th June, 2004

The House met at 9.00 a.m.

*[Mr. Deputy Speaker in the Chair]*

PRAYERS

## COMMUNICATION FROM THE CHAIR

LIMITATION OF QUESTION TIME

**Mr. Deputy Speaker:** Hon. Members, I would like to remind you that today is the 2nd Allotted Day and, therefore, the commencement of business will not be later than 9.30 a.m. Therefore, we have slightly less than one hour for Questions and other issues. We do not have many Questions. Let us start straightaway with ordinary Questions.

## ORAL ANSWERS TO QUESTIONS

*Question No.204*

ASSAULT ON SOTIK RESIDENTS  
BY ASTU POLICE

**Mr. Deputy Speaker:** The first Question is by Mr. Kimeto. I have been informed that he is out of the country. Therefore, this Question is deferred.

*(Question deferred)*

Let us move on to the next Question by Mr. Abdirahman!

*Question No.208*

EXCLUSION OF NEP FROM  
POVERTY REDUCTION FUNDING

**Mr. Deputy Speaker:** Is Mr. Abdirahman not here? We will leave his Question until the end. Let us move on to the next Question.

*Question No.163*

RE-OPENING OF VILLAGE  
POLYTECHNICS IN WAJIR  
EAST CONSTITUENCY

**Mr. M. Mahamud** asked the Minister for Labour and Human Resource Development:-

- (a) whether he is aware that there are no functioning vocational training institutes in Wajir District; and,  
(b) what plans the Ministry has to re-open Wajir, Habaswein and Griftu village polytechnics and provide adequate staffing, equipment and promote their status to enable students enrol in large numbers for various vocational skills.

**Mr. Deputy Speaker:** Is anyone here from the Ministry of Labour and Human Resource Development? We will leave this Question until the end.

**QUESTIONS BY PRIVATE NOTICE**  
BENEFICIARIES OF OPEC FUND FOR  
INTERNATIONAL DEVELOPMENT

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

- (a) Under what terms and conditions was OPEC Fund for International Development given and released to the Kenya Government?  
(b) How was the money received under that Fund to reach the intended beneficiaries?  
(c) Is the Minister aware that most farmers who received those loans through the Kenya Commercial Finance Corporation were unable to repay them due to high interest rates, and their pieces of land are being auctioned by the bank?  
(d) What remedial measures is the Ministry taking to assist the farmers out of that mess?

**Mr. Deputy Speaker:** Is the Minister for Finance not here? We will leave this Question until the end.

REVOCATION OF COUNCILLORS'  
NOMINATIONS

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

(a) Could the Minister inform the House the circumstances that led to the revocation of nominations of the following councillors as contained in the Kenya Gazette No.45 of 21st May, 2004?

- |        |                        |                             |         |
|--------|------------------------|-----------------------------|---------|
| (i)    | Janerose Wambui Njau   | - Kandara Town Council      |         |
| (ii)   | Anthony Musila Mumangi | - Masaku County Council     |         |
| (iii)  | Alex Mbote Gathara     | - Maragwa County Council    |         |
| (iv)   | Solomon Ndambu Musyoka | - Mombasa Municipal         | Council |
| (v)    | Kuldip Sondhi          | - Mombasa Municipal         | Council |
| (vi)   | Mahmud Mohamed         | - Mombasa Municipal         | Council |
| (vii)  | Paul Nyamai            | - Kitui County Council      |         |
| (viii) | Nixon Charo Mramba     | - Malindi County Council    |         |
| (ix)   | Rashid Juma            | - Mombasa Municipal Council |         |

(b) Could the Minister give names of all nominated councillors whose nominations have been revoked during the past 15 months?

**Mr. Deputy Speaker:** Anyone here from the Ministry of Local Government? We will leave this Question until the end.

Let us now return to ordinary Questions for the second time.

### ORAL ANSWERS TO QUESTIONS

#### *Question No.208*

#### EXCLUSION OF NEP FROM POVERTY REDUCTION FUNDING

**Mr. Deputy Speaker:** Mr. Abdirahman still not here? Question dropped!

**An hon. Member:** The Minister is also not here!

**Mr. Deputy Speaker:** It does not matter! The Question has not been presented to the House. How do you know that one of these three gentlemen has no brief? So, the Question is dropped.

*(Question dropped)*

Question No.163 for the second time!

#### *Question No. 163*

#### RE-OPENING OF VILLAGE POLYTECHNICS IN WAJIR EAST CONSTITUENCY

**Mr. M. Mahamud** asked the Minister for Labour and Human Resource Development:-

- (a) whether he is aware that there are no functioning vocational training institutes in Wajir District; and,
- (b) what plans the Ministry has to re-open Wajir, Habaswein and Griftu village polytechnics and provide adequate staffing, equipment and promote their status to enable students enrol in large numbers for various vocational skills.

**Mr. Deputy Speaker:** The Question is not going to be dropped for the interest of the hon. Member. Therefore, we will not come back to it. That is final. But the direction is: Let us wait and see how many Ministers will come in before we make any decision.

Let us move on to Questions by Private Notice for the second time.

### QUESTIONS BY PRIVATE NOTICE

#### BENEFICIARIES OF OPEC FUND FOR INTERNATIONAL DEVELOPMENT

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

- (a) Under what terms and conditions was OPEC Fund for International Development given and released to the Kenya Government?
- (b) How was the money received under that Fund to reach the intended beneficiaries?
- (c) Is the Minister aware that most farmers who received those loans through the Kenya

Commercial Finance Corporation were unable to repay the loans due to high interest rates, and their pieces of land are being auctioned by the bank?

(d) What remedial steps is the Ministry taking to assist the farmers out of that mess?

**Mr. Deputy Speaker:** The Minister for Finance!

**Mr. Waithaka:** He is trotting in!

**The Assistant Minister for Finance** (Mr. Katuku): Mr. Deputy Speaker, Sir, I apologise to the House for coming in late.

However, I beg to reply.

(a) The OPEC Fund for International Development gave a loan of US\$5.2 million, which is equivalent to Kshs405,600,000, to the Kenya Government for financing small scale enterprises in rural and urban areas. The scheme was intended to enhance sustainable agricultural and industrial output, create employment and stimulate overall socio-economic development for the country. The loan attracted an interest of 0.5 per cent *per annum*, with a repayment period of 12 years, including a five-year grace period.

(b) The money was to reach the intended beneficiaries through the Kenya Commercial Bank (KCB), which had borrowed the money from the Kenya Government at an interest of 3 per cent *per annum*. The bank, in turn, loaned the money to the beneficiaries at interest rates of 22 per cent to 24 per cent *per annum*.

(c) I am aware that farmers who received the loans were unable to repay due to high interest rates and other factors.

(d) In January this year, my Ministry, in consultation with the Kenya Commercial Bank, advised the affected farmers, through the Kenya National Chamber of Commerce and Industry, to present their cases to KCB individually, and give proposals on how they plan to repay the outstanding loans. The KCB has undertaken to consider each case on its on merit.

**Mr. Waithaka:** Mr. Deputy Speaker, Sir, I will start by thanking the Assistant Minister for admitting in part (c) that, all the farmers who were loaned that money were unable to repay back because of high interest rates. If you look at the interest rate at which the Government was advanced that money, it was 0.5 per cent. The intention of the people who gave that money was to assist small-scale enterprises. If the loan was given at 0.5 per cent, and the Government advanced that money to KCB at 3 per cent *per annum*, how come it allowed the KCB to loan the intended beneficiaries - that is small-scale farmers - at 24 per cent? Who benefited from that money? Is it the bank which made a lot of profits or the farmers who were supposed to be the beneficiaries?

**Mr. Katuku:** Mr. Deputy Speaker, Sir, the concerns the Member is raising were the first concerns I raised with my officers when I got this response. You will bear with me because this agreement was signed in 1997 and, as I have said, it was a very interesting agreement because the farmer was supposed to get the loan at 24 per cent and yet it was secured at 0.3 per cent. But the explanation which was advanced by the people who were signing the contract is that this was to cater for the fluctuations of the currency; because of the risks involved and also because of the grace period also involved in re-payment. But we find this untenable and, as I said in answer to part (c) of the Question, we have written to OPEC and we are in the process of negotiating to see what can be done. Even at the top, nobody can access the rate. But by that time when this was signed, interest rates were 32 per cent. At 24 per cent it was tenable, but now it appears it is not tenable and even the money is lying there, nobody is ready to pick it but we are negotiating.

**Mr. Deputy Speaker:** But Mr. Katuku, just for the Chair to also follow, you have written to OPEC which gave us money at 0.3 per cent. Is it OPEC who will resolve the issue or is it the Government of Kenya? OPEC gave the directive that was required and the money eventually reached the farmer at 24 per cent. What role would you like OPEC to play in this matter?

**Mr. Katuku:** Mr. Deputy Speaker, Sir, the agreement was signed with that understanding;

that OPEC would lend the money to the Kenya Government at this percentage; it would lend to the bank at this percentage and it would lend to the farmer at this percentage. So, the agreement was between OPEC and Kenya Government with all those details involved. So, there is no way we can go about it unless we talk to the people who gave out the money.

**Mr. Sirma:** Mr. Deputy Speaker, Sir, since he has seen the anomaly and the farmers in Kinangop Constituency and all over the country are being threatened with auctioning of their property because of this money, could the Assistant Minister put a stop to the auctioning threats so that farmers are not harassed any more and given the leeway to renew negotiations?

**Mr. Katuku:** Mr. Deputy Speaker, Sir, the scheme was signed by the hon. Member and his team when they were in office and we regret for that. But I want to assure farmers that we are doing our best but they should also get in touch with the bank for the purpose of agreeing, because this is a loan which was taken some years back, on how to repay. If you realised in our Budget the other day, we tried to address some of these things. But I want to assure Members that we have talked to the bank and we want farmers to move to the bank and negotiate with the bank directly so that we can see how the issue can be resolved.

**Mr. Osundwa:** Mr. Deputy Speaker, Sir, this Government still receives off-shore funding for on-lending to investments in this country. Could the Assistant Minister assure this House that the recipients of such funds are not being treated the same way as those who received the OPEC funds?

**Mr. Katuku:** Yes, I can assure the Member that so long as the NARC Government is in place, this will never be repeated. This was a mistake by KANU!

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

**Mr. Deputy Speaker:** There is no need of a point of order!

**Mr. Kagwima:** Mr. Deputy Speaker, Sir, could the Assistant Minister apply the *In Duplum Rule* as promised in the Budget, where the loan should not exceed twice the principal of the money borrowed?

**Mr. Katuku:** Mr. Deputy Speaker, Sir, the Budget was read the other day and we are debating the same. But that proposal will also capture this client.

**Mr. Manoti:** Mr. Deputy Speaker, Sir, when this money is given to commercial banks to lend out to other customers, the banks charge the normal rates and yet, this money is received at very low interest rates. Could the Ministry request the banks to take only the management fees and a small percentage instead of charging the full interest rates as normal?

**Mr. Katuku:** Mr. Deputy Speaker, Sir, I think I answered that question in the previous response. But I would want to reiterate again that, in future, we want to ensure the interests of the borrowers are taken into account because we are not borrowing money to benefit the banks or the Government. The Government does not need to benefit from such funds. It is the farmers and the businessmen who borrow the money who should benefit from such funds. That is what we have put in place to ensure Kenyans benefit and not the banks or even the Government.

**Mr. Waithaka:** Mr. Deputy Speaker, Sir, because it is Government policy to resuscitate the economy of this country, and there is no way we can do that without assisting farmers, and we can see here there is a bank that wants to auction farmers' pieces of land which are their main source of production, what direct intervention is the Ministry taking to ensure that the banks do not sell those properties of the affected farmers, because they have realised something is wrong and the money did not actually go to the intended beneficiaries?

**Mr. Katuku:** Mr. Deputy Speaker, Sir, we have instructed the Kenya Commercial Bank to be considerate on this matter and we have requested the individual farmers to get in touch with Kenya Commercial Bank to negotiate and see how best they can resolve the matter. But we are monitoring the situation and if any farmer feels offended by the bank, they should get back to us and we will intervene.

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

**Mr. Deputy Speaker:** Order! Mr. Mukiri, I know you want to ask a question. Suppose I give you the Floor, what is your point of order?

**Mr. Mukiri:** Mr. Deputy Speaker, Sir, you have heard the Assistant Minister say that the individual farmers should go and negotiate with the bank. This is a very pathetic case where the Government should come in and help the farmers. The Government should not leave the farmers at the bank's mercy. Is he in order---

*(Laughter)*

**Mr. Deputy Speaker:** Order! You are out of order! Next Question by Mr. Khamisi.

#### REVOCATION OF COUNCILLORS' NOMINATIONS

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

(a) Could the Minister inform the House the circumstances that led to the revocation of nominations of the following councillors as contained in the Kenya Gazette No.45 of 21st May, 2004?

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| (i) Janerose Wambui Njau    | - Kandara Town Council      |
| (ii) Anthony Musila Mumangi | - Masaku County Council     |
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| (iv) Solomon Ndambu Musyok  | - Mombasa Municipal Council |
| (v) Kuldip Sondhi           | - Mombasa Municipal Council |
| (vi) Mahmud Mohammed        | - Mombasa Municipal Council |
| (vii) Paul Nyamai           | - Kitui County Council      |
| (viii) Nixon Charo Mramba   | - Malindi Municipal Council |
| (ix) Rashid Juma            | - Mombasa Municipal Council |

(b) Could the Assistant Minister give names of all nominated councillors whose nominations have been revoked during the past 15 months?

**The Assistant Minister for Local Government (Mrs. Tett):** Mr. Deputy Speaker, Sir, I apologise for coming late.

**Mr. Deputy Speaker:** Proceed!

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

The revocation of the nominations of the following councillors is as a result of letters that I received from the Electoral Commission of Kenya on recommendation from the political parties.

Ref. No.ECK/KAE/109A/1/Vol.10 of 18th May, 2004 for the NARC political party in respect of Mombasa Municipal Council. Mr. Kuldip Sondhi, Mr. Mohammed Mahmud Reference No.ECK/NEA/109A/1 Vol.9 of 17th July, 2003 for KANU political party in respect of Malindi Municipal Council. Nixon Charo Mramba, ECK/NAE/109A/1 Vol.10 of 4th May, 2004, for the NARC political party in respect of Kandara Town Council. Janerose Wambui Njau; Masaku County Council, Antony Musila Mumangi, Maragwa County Council; Alex Mbote Gathara; Murang'a County Council, James Mwangi Waweru.

The revocation of Mr. James Mwangi Waweru was also cancelled through letter ECK/NAE/109A/1 Vol.X of 7th May, 2004. Also for Naivasha County Council we have Mr. Rapas ole Nkurani and Mombasa Municipal Council; Mr. Solomon Ndambu Musyoka. Other letters are ECK/NAE/109A/1 Vol.X of 27th February, 2004; ECK/NAE/109A/1 Vol. X of 30th March, 2004 and ECK/NAE/109A/1 Vol. X of 21st April, 2004 for KANU political party in respect of Kitui County Council to Ms. Rose Kavita Nzuku and Mr. Paul Nyamai.

The following are the Gazette Notices containing all the names of councillors whose names

have been revoked. Gazette Notice No.6913 of 29th September, 2003 which I have here; Gazette Notice No.5753 of 22nd August, 2003; Gazette Notice No.4405 of 4th July, 2003; Gazette Notice No.4201 of 20th June, 2003; Gazette Notice No.380 of 25th January, 2004; Gazette Notice No.3889 of 21st May, 2004; Gazette Notice No.1094 of 13th February, 2004; Gazette Notice No.1016 of 19th February, 2003 and Gazette Notice No.2000 of 25th March, 2003.

Mr. Deputy Speaker, Sir, I also got all the letters from the Electoral Commission of Kenya (ECK) hereby attached and I would like to table each and every name contained in the ECK letter.

*(Mrs. Tett laid the document  
on the Table)*

**Mr. Khamisi:** Mr. Speaker, Sir, you have heard the Assistant Minister say that the deregistration was done as a result of letters written by political parties. In respect of NARC, could she tell this House who signed that letter and what his title is?

**Mrs. Tett:** Mr. Speaker, Sir, the letters from political parties are signed by various political members.

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

They are all here!

**Mr. Deputy Speaker:** Madam Assistant Minister, would you respond to the question by Mr. Khamisi?

**Mrs. Tett:** Mr. Deputy Speaker, Sir, does he mean the letter that goes to the ECK? I do not have that one at the moment, but I can table it later.

**Mr. Sirma:** Mr. Deputy Speaker, Sir, from what we know about the Minister for Local Government, he gazetted the wrong names before elections of the various chairmen of the various councils last year. This time again, he is gazetting similar names for election purposes. Could we ask the Assistant Minister to suspend elections until this issue is resolved and the tabling of the names of the letters sent to the ECK is done on the Floor of this House?

**Mrs. Tett:** Mr. Deputy Speaker, Sir, I cannot tamper with the law. If the law says that elections of mayors and chairmen have to be done between June and August, there is no way I am going to tamper with the law.

**Mr. Kamotho:** Mr. Deputy Speaker, Sir, we know from 1997 that political parties are supposed to give recommendations for nominations and revocations of councillors. However, as far as NARC is concerned, could the Assistant Minister tell us which organ of the coalition sat down and authorised the revocation of those councillors? This is because there is no organ of NARC that is operational.

*(Applause)*

**Mrs. Tett:** Mr. Deputy Speaker, Sir, my Ministry neither deals with nominations nor revocations. We get letters from parties and we cannot revoke on behalf of the party. It does not fall under our jurisdiction.

**Dr. Manduku:** Mr. Deputy Speaker, Sir, there is haphazard nomination of councillors throughout the country. You will remember that councillors are nominated according to the strength of parties and they send recommendations of the people required to be nominated. Recently, there were some nominated councillors who have been sent throughout councils called "public officers". How were these "public officers" nominated? This is because in my party, for example, we have never sent any name to the Ministry for nomination of a public officer. Who are these public officers?

**Mrs. Tett:** Mr. Deputy Speaker, Sir, these were the ones who replaced the former District Commissioners (DCs) and it is Government representation.

**Dr. Khalwale:** Mr. Deputy Speaker, Sir, in respect of NARC, hon. Members will recall that the nomination certificate was signed before the election by Mr. Welime and Mr. Alex Mureithi. Could this Assistant Minister reassure this House that in the event, after her research, she finds that the letter of revocation that was sent to the ECK was not signed by Mr. Welime and Mr. Mureithi but by a different character named Mr. Nguli, that she is going to rescind this decision?

**Mrs. Tett:** Mr. Deputy Speaker, Sir, all letters that come from parties go through the ECK. The ECK has the names of those who are supposed to sign these letters and it is upon it to genuinely look at the signatures and verify if those are the names that come from the parties. It is, therefore, upon the ECK to check these things.

**Mr. Deputy Speaker:** I will have to terminate this! Dr. Madoka!

**Maj. Madoka:** Thank you for that promotion, Mr. Deputy Speaker, Sir. It is clear that we will not get an adequate answer from the Assistant Minister. This Question needs to be deferred because what hon. Members want to see is the letter which went to the ECK. That is the issue!

**Mrs. Tett:** Mr. Deputy Speaker, Sir, the Question did not ask for that particular letter, otherwise I would have brought it here. If hon. Members are only interested in that particular letter, because I have answered all the questions that they have put, we can table it. However, I will have to go and dig up all the letters.

**Mr. Deputy Speaker:** In view of what the Assistant Minister has said, I will have Mr. Khamisi ask the last question. However, we will still leave the matter of the document that the House is seeking to be brought here.

**Mr. Ogur:** On a point of order, Mr. Deputy Speaker, Sir. I know of the first two names mentioned but there was a third one called Mr. Nguli. Who is this man? Does the Assistant Minister know who Mr. Nguli is? Is he in the ECK, NARC or NAK?

*(Laughter)*

**Mrs. Tett:** Mr. Deputy Speaker, Sir, he is the Secretary-General of NARC. Unfortunately, he is not my brother!

**Mr. Deputy Speaker:** Mr. Khamisi ask the last question!

**Mr. Poghiso:** On a point of order, Mr. Deputy Speaker, Sir. This is really in line with what your ruling is; that the document would be coming on its own to be tabled here. I would like to beg that the whole Question be deferred because it hinges upon that document and only then shall we begin to know what other questions to ask. It affects the whole Question! Could the Chair, please, rule that this Question be deferred until that document comes? It is very important!

*(Applause)*

**Mr. Deputy Speaker:** I think I am persuaded that this Question should be deferred till Tuesday, next week. This will ensure that the Assistant Minister comes armed with all the documents; particularly the letter the House is interested in. Is that okay Madam Assistant Minister?

**Mrs. Tett:** Mr. Deputy Speaker, Sir, may I seek a clarification? We are dealing with only one matter now which I will bring on Tuesday and not the whole Question as it is.

**Mr. Deputy Speaker:** Order, Mrs. Tett! The Chair has ruled that the Question will come back on Tuesday. That, therefore, seems to be the end of Question Time!

**Mr. Midiwo:** On a point of order, Mr. Deputy Speaker, Sir. As far as the document the Assistant Minister is supposed to bring is concerned, is he aware that there is communication from the President to the Head of the Civil Service---

**Mr. Deputy Speaker:** Order, Mr. Midiwo! You are now bringing issues which do not belong



to this House!

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

**Mr. Deputy Speaker:** No! A ruling has been made! There will be no more points of order on this matter. Mr. Munya, do you have a different issue to raise?

**Mr. Munya:** Mr. Deputy Speaker, Sir, I want to know what happens when the Chair has an interest in a Question.

**Mr. Deputy Speaker:** Order, Mr. Munya! You are out of order and the most lenient thing the Chair can do is just to exclude you from the precincts of Parliament for the rest of this morning! So, could you leave the Chamber?

*(Mr. Munya withdrew from the Chamber)*

Let hon. Members be warned that, in future, the Chair will take very seriously insinuations to that direction.

**An hon. Member:** On a point of order, Mr. Deputy Speaker, Sir!

**Mr. Deputy Speaker:** Order! There will be no more points of order on that Question. The matter is finished! Now, because we still have time for Questions, there was a Question that was asked and the Minister for Labour and Human Resource Development was not here. The Minister is here now. I want him to know that this is the third time the Question is being asked.

*(Mr. Deputy Speaker consulted  
with the Clerk-at-the-Table)*

I beg your pardon, Mr. Minister! There is no more time for Questions. The Order Paper says: "Not later than 9.30 a.m." So, the House will go on until 12.35 p.m.

Next Order!

## COMMITTEE OF WAYS AND MEANS

*(Order for Committee read)*

### MOTION

THAT MR. SPEAKER DO NOW  
LEAVE THE CHAIR

*(The Minister for Finance on 10.6.2004)*

*(Resumption of Debate interrupted  
on 15.6.2004)*

*(Second Day of Budget Debate)*

**Mr. Deputy Speaker:** Dr. Galgallo was on the Floor. Please, proceed!

**Dr. Galgallo:** Thank you, Mr. Deputy Speaker, Sir, for giving me this opportunity to continue with my contribution. As I said yesterday, I support these Budget proposals, but I think it is an over-ambitious Budget. It is based on the experience of this financial year which enabled the Ministry to realise its revenue targets. But that realisation was based on the goodwill of donors, taxpayers and some borrowing from the domestic market. However, all this goodwill seems to be going away. People have lost faith in the Government. As I said yesterday the donors, over the last

one year, only released Kshs8 billion out of the Kshs28 billion which they had pledged. This year, probably, it is likely to be less because, as we realise, there have been very severe cases of corruption that have bedevilled this Government. This has eroded donor confidence and so they are not likely to support the Minister as he has indicated in his Budget.

Mr. Deputy Speaker, Sir, the confidence of the taxpayer has also been eroded because the Government cheated us over the last one year. The Minister himself cheated us on petroleum levies which he should have told us he had put it in the Budget, but he did not.

**Mr. Angwenyi:** On a point of order, Mr. Deputy Speaker, Sir. Is the hon. Member in order to use unparliamentary language during his contribution? He has used the word, "cheated."

**Dr. Galgallo:** Mr. Deputy Speaker, Sir, I think the Minister misled us. He should have told us that he would have imposed levies on petroleum products, which he did not. He also misled us that the Government would not purchase new vehicles. But which other new vehicles would they purchase if every Minister and Permanent Secretary has already purchased all that is required? He also misled us that they would reduce expenditure when he moved some money to construct a Kshs1 billion-worth house for the Vice-President who does not need that kind of housing.

This kind of behaviour will erode the confidence that the taxpayers have in the Government. So, the Government is not likely to realise these revenue targets which they are telling us about.

*[Mr. Deputy Speaker left the Chair]*

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

**The Assistance Minister for Labour and Human Resource Development** (Mr. Odoyo): On a point of order, Mr. Deputy Speaker, Sir. Without appearing to be wasting the hon. Member's time, is it in order for him to continue misleading this House when the Minister for Roads, Public Works and Housing came to the Floor of the House and explained the typographical error that occurred on the Kshs1 billion allocation?

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

**The Temporary Deputy Speaker** (Mr. Poghismo): Order, both of you! Our purpose here is to interact, but the rules do not allow both of you to be on your feet at the same time. When one hon. Member stands on a point of order, the other hon. Member yields. Only when the hon. Member has gone back to his or her seat then the other Member can stand. So, we cannot have two hon. Members standing, and especially when the Chair is on his feet.

**The Assistant Minister for Labour and Human Resource Development** (Mr. Odoyo): Thank you, Mr. Temporary Deputy Speaker, Sir, for protecting me from the hon. Member.

**The Temporary Deputy Speaker** (Mr. Poghismo): Order now! Please, proceed, Dr. Galgallo!

**Dr. Galgallo:** Mr. Temporary Deputy Speaker, Sir, the Ministry of Roads, Public Works and Housing is not run by a god. It is run by a human being. Mr. Raila is, therefore, not a god.

On roads, the Government has given northern Kenya, Rift Valley Province and coastal region a raw deal. No single road is earmarked for construction in those regions. In addition, there is less funding for water projects than last year, and yet, we are experiencing drought. So, what will happen to our people?

On the issue of livestock, there is no funding for the Kenya Meat Commission (KMC). So, the Minister for Livestock and Fisheries Development has just been giving us empty talk in this House.

Mr. Temporary Deputy Speaker, Sir, on health, which is the most critical sector, the Ministry of Health promised Kenyans it will establish the National Social Health Insurance Scheme. That scheme was based on the Kshs18.5 billion which will be obtained from the Exchequer; Kshs7.5 billion

from payroll harmonisation as the Minister said and a subsidy of Kshs11 billion from the Treasury. None of these amounts appear in this year's Budget. So, it means that the fund cannot operate. There is a problem because one arm of the Government says this while the other one is asleep. We cannot move forward. We have to have all arms of the Government wake up and start working together. There is no reason why the Minister should tell Kenyans that there will be a health scheme when there is no support from the Treasury. It cannot work. So, I urge Government Ministers to consult each other. The Government Ministers should not just announce in public rallies policy issues, but should discuss them properly before they announce them to Kenyans. The National Social Health Insurance Scheme is very important, all of us support it, we need it, we want to work together and bring all stakeholders together so that poor Kenyans who cannot afford medical health care in this country can get that service.

Mr. Temporary Deputy Speaker, Sir, if the Government is not serious, then it should not take Kenyans for a ride. If the National Social Health Insurance Scheme is established and the Kenya Medical Supplies Agency (KEMSA) is allocated the Kshs1.5 billion which it requires to establish a revolving fund from which all health facilities will draw their drugs from, health care services in this country will improve. But as long as there will be unco-ordinated policy announcements by Ministers; one saying one thing and another one negating it--- There is no need to talk about reforms. Mr. Temporary Deputy Speaker, Sir, this is a critical time for reforms in the health sector. We need to bring together all those people with dissenting views, for example, the Kenya Medical Association (KMA), Kenya Private Hospitals Association, COTU and FKE, so that we discuss, handle the contentious issues which have hampered those reforms and then establish the National Social Health Insurance Scheme which will benefit all Kenyans. We have nine million poor Kenyans who live below the poverty line and need medical care.

**The Assistant Minister for Labour and Human Resource Development** (Mr. Odoyo): On a point of order, Mr. Temporary Deputy Speaker, Sir.

**Dr. Galgalo:** Mr. Temporary Deputy Speaker, Sir, with these few remarks, I beg to reply. He can raise his point of order with his Minister!

*(Laughter)*

**The Minister for Planning and National Development** (Prof. Anyang'-Nyong'o): Mr. Temporary Deputy Speaker, Sir, I rise to support the Budget proposals given by my colleague, the Minister for Finance, Mr. Mwiraria. I would like to inform the House that a Budget is a very important document and it is not a partisan document. It is a proposal which touches on---

**Prof. Olweny:** On a point of order, Mr. Temporary Deputy Speaker, Sir. If I heard the previous speaker right, was he replying or---

**The Temporary Deputy Speaker** (Mr. Poghiso): Order! Prof. Olweny, you are talking about something else.

**The Minister for Planning and National Development** (Prof. Anyang'-Nyong'o): Mr. Temporary Deputy Speaker, Sir, I would like to inform the House that a Budget is a very important document and it is not a partisan document. It touches on the lives of Kenyans and we, in this House, are guardians of the Kenyan people. We should try our level best to make sure that the services that the Government delivers help Kenyans. In that regard, the Government is quite prepared to hear constructive proposals as to how best the Budget can deliver services to Kenyans. Obviously, there may be certain mistakes in the Budget but let us not dwell too much on minor mistakes like typographical errors and so on.

I was the Chairman of the Public Accounts Committee (PAC) for two years and I know for certain, that there have always been mistakes when Budgets are written because the last two weeks of putting the figures together put civil servants under a lot of pressure and they are bound to make certain mistakes. In fact, I remember that the Grants-in-Aid for the 1994 Budget were not figures for

that year but for the previous year. We sorted that out to make sure that human error does not deflect us from discussing the substance of the Budget.

Secondly, I do know that we may have political differences in the House, but those differences should not mislead us to sacrifice the interests of Kenyans. There are important Bills which will come before the House and will help us deliver the proposals in the Budget. If due to our political differences we harm these Bills, it is our children and grandchildren who will suffer if we do not. This is because the development of this nation is not for us who are here today, but for those who will take over from us from the fruits of our labour.

Having said that, I would like to say something about the comprehensive National Social Health Insurance Scheme. This insurance scheme is in line with our Economic Recovery Strategy for Wealth and Employment Creation. It is a scheme which will be realised over a long period of time. This scheme cannot be realised in one year or two years. It will be realised step by step and we hope that it will be completed by the year 2012. I am saying this because the National Hospital Insurance Fund (NHIF) which has been in place for quite some time has outlived its usefulness. It only covers wage-earners and not the rest of Kenyans who produce wealth in this country. For example, the NHIF does not cover people who work in the informal sector or the agricultural sector who contribute the bulk of the GDP of this country. To bring those people under a comprehensive health care, we have proposed the National Social Health Insurance Scheme. The Bill which has been laid on the Table of this House, obviously, requires some amendments. We do welcome the contributions of the stakeholders as to how best we can implement the comprehensive National Social Health Insurance Scheme. But we should not throw away the baby with the bathwater. I have heard some people say that because this or that is wrong with the scheme, we should throw it away. We should also not rush to the conclusion that since there are certain shortfalls in the Bill, it is not in line with the reform projects we are involved in. It is. What we need to do is to debate certain issues in the Bill because they are debatable. I do believe that the Bill goes a long way to making sure that health care in this country is justly distributed, fairly implemented and is in the interest of Kenyans as a whole.

Having said that, this particular Budget is very important in so far as it goes a long way towards realising one objective in our economic recovery strategy. That objective is to invest heavily in infrastructure; for example roads, railways, telephones, energy and so on.

Obviously, one of the things we have experienced in Government is that we do not have enough resources for Development Expenditure. That is one of the reasons why we must, as any business person will do, engage ourselves in borrowing domestically and abroad and also in getting grants from our development partners. The Government has made a very conscious decision not to borrow heavily from the domestic market because that will drive up interest rates. We, therefore, must work with our development partners to get some resources for our Development Budget through concessional loans or grants. This is what any sensible Government can do. Kenyans must realise that Kenya is not a Highly Indebted Poor Country (HIPC). So, we can accede to commercial loans as well as concessional loans. But we can only do so if we do appreciate that it is our responsibility, as a House, to support the Government in getting those resources for our development. I do know for certain that by the end of this month, the monopoly enjoyed by Telkom (K) will come to an end and the telecommunication sector will be truly liberalised. This will make it possible for investors to invest in the telecommunication sector and make telephone connectivity much higher in this country than it has been before. It is a shame that when we compare ourselves with a country like Ghana which has a higher telephone connectivity than we have, we know that we can do better.

Mr. Temporary Deputy Speaker, Sir, in that regard, it is incumbent upon this House to support the proposals in the Budget. I know for certain that, in terms of railway lines, we have a very ambitious project to rehabilitate railways and build new rail roads. With peace in Southern Sudan, and with Kenya having played such an important role in bringing that peace, we are looking forward to road and rail connectivity with Southern Sudan. Just last month, Mr. Raila and myself led a team of civil servants and people from the private sector to an important investment conference in Germany.

We discussed with our German partners the possibilities of investing in railways and roads. The conference was very successful. We met people in the private sector involved in building railways and harbours. We also discussed, in detail, how they would come to Kenya and partner with the Government in railway and road construction, and also help in making Mombasa a landlord port.

Mr. Temporary Deputy Speaker, Sir, those were far-reaching discussions which require that our development partners should see a certain maturity and support in this House, for those kinds of projects. We are not undertaking those projects for the National Rainbow Coalition (NARC). We are undertaking those projects for the interest of Kenyans and for posterity. So, we expect every Kenyan citizen, whether in Parliament or outside, to understand that there is not going to be any development in this country, unless the infrastructure is fully rehabilitated. There should be connectivity by road, railway and telephone. Those facilities must be increased. There must be availability of cheap energy, so that Kenya can become competitive in the world market in terms of industries, the goods that we export and productivity of our economy.

Mr. Temporary Deputy Speaker, Sir, one or two years are not enough to show results in a reform process, especially when you are dealing with an economy that has been in gestation for over ten years. You are starting from a very difficult situation. That is one of the reasons why we call our reform project: "Economic Recovery Programme for Wealth and Employment Creation." It means that we are recovering lost ground.

During the first ten years of Independence, Kenya grew very fast. There was a 4 per cent to 6 per cent growth rate. Since then, we have never passed a growth rate of 4 per cent. Indeed, when the NARC Government took over, the growth rate was only 1 per cent or even less. To recover that lost ground, many things need to be corrected, and we are busy doing so. In the process of correcting things, people will have fears. They will have their doubts! They will even doubt themselves, but we are determined to focus ourselves to move forward and aim for the high ground. In aiming for the high ground, we are all challenged to work together, be brave and strong. There will be people who are weak-kneed, those who will look back to the old days when privilege for the elite only benefited the elite; those who will talk about the Memorandum of Understanding (MoU) because they have fixed their minds to one thing and they cannot think imaginatively. We are determined not to fix our minds to one thing and be unproductive.

With those few remarks, I beg to support.

*(Laughter)*

**The Assistant Minister for Health** (Mr. Konchella): Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me the Floor. I wish to support the Minister for Finance for this year's Budget, which is showing, in terms of development, the way and the future for this country. We, as the hon. Members of this House, should support the Minister and the Government because this Budget is showing the future for this country's development. The people of Kenya are looking forward to the improvement of their lives. They know that the Budget will channel resources towards their development.

Mr. Temporary Deputy Speaker, Sir, I would like to briefly touch on what the previous speakers have spoken about. I do not need to go into the details, but it is important that I mention that. That is the issue of the National Health Insurance Scheme. I know there is a lot of talk in this House and in the country. Many institutions and organisations are saying that they will not support it. Some are saying that there are problems and they do not bring them. Let everybody say whatever they think about the implementation of the National Health Insurance Scheme. Let us look at it and change whatever is not workable. But let us not kill that programme because it is going to save Kenyans from hardships. All of us know that when we go to our constituencies, hundreds of people come to us, as Members their Parliament, to ask for money to pay medical bills. They cannot afford to pay and, as a result, many people are selling their property, land and are becoming poorer. Today, poverty in this

country could be directly related to the need for Kenyans to sell their assets to support their loved ones to pay medical bills.

This is the first time this country is introducing such a scheme. I would like Members of Parliament to know that our donor partners and the whole world are looking upon us to set an example for the rest of the world. Today, Kenya and other African countries have problems of health care. No country is able to provide health care to its people and, as a result, people are dying of various diseases. Many diseases are breaking out in the whole of Africa. The HIV/AIDS scourge is killing our people. We cannot rely on the rest of the world forever, to try and fund our medical care. We have to find a way to treat our people.

As you know, when we put people on ARVs, they have to take medication for the rest of their lives. We rely on partners and other people, who also collect money by taxing their people, to come and provide us with medical care. It can only last as long as we are friendly to them. But, should anything happen anybody who is on ARV, and we are not able to provide it, is going to die. So, we must have our own way of providing medicine to our own people, by creating a system that is sustainable. Therefore, I wish to ask this House to support that scheme, so that where Kenyans are not able, the Exchequer could meet the cost. We are not going to ask everybody to pay. The scheme is going to take eight years to---

**The Temporary Deputy Speaker** (Mr. Poghiso): Mr. Konchella, you are almost giving a Ministerial Statement on your Ministry's scheme. This is about the Budget!

**The Assistant Minister for Health** (Mr. Konchella): Mr. Temporary Deputy Speaker, Sir, I thought I would let Kenyans know how important it is, and that the Bill that is going to come before the House is for their own good.

Let me go to another important item. The Minister gave less attention to the area of tourism. Tourism plays a very crucial part in the development of this country. The Maasai Mara Game Reserve and other national reserves are now managed by the Kenya Wildlife Service (KWS). Others are managed by county councils. We have heard, and the people are concerned, that game parks should be managed by the Government. We must know that we are in an era where people must be involved in their own development. Ownership of any resource, including wildlife, should be by the people. Therefore, the county councils of Trans Mara, Narok and Kajiado, where those game parks are, should have a leading role not only in terms of conservation, but also in ensuring that resources from those game parks benefit the people, so that they can be able to protect those animals. That is because they have been there with the animals for a long time. So, the people from those districts are very keen to see the policy of the Government with regard to game parks, because they want to be involved.

On agriculture, we would like the Minister to consider giving more money to the Ministry of Agriculture. Many farmers, particularly in areas where a lot of maize is grown like Trans Mara, would like the Government to buy the maize. Maize is ready for harvest in Trans Mara, but the National Cereals and Produce Board (NCPB) has not been given money to buy maize from the farmers. I would like to ask the Minister for Agriculture to instruct the NCPB to create buying centres and buy maize. Once it has been bought by the Government, it could even be distributed to Kenyans who are dying as a result of eating maize that is unfit for human consumption.

Mr. Temporary Deputy Speaker, Sir, on the issue of roads, I want to thank the Minister for Roads, Public Works and Housing for putting a lot of emphasis on the road network. We want him to also consider the rural access roads because the majority of Kenyans live in the rural areas. Yes, the main highways are okay in enhancing communication with our neighbouring countries but poverty alleviation in our rural areas is related to how much money we put into our road network and rural access roads. A lot of farm produce is not able to get into the market because of the poor road network. So, this is where a lot of emphasis should be put.

Mr. Temporary Deputy Speaker, Sir, on the issue of ASAL, I would like to thank the Government for putting money into those areas in order to develop them. However, we feel we need more money to put into the ASAL areas because we have a lot of disasters which are occurring in

those areas. In my constituency, for example, we have a lot of problems. We have an outbreak of foot and mouth disease and anthrax and we would like the Government to give us money so that we can buy vaccines for the cattle. The vaccination will alleviate poverty in my constituency because people's cattle are dying because of those diseases.

Mr. Temporary Deputy Speaker, Sir, I also wish to support the Government because of free primary education. The funds that we have been given for free primary education have gone a long way towards getting the children of this country to go to school. We want to ask the Government to assist ASAL areas, for example by putting up schools because we have a problem of poor facilities. All the classrooms are all built of wood, timber or mud. We would like permanent classrooms to be built in those areas so that the children can study in comfortable classrooms with proper floors instead of studying in dusty classrooms just because there is no money to construct proper ones.

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

**Mr. Wario:** Asante Bw. Naibu Spika wa Muda, kwa fursa uliyonipa, ili niweze kuchangia Hoja iliyo mbele yetu. Ikiwa ni lazima niunge mkono Hoja hii, nitaiunga mkono shingo upande kwa sababu Hoja ya makisio ya matumizi ya senti za umma ni Hoja iliyolenga wenye nguvu ama matajiri. Haina fursa kuangalia maskini. Kwa hivyo, Hoja hii ina doa kubwa. Iwapo hii Serikali haitakosoa doa hili, basi hatimaye hoja hii haitaona mwanga wa kupita katika jumba hili.

Bw. Naibu Spika wa Muda, kwa mwananchi wa kawaida, kujua kwamba Hoja hii inafaida kwake, anataka kusikia bei ya unga, sukari, mafuta ya kupikia na mafuta taa imeshuka. Ni jambo la ajabu kuona wasomi wenye somo la kiuchumi wakijigamba kwamba uchumi wa Kenya umeboreka, ilhali leo mfuko wa kilo mbili wa unga unakwenda mara mbili kulingana na miaka miwili iliyopita. Sasa ni vipi mwananchi ataelewa kwamba uchumi wa nchi unaboreka, ilhali bei ya mfuko wa unga, sukari, chumvi na kadhalika inakwenda juu kiasi cha kwamba mwananchi ni lazima ajimudu, ili aweze kununua bidhaa hizi? Au wasomi hawa, wale wanaopanga hii Hoja, ni kama kwamba hawajui kuna maskini katika nchi ya Kenya. Kwa hivyo, sisi tutaunga mkono Hoja hii, iwapo Serikali itateremka chini na kujua kuna watu hawapati chakula mara tatu kwa siku.

Bw. Naibu Spika wa Muda, miaka iliyopita wakati tulizungumzia Hoja kama hii, ni kama kwamba Serikali yote ilitaka ihamie sehemu kame. Kila upepo uliokuwa ukipita ulikuwa unazungumzia sehemu kame. Wapi leo? Wapi ile stori ama wimbo wa sehemu kame? Ni kama ilikuwa ngoma tu. Tulipigiwa ngoma hapa. Wametuhadaa kwamba wanaboresha sehemu kame na huu ni mwaka wa pili. Hawana habari kuna sehemu kame katika nchi ya Kenya.

Bw. Naibu Spika wa Muda, natumai sehemu zenye rotuba nyingi zimechoka kwa uzalishaji wa uchumi. Nilifikiri Serikali na wale wanaopanga mpango wa uchumi, mara hii watalenga sehemu kame kwa mambo ya kielimu, maendeleo ya karakana, mawasiliano, umeme na kadhalika. Nikisimama ndani ya Bunge hili nikizungumzia Hoja ya makisio ya matumizi ya pesa za umma kama hii, nitasema Wilaya ya Tana River ndio wilaya ya pekee katika nchi ya Kenya ambayo haijawahi kuona umeme katika miaka 40 iliyopita. Wilayani hiyo, hiyo kwamba kuna kata sita ambazo hazijawahi kuona bendera ya taifa miaka 13. Sasa, mimi nikiunga mkono Hoja hii, yule mwananchi ama mtoto aliyezaliwa miaka 13 mwenye hajaona bendera ya taifa hata siku moja, ataelewa Hoja hii vipi? Wacha kuwapa huduma zingine. Wape bendera ya taifa tu! Kata sita katika eneo la uwakilishi Bungeni langu hazijui kwamba katika nchi ya Kenya, kuna bendera. Sasa mimi ninashangaa. Kwa hivyo, natumai Serikali ingeangalia sehemu kame za nchi hii kwa kuboresha uchumi lakini ni bahati mbaya wale wanaopanga sera hii ni wale ambao hawaoni sehemu kame.

Bw. Naibu Spika wa Muda, tegemeo la uchumi katika sehemu kame ni soko la mifugo. Majuzi, kulikuwa na mtu ambaye alikosa kazi na akapewa Wizara. Hii Wizara haina kitu chochote. Sehemu ya utafiti ya Wizara hiyo iko chini ya Wizara nyingine. Chombo cha kuleta madawa ya chanjo kiko katika Wizara nyingine. Hivi majuzi alizungumzia ufufuzi wa Kenya Meat Commission. Ukiangalia Bajeti, hakuna chochote cha kufufua tume hiyo. Je, hii Serikali inaweza nini kuhusiana na soko la mifugo? Nilifikiri Serikali itazungumzia kuhusu ufufuzi wa miradi ya kunyunyisia mashamba maji. Hii itakwenda kiwango kubwa kuboresha ama kupunguza vikubwa, hali ya umaskini inayokumba

watu wanaotoka katika sehemu kame na itaenda kutoa nafasi za kazi kwa Wakenya wengi. Mara hii nasikitika kwamba hakuna chochote ambacho kimetajwa juu ya miradi muhimu kama Bura na Hola katika hii Bajeti. Sasa, nikiunga mkono Hoja hii, nitakuwa ninatuma ujumbe gani nyumbani?

Bw. Naibu Spika wa Muda, kitu cha ajabu ni kwamba wale waasi waliopigana karne kule Sudan, kila mmoja wao akizungumza anajivuna kwamba leo amani iko katika nchi ya Sudan. Wale maadui wa karne wameungana lakini baina LDP na NARC wataungana lini kuboresha uchumi wa nchi hii? Sasa, hawa wanafanana wale wanaochimba makavazi ambapo wanachimba yale ya kale na wanazika ya sasa. Ikiwa amani itakuwa na maana, mawaziri wasiende barabarani kutukanana, ili kuboresha uchumi wa nchi hii. Wanajivuna leo eti Sudan kuna amani na kwa hivyo, huko ndio tutaangalia kupeleka biashara. Utapeleka biashara vipi na nyumba yenu inawaka moto? Zima moto kwenu, kisha angalia Sudan. Kuboboka kwa mawaziri wa NARC kumefanya wawekezaji wengi kutoroka nchi hii. Jambo hili limedhoofisha uchumi wa nchi hii, na iwapo Serikali ya NARC imeshindwa kutawala nchi hii, basi waje hapa mara moja na wainue mikono halafu waende zao na Serikali mpya ije.

Bw. Naibu Spika wa Muda, wiki nzima ukiangalia televisheni, unaona habari kuhusu wasichana wanaobakwa na hata kuuawa. Hawa ni watoto wadogo. Wengine wao wamefanya vizuri katika mitihani ya kitaifa. Ni watu ambao wangeleta mambo muhimu katika nchi hii. Lakini kwa sababu ya kuzorota kwa usalama katika nchi hii, wanauawa siku nenda, siku rudi, kisha inaonyeshwa katika televisheni na yeyote ambaye hayuko nchini anaona kuwa nchi ya Kenya inawaka moto kwa sababu usalama umedhoofika. Usalama ni kitu muhimu sana katika kitengo cha uchumi. Kenya ndiyo nchi ya kipekee ambako Waziri anayehusika na usalama anasimama hadharani na kusema kuwa Kenya haina usalama. Sasa leo, baada ya Waingereza na Wamarekani kuzuia wananchi wao wasizuru Kenya ndipo tunapiga parapanda ya kuwaomba wao wazuru tena Kenya. Haiwezekani! Ikiwa Waziri anayehusika na usalama amesema kuwa Kenya sio nchi salama, basi Kenya si salama kweli! Ndio sababu watoto wanabakwa na kuuawa. Vipi uchumi wa nchi utaboreka?

**Hon. Members:** Hakuna! Haiwezekani!

**Mr. Wario:** Bw. Naibu Spika wa Muda, nilidhani kwamba waliopanga mpango huu na kuileta Hoja hii watagusia jambo la kazi. Lakini zile nafasi 500,000 za kazi walizoahidiwa Wakenya zimekuwa ni hekaya za Abunuwasi; hazipo tena. Nilifikiri kuwa Bajeti ya mwaka huu italeta nafasi za kazi kwa Wakenya. Watoto wetu wengi waliomaliza masomo ya vyuo vikuu hawakunufaika kuajiriwa kazi. Hiyo ndiyo sababu ya wengi wanaohusika katika wizi wa kimabavu ni vijana waliomaliza masomo yao katika vyuo vikuu kwa sababu hawana tegemeo lingine katika maisha.

Jambo la mwisho nikienda kumalizia, Bw. Naibu Spika wa Muda, ni jambo la ukabila. Ukabila umerarua nchi hii. Iwapo Serikali ya NARC haitajaribu kurekebisha vile wanavyoendesha nchi hii kwa ukabila, basi nchi hii itaelekea vibaya. Kila Waziri lazima atafute katibu wa kudumu na mkurugenzi katika Wizara yake kutoka katika jamii yake. Nchi hii inaelekea wapi? Hili ni jambo la kusikitisha sana. Kwa mfano, katika Wizara ya Mifugo na Samaki, Waziri mwenyewe, Katibu wa Kudumu, Mwenyekiti wa Tume ya Nyama, Mkurugenzi Mkuu, Msaidizi Mkurugenzi na Katibu wa hiyo tume wanatoka katika jamii moja!

**Mr. Musila:** Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me an opportunity to make my contribution to this important Motion. This is my seventh contribution on the Motion of the Budget Speech. This being my seventh contribution to the Budget Speech, there is one thing that has always been common; the problems that arid and semi-arid districts are facing. During every other Budget, I always nurture the hope that it will be a different Budget. But this year's Budget was no exception as it was the same stereotype of a Budget. It is a Budget that is not sensitive to the problems of the poor; a Budget that is not sensitive to the development needs of this country.

Mr. Temporary Deputy Speaker, Sir, hon. Wario has decried the unemployment that is in this country. This is a situation which is caused by the fact that our Budgets have never been targetted to job creations. There are many projects that the Government can undertake and create hundreds, if not thousands of jobs. The only small thing that the Minister mentioned that left some hope that there will



be some job creation was in the area of road construction. But these were not enough compared to the allocation of resources in many unproductive areas. So, why not use the Budget to create employment in the field of agriculture? Why not use the Budget to ensure that we tap the waters that go to the seas and irrigate the arid areas of this Republic and create millions of jobs? But hon. Billow yesterday very eloquently and effectively showed how the Budget has missed the priorities, and I would not like to belabour that point.

But, I would have expected that after two years of the NARC Government, we would have seen more resources allocated to water. In particular, I remember that 41 years after Independence, the Government has been promising the people of Arid and Semi-Arid Lands (ASAL) water, but nothing is done about it. You will remember that it had been projected that by the year 2000, all households would have water. When I was young, I used to see our folks walking for 20 kilometres in search of water. Then Independence came and we were told that we will get water in so many years, and we waited. My people, particularly in Mwingi District and Ukambani in general voted for the NARC Government because they were given some hope that, this time round, after waiting for all these years, they were going to get water.

Mr. Temporary Deputy Speaker, Sir, I am holding a document here entitled: "Agenda for Mwingi by the NARC Government" which was released during the campaigns. It reads:

"The Government will work with the people of Mwingi District in improving the standards of living; it will seek to clear all silted dams, build new dams---"

*(Loud consultations)*

Last year, the whole of Mwingi District got Kshs4 million for water, and I excused the Government because it was the first Budget and the Government was bracing itself to start work. But this year, there is a similar amount of Kshs4 million, and you know that the Kshs4 million was never used because by the end of the year, it could not be used and, therefore, we are back to square one with Kshs4 million. That is why we are saying that the Government has got its priorities wrong. You can imagine the Government giving a district Kshs4 million for water while at the same time allowing someone into an office carrying a briefcase and walk away with Kshs91 million. If such a sum was set aside for my district, do you know how many dams I would build and how many boreholes I would drill to ensure that those people who walk for 20 kilometres in search of water would no longer do that?

Mr. Temporary Deputy Speaker, Sir, I can hear some murmuring behind me, but I want to tell these people that these are bare facts.

*(Applause)*

I support the Government, but we must point out mistakes which the Government is committing against its people.

Mr. Temporary Deputy Speaker, Sir, another sentence here reads: "Mwingi, like other districts, should depend on itself for food". Mwingi District has the capacity to produce cash crops to enable its people to stop living on famine relief food. The people in the district must be empowered to do so. That is the promise of the NARC Government to our people. What does this Budget do to enable the people of Mwingi District and other ASAL areas to grow food? There is no money that has been provided for that.

In the programme of the 21 districts in ASAL areas, we have been told that there are billions of shillings that we must ensure that it is looked after. Last year, the Government allocated Kshs900,000 to Mwingi as an ASAL district. This year, it has allocated only Kshs1.4 million and yet the Minister has allocated Kshs4 billion to the Ministry of Education, Science and Technology for Information Technology Systems. Do we have our priorities right? We have no electricity in those

districts to instal these information technology systems. We have prepared a Budget which allows the looting of our resources by foreigners. Any one who reads newspapers will attest to the fact that we are not giving priority to the right issues. Our priority should be to enable our people to grow food crops.

Mr. Temporary Deputy Speaker, Sir, right now, we are faced with a double problem of lack of food. We have no food, not because we are lazy, but because we have not been facilitated to grow it by tapping the rivers that pass through the ASAL districts, namely, Rivers Tana and Athi. All the water goes to waste. The Kshs1 billion, that has been allocated for the purpose of building houses here in Nairobi, is enough to grow enough food for that region, but our priorities are wrong. We are having a double problem because contaminated food is being sold to our people, and more people are dying everyday. We hear that the Government is doing its best to treat the affected people. Could the Government not find the source of the contaminated maize? If a Government cannot address such a simple issue, like finding the source of the contaminated maize that has killed about 100 people, how would it react if we were invaded by an army? How would it stop the invasion if it cannot stop the person who is bringing in that contaminated maize?

Let us not trivialise the issue of the contaminated maize that is being sold to our people in some parts of this country. The issue was trivialised over the weekend by hon. Members of the Government when they said that it is KANU that is giving the maize. Let us be serious on issues. People are dying everyday and instead of telling the people that we have closed the loophole where the maize is coming from, we are giving them additional famine relief food and repossessing the maize that they had. Even if we repossess the contaminated maize and more comes in the following day, how will we address the problem?

With those few remarks, I beg to support.

**Mr. Angwenyi:** Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me a chance to contribute on this important matter.

We get a chance to participate in this talkshow. As you know, deliberations on the Budget Speech is just like a talkshow. This House has no role in the Budget making process except to tax Kenyans. We just rubber-stamp the intentions of a Government, which, often, does not take the interest of Kenyans at heart. The day this House will amend the Constitution and the Standing Orders, such that we can amend the proposals made in the Budget, that is the day Kenyans will receive the benefits of their taxes.

Mr. Temporary Deputy Speaker, Sir, the Minister has made the proposals because he knows we have no power to change them. The objective of any Budget should be to eliminate poverty, create employment, eliminate ignorance and disease, and provide comfort to the people of a nation as a public endeavour. If we make proper use of our taxes, Kenyans will enjoy a higher standard of living than they are enjoying today. The people I represent in this House pay a lot of money in terms of taxes, but they get nothing in return. There are no roads which they can use to deliver their tea and coffee to the factory, so that they can be taxed. There are no health centres to eliminate disease, which keeps them off their shambas. There is no clean drinking water. They drink polluted water, which causes diseases which they cannot afford to treat. This Budget does not address the needs of Kenyans.

Mr. Temporary Deputy Speaker, Sir, we are told in the Budget that we are going to write off loans in financial institutions to the tune of Kshs8.7 billion. These loans were not approved by this House, which represents the interests of Kenyans. That money should have been used to provide water in Garissa or construct roads in Kitutu Chache Constituency or provide energy in West Pokot. We are paying up debts which were incurred corruptly without the mandate of this House. This Budget gives high expectations to the people. Last year, we were told that 500,000 jobs would be created in this country. If we were to share those jobs equitably in this country, 2,200 people from Kitutu Chache Constituency would have been employed, but no one has been employed from there. I have always challenged even Ministers to tell me how many people have been employed from their constituencies. There are none. So, we have given expectations to our people, which we cannot fulfil.

Recently, we were told that the Government will build 150,000 housing units in urban centres and 300,000 units in the rural areas at a very conservative cost of Kshs300,000 per unit. That will cost us close to Kshs150 billion, which is half the national Budget. Why is the Government raising the expectations of Kenyans, which it cannot meet? The NARC Government has been priding itself that it is doing better than the KANU Government. At least, the KANU Government was closer to the people. The NARC Government is closer to the Memorandum of Understanding (MoU), and not to the people of Kenya. The MoU does not address the interests of Kenyans. It address the issues of eight people out of the 31 million Kenyans. The memorandum of understanding (MOU) does not address the issue of water in Ukambani. It does not even address the issue of unemployment of our youths. It only addresses the issue of employing eight people in Kenya. These are eight *wazees* and one lady. The MOU has occupied this country for the last one and a half years. We are sitting by watching it tear this country into pieces, so as to satisfy the wishes of eight individuals.

**The Temporary Deputy Speaker** (Mr. Poghisio): Who are these people?

**Mr. Angwenyi:** Mr. Temporary Deputy Speaker, Sir, we all know them.

**Mr. Salat:** On a point of order, Mr. Temporary Deputy Speaker, Sir. Could the hon. Member inform this House who the eight people are?

**Mr. Angwenyi:** Mr. Temporary Deputy Speaker, Sir, the hon. Member does not know who the eight people are. Their wishes have occupied this country for the last one and a half years. The wrangling in the NARC Government is making us not have a new constitution.

**The Temporary Deputy Speaker** (Mr. Poghisio): Mr. Angwenyi, you are speaking with authority about eight people. Who are they?

**Mr. Angwenyi:** Mr. Temporary Deputy Speaker, Sir, I will mention their names. I do not fear doing that. The eight are hon. Kibaki, who has the job he was looking for. The others are hon. Saitoti, hon. Kalonzo, hon. Raila, hon. Ngilu, hon. Kirwa, and hon. Awori. They have occupied this country with their wishes for the last one and a half years. They want our people to be taxed so as to satisfy their needs. I am very bitter with the eight. Due to the wrangling we are having about the MOU, we cannot get the donor support we need, so as to revive our economy. Due to the wrangling in NARC, there is insecurity in this country and we cannot rehabilitate our infrastructure.

**Mr. Salat:** On a point of order, Mr. Temporary Deputy Speaker, Sir. You asked the hon. Member to name the eight. He has only named seven. Who is the eighth person?

**Mr. Angwenyi:** Mr. Temporary Deputy Speaker, Sir, I am sure that when the people of Bomet Constituency elected this gentleman, they knew that he could find out who the eight people are.

Mr. Temporary Deputy Speaker, Sir, we must stop the eight people from messing up this country. They are all Ministers. We should not tolerate talk about MOUs any more. Let them go back to the hotel room where they talked about the MOU and solve their problems. When we lost Kshs300 billion that was going to come from donors, this affected 31 million Kenyans and not the eight people only. When we do not produce a new constitution, this does not affect only the eight people, but 31 million Kenyans. I believe that this House will rise up and stop the eight people in NARC from peddling MOU matters around the country indefinitely, so that we embark on delivering services to Kenyans. If we do that, then we will take advantage of the conducive environment produced by low interest rates and donor support to change our economy. I am a very bitter representative of the people of Kitutu Chache Constituency because of the MOU.

With those few remarks, I beg to support.

**Mr. Ndambuki:** Mr. Temporary Deputy Speaker, Sir, thank you for the opportunity you have given me to say a few words. I am dissatisfied with the Budget Speech. Every Kenyan knows how the NARC Government was voted in. It received overwhelming support. It was voted in the same way the first Government was in 1963. All Kenyans had goodwill for the Government. However, we are seeing the direction the NARC Government is following. It is following in the footsteps of KANU. Very soon, this Government will become the Opposition and we will show it how

to lead this country. Its members can say that they will rule for 100 years. That is the same song the KANU Government members used to sing. The Budget Speech did not address what Kenyans really require. For instance--

*(Loud consultations)*

**The Temporary Deputy Speaker** (Mr. Poghisio): Order! we should not be murmuring and interrupting when an hon. Member is contributing. Hon. Members, you should not be addressing yourselves. Let us pay attention to the hon. Member on the Floor and if anyone has an issue, they should rise either on a point of order or point of information. We have a way of addressing issues.

**Mr. Ndambuki:** Thank you, Mr. Temporary Deputy Speaker, Sir, for taking care of that.

The Budget Speech did not focus on the areas that we were looking forward to. Everyone thought that we were concerned about an increase in VAT, which was not really the case. Kenyans were waiting for a Budget that would mind about people who live in rural areas. It was supposed to take care of people who walk long distances looking for water. The Vote for the Ministry of Water Resources Management and Development was reduced by about Kshs118 million instead of being increased. Some of the Ministries were allocated Kshs20 to 50 million for renovation of buildings. Why can this money not be allocated to the Ministry of Water Resources Management and Development instead of it being given out for construction of houses? Houses have always been there. We have been living in them. Do we really have enough money to warrant such expenses?

I am the shadow Minister for Water Resources Management and Development. I have just perused the Estimates. I picked 20 districts which have received between Kshs2 million and Kshs5 million for water. Last year we set aside over Kshs200 million and another Kshs16 million for SARS. We have never experienced SARS. This House needs to be told how some of these funds are being used, because they are not really being properly utilised.

Mr. Temporary Deputy Speaker, Sir, the KRA Act says that the KRA can only retain 1.5 per cent of the total revenue collected. If you look at the Estimates, you will realise that the Minister has violated the law by increasing the KRA allocation by 0.5 per cent totalling to about Kshs800 million. We should transfer this money to the Ministry of Water Resources Management and Development, so that we can get water. There is an allocation to the Ministry of Finance, an internal transfer, of about Kshs2 billion and there is no explanation for it. I urge this House to transfer this Kshs2 billion to the Ministry of Water Resources Management and Development, because we live in the 21st Century and our people are still travelling the same distances they were travelling during the last century.

Mr. Temporary Deputy Speaker, Sir, when this Government came to power I thought that my area, Ukambani, and other dry areas would get what we did not get during the colonial era, Kenyatta's era and Moi's era. But it seems as if we are getting nothing. We are worse off now than we were during those three regimes.

On the issue of education, the Government reduced the budget for technical education. For every five Kenyans, there are three unemployed youths. The Minister should direct his attention to this issue. By 2007 when we will be voting for another Government, we will be having over 3 million young unemployed Kenyans. This is an issue the Minister should address. He should have increased the budget for technical education instead of reducing it, so that it can absorb dropouts from the formal education system. By reducing the budget he will cause more problems. Through technical education people can be self-employed. Somebody can train as an electrician and start generating income. If one trains as a tailor, they can start their own business. Instead of doing all this we are reducing the budget for technical education and thereby creating more problems for ourselves. We have been talking of creating 500,000 jobs every year. How will we do so without promoting technical education?

The Minister said he will have a shortfall of about Kshs56 billion. I thought this was an external debt only to find out later that it is a domestic debt, which is being funded by borrowing

money locally. To say it is a roll over does not mean that you will not look for money to fund the shortfall. We also have to borrow another Kshs22 billion from the local market. The Minister did not even tell us about the inflation rate. He only said it will be contained at one digit, but did not say exactly what he meant by that. If you look at this, you will find that the actual inflation was 9.8 per cent this financial year. If you look at the purchasing power for households, you will see that it has been 15.5 per cent. So, inflation needs to be brought down to 5 per cent, but the Minister did not address all these issues.

Mr. Temporary Deputy Speaker, Sir, on the issue of electricity, it is only 15 to 17 per cent of Kenyans who have access to electricity, and then we go ahead and allocate Kshs4.3 billion to the Ministry of Education, Science and Technology for Information Technology (IT). This means that Kaiti Constituency, Mwala Constituency and Mr. Obwocha's constituency will not benefit from this IT. Why do it now? It is not really a priority even though the whole world---

**The Assistant Minister for Finance** (Mr. Katuku): On a point of order, Mr. Temporary Deputy Speaker, Sir. Is the hon. Member in order to continue misleading this House by saying that we have allocated Kshs4.5 billion for IT when yesterday I clarified that, that money is meant for the medical scheme which is about to be debated here in the form of a Bill by the Ministry of Health? Each Ministry has been given an allocation to cater for this scheme once it becomes operational. I clarified that matter. The money is not for IT. It is for a health insurance scheme.

**Mr. Ndambuki:** The way it appears in the books, it is for IT. Is that what he calls medical services? There is also an allocation to the Office of the President of Kshs3.6 billion for AIDS, tuberculosis and malaria, and yet the Ministry of Health has a similar allocation. Why not just combine all these things and put them under one Ministry instead of duplicating them to various Ministries.

Thank you, Mr. Temporary Deputy Speaker, Sir.

**Mr. Osundwa:** Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me the opportunity to contribute to this Motion. I would like to begin by thanking the Minister for the able way in which he presented his Budget Speech, though it was rather long. It made not only MPs sleep, but also our families as they watched it on TV.

I am a bit disappointed---

**Prof. Olweny:** On a point of order, Mr. Temporary Deputy Speaker, Sir. Is the hon. Member in order to imply that as the Minister was presenting his Speech, hon. Members were dozing and yet we were listening?

**Mr. Osundwa:** Mr. Temporary Deputy Speaker, Sir, I think the hon. Member, who is my friend, just wanted to take two of my minutes.

I would like to go straight to the issues that affect *mwananchi*, which the Minister completely ignored in his Budget Speech. I am rather disappointed that my district, which is Butere/Mumias, was completely left out of this Budget. I have a few examples to give. When the President came to Western Province two months ago, he gave us promises about tarmacking of roads starting the coming financial year. When I look at the Development Estimates there is a road which was gravelled in 1972 ready for tarmacking. It is called Vuyangu-Ekero Road. When I look at the Development Estimates for the current financial year and those for the coming Budget, there is no allocation for this road.

My people clapped very much when the President made this announcement. Now I do not know what I will tell them. The road network in Butere/Mumias District is very poor. We were elated by the announcement that our roads would get priority in the next Budget, yet nothing has been reflected in the Estimates. I have not even seen donor funding earmarked for these roads. All I can conclude is that whatever we were promised was just talk. When we welcome the President in our area, we expect quite a lot because he is like our father, and a father does not give false promises.

I want to touch on the issue of water. Butere/Mumias suffers from water-related diseases. We do not have sufficient water. When you look at the Estimates for Water Resources Management and Development, at least the Minister has tried to balance the allocations. She has allocated every district

some little money. My concern is that some districts got their share from the national Budget, but they were also given donor funding like the IFAD funds, while other districts were left out completely. I would like to appeal to the Minister for Water Resources Management and Development that when we discuss her Vote here she should at least try to balance her allocations, because nearly every part of this country requires water. It is essential. We in the sugar-growing areas need water because we want to start growing the fast-maturing cane variety, which can only do well when it is irrigated.

Mr. Temporary Deputy Speaker, Sir, I would like to say something about rural electrification. Every consumer of electricity in this country pays money for rural electrification. But you will find that the allocation is completely lopsided. Areas which had electricity in 1963 are still being given more funds than areas without electricity. I would like to appeal to the Minister concerned to re-look at that issue. Even the donor funding from Spanish and French Governments was given to areas already having electricity, particularly coffee growing areas. That is not the best way to treat taxpayers in this country.

The *wananchi* in my area were encouraged to start raring grade cattle. They were told that the Kenya Co-operative Creameries (KCC) will be revived. Indeed, the Government came in and intervened, and the price shot up to Kshs18 per litre. Farmers have done their best! What is the price now? It is Kshs16 per litre! It is still going down. What are we going to explain to our voters? Should they continue with that project or abandon it altogether? We are seeing a trend where the milk price will go back to where it was before; that is, Kshs4 per litre. The Minister for Livestock and Fisheries Development has been here. He has, indeed, discouraged farmers by banning the hawking of milk. There are certain areas like Mumias, which are about 200 kilometres away from the nearest KCC plant. Where do my farmers take their milk? I would like to appeal to the Minister for Livestock and Fisheries Development to reconsider the ban on the hawking of milk by small scale farmers, because they cannot reach the nearest KCC plants.

Mr. Temporary Deputy Speaker, Sir, I want to talk about agriculture. We have been told that agriculture is the backbone of this country. We cannot produce anything cheaper in this country because of the price of inputs and farm implements. Today, we are being told that a tractor is imported in this country duty-free. But what about the spare parts? If you went to buy a disk harrow today, you would not afford it. I want to ask the Minister for Agriculture to revive the Kenya Farmers Association (KFA), which used to supply cheap tractors and spare parts to farmers. Let the Government inject more money into the Ministry of Agriculture for that purpose. How can you remove duty on a complete tractor, and then charge Value Added Tax (VAT) and other taxes on the spare parts? I want the Minister for Finance to reconsider that, and remove VAT and other taxes on spare parts for tractors.

On the question of fertilisers, we are disappointed because DAP and other planting fertilisers arrived in this country long after the planting season. The Government said that it was going to import fertilisers. We all clapped and said: "Fine!". But what happened? The prices of fertiliser went up immediately that fertiliser was brought into the country. Now, fertiliser for top dressing is still coming in, when we are about to harvest. I do not know how the Government takes its priorities. We cannot improve agriculture if fertiliser is coming late and taxes on farm implements are so high! Those are the issues that touch on the small-scale farmers, and which I want the Government to address.

Mr. Temporary Deputy Speaker, Sir, thereafter, we shall be faced with the question of storage of maize and other crops that we shall have harvested. We have seen some maize going bad and killing people. If we do not have proper storage for those cereals, they will continue killing our people. The toxins are as a result of poor storage. We want the Minister in charge to look into that.

Mr. Temporary Deputy Speaker, Sir, I am a bit disappointed because we, Members of Parliament from the sugar-cane growing areas, made various presentations to the Minister. We wanted the Minister for Finance to remove all taxes on sugar, so that it could compete with other imports. As I am talking today, my farmers are very disappointed. One cannot help concluding that some Ministry officials, especially in Kenya Revenue Authority (KRA), are colluding with the sugar importers. As I

am talking today, only one importer has brought in 89,000 tonnes of sugar. We wanted to regulate when that sugar would come into the country. One person has already brought it. He has made all our factories to stop operations, and we do not know what to do. So, I am repeating my plea to the Minister for Finance. Please, remove the VAT on sugar. Sugar-cane is a food crop. It is not a cash crop. Why is there no duty on coffee, tea and milk and yet, they all meet in the cup? I suspect that the previous Government wanted to levy our locally produced sugar so highly, so that they could create room for importation. We thought that when we vote for the NARC Government, we shall see a lot of reforms in that sector. But, today, I am sorry to say that sugar-cane farmers are still impoverished and have no hopes. All we are asking is: All forms of duty should be removed from the crop called sugar-cane. That is the position that has been taken by Members of Parliament from Nyanza and Western. We are still pleading with the Government. If the Minister does not voluntarily remove those duties, then we shall be constrained to move amendments to that Bill, and we do not want to do that.

Mr. Temporary Deputy Speaker, Sir, lastly, I still believe that my district received a raw deal in the Budget for this year. The money that is generated from Mumias in form of taxation from sugar-cane farmers is Kshs4 billion. That is what goes to the Exchequer. Last year, VAT alone was Kshs1.4 billion. If we look at the Development Expenditure as presented by the Government, we do not have a single project! It is not only this financial year, but even in the previous one. I want to encourage the Minister to look into the issues of those farmers who contribute more to the Exchequer.

Thank you very much!

**Mr. Kombe:** Ahsante sana, Bw. Naibu Spika wa Muda. Kwanza, kwa machungu, ningetaka kumshukuru Waziri wa Fedha kwa kufanya bidii sana kusahau kabisa mambo yote ya Mkoa wa Pwani. Inaudhi sana, ikifahamika kwamba kiwango kikubwa cha mapato ya Jamhuri ya Kenya hupatikana kutoka Mkoa wa Pwani. Ilhali, hakuna hata chembe moja ambayo imepangiwa Mkoa wa Pwani. Tukiangalia mipango ya barabara, hakuna hata moja imepangiwa katika Makadirio ya Fedha ya mwaka huu katika Mkoa wa Pwani. Nikiangalia barabara za kwangu Magarini, zote hazipitiki. Mboga, ndizi na mananasi na vyakula vyote vinaoza mashambani kwa sababu hatuwezi kuvisafirisha sokoni, kwa sababu ya barabara mbovu ambazo ziliharibika wakati wa mvua nyingi ya 1997, mpaka leo. Si hapo tu. Barabara za Malindi pia hazipitiki. Barabara za Ganze, Kaloleni, Kinango, Msambweni na sehemu zote za Mkoa wa Pwani zimewachwa nje. Hilo ni jambo la kusikitisha sana.

Tukurudi kwa upande wa ukulima, sehemu ya Magarini ina nafasi ya kulisha Wilaya ya Malindi nzima. Tunaweza kujitegemea kwa chakula iwapo Wizara ya Maji ingetenga kiwango cha fedha cha kunyunyizia maji mashamba katika sehemu ya Magarini, na pia kuwapa wakulima mikopo ya kuwasaidia kununua vifaa vya kunyunyizia maji mashamba yao. Hivi ninavyozungumza, wengi katika Mkoa wa Pwani wanakufa njaa. Bila kutaja sehemu zingine, nataka kutaja sehemu yangu ya Magarini. Watu wa Abu saa hizi wanachimba na kutafuna mizizi ya miti kama chakula! Tunaweza kujitegemea, lakini Serikali ya sasa hajjali maslahi ya Wakenya. Inajali maslahi yao binafsi. Watu wachache wanajali maslahi yao binafsi.

Bw. Naibu Spika wa Muda, ni kweli kwamba pema sijapo pema, ukipema si pema tena. Tulifikiria kwamba tukichagua Serikali ya NARC, tutakuwa tumeangamiza umaskini. Lakini sasa, Mkoa wa Pwani unadumu katika umaskini. Hilo ni jambo la kusikitisha sana. Wakati Makadirio ya Serikali yalikuwa yanasomwa, kulikuwa jambo la kusikitisha na kuudhi sana, kuona kwamba mamilioni ya pesa yamepangiwa kufanyia marekebisho maafisi ya Mawaziri, ilhali saa hizi, ukipita vichochoroni hapa Nairobi, utawapata chokora wengi ambao hawana chakula, wakichokora mapipa na kadhalika. Pesa hizo zingetumika kujenga mashule ya mabweni na kuwahamisha chokora wote katika shule hizo, ili miji yetu iweze kuwavutia wageni zaidi na zaidi. Lakini kwa sasa, ni jambo la kusikitisha. Ukimwona mwana ni kama hayawani, kwa sababu hali aliyomo si nzuri kamwe!

Ingekuwa vyema kama pesa hizi ambazo tunapangia marekebisho ya maofisi ya Mawaziri zingetengwa kujenga makao kwa watu wasiojiweza na pia wapewe chakula. Serikali hii ingekuwa imefanya jambo la maana zaidi. Lakini kilichobaki, kila siku ni lawama kuwa Serikali iliyopita ilifanya hivi na vile. Kufikia dakika hii, twendeni kwa kura na tuone kama Serikali ilioko mamlakani saa hii

itaweza kurudi. Leo hii na iamuliwe saa hii turudi mamlakani. Wengi watarudi kule kule maanake saa hizi watu wanalinganisha kwamba wakati wa Serikali ya Moi, hiki kilikuwa kinapatikana, kile kilikuwa kinapatikana. Sasa, hiki hakipatikani na kile hakipatikani. Wakati sasa umefika wa serikali ilio mamlakani kujali masilahi ya watu wake. Amini usiamini, wale wanauliza NARC kweli hivi leo ikirudi kwa jukwaa na KANU, utashangaa. Utalionga kweli likienda.

Tukirudi kwa upande wa ardhi na makao, Mkoa wa Pwani unaongoza kwa maskwota wengi. Laiti kama kungepangwa kiasi fulani cha fedha kuhakikisha kwamba yale mashamba ambayo yamegawanyika watu wa Pwani ama maskwota, wangepangiwa na kuhakikishiwa kwamba wamelipiwa vile vyeti vyote halafu walipe pole pole, ingekuwa ni jambo la maana zaidi. Lakini, Serikali haifanyi hivyo kwa sababu wanataka kubaki nafasi. Tayari wanaanza kusema yale mashamba au viwanja ambavyo havikustawishwa vitachukuliwa. Hiyo ni njama ya kuwanyanyaza wale ambao hawana uwezo wa kuimarisha sehemu zao. Ni mashamba mengi. Ni wakati gani nitaenda kuimarisha shamba ikiwa ninakufa njaa? Hakuna wakati wowote. Sasa hiyo imewekwa na sehemu nyingi saa hizi, hasa asilimia 50 ya sehemu ya uwakilishi Bungeni ya Magarini, imekaliwa na watu ambao wamechukuwa vyeti na hivi sasa wamechukuwa mikopo na hawataki kulipa mikopo, sehemu hizo zinataka kuuzwa. Ninaifahamisha Serikali iliyo mamlakani kwamba hakuna lolote lile ambalo litaendelea katika sehemu hiyo. Iwapo hayo mashamba hayatalipiwa na yakapatiwa wenyewe kumiliki, yeyote atakaye kuja na kudai hapa ni pangu kwa sababu mimi nilipewa, nina haki ya kumiliki sehemu hii, wewe hama, amini usiamini, kichwa chake kitakuwa ni halali.

**The Temporary Deputy Speaker** (Mr. Poghiso): Order! Order, Mr. Kombe, I will not sit by as you propagate violence--- Did I hear you propagating violence from where you are, as a Member of Parliament?

**Mr. Kombe:** Bw. Naibu Spika wa Muda, pengine nifanue au nieleze zaidi. Ni haramu mtu kuja kuchukuwa shamba langu ambalo nimeimarisha kwa miaka na miaka. Ni nini anataka ndani yake kama si roho yangu? Kitambo achukuwe roho yangu, mengine yatakuwa yametendeka, ndipo ninajaribu kueleza.

**The Assistant Minister, Office of the Vice-President and Ministry of Home Affairs** (Dr. Machage): Jambo la nidhamu, Bw. Naibu Spika wa Muda. Mbunge mwenzetu anasisitiza kwamba watu wamechukuwa mashamba ya wengine kwa haramu. Tungeomba afanue, atuambie ni shamba gani analoongea juu yake?

**Mr. Kombe:** Bw. Naibu Spika wa Muda, nashukuru Waziri Msaidizi kwa kunipotezea wakati. Lakini, inafahamika wazi kwamba sehemu yote ya Ngomeni imesombwa yote. Watu wameimarisha mashamba hayo lakini hakuna hata mmoja yuko na title deed. Tumelezwa hapa na Waziri Msaidizi wa Ardhi na Makao kwamba katika scheme nane za Magarini, tatu zimeandikishwa na ni watu watatu peke yake ambao wamepata hati za kumiliki ardhi. Ni nini Waziri Msaidizi anasema? Sehemu hizo na mashamba yote yamesombwa na hakuna mtu anayeshughulika kuona kwamba hawa watu wanapewa makao yao na wanapewa hati za kumiliki ardhi hizo isipokuwa ni kusema tu "ondoka hapa kwa sababu nina hati ya kumiliki ardhi." Ni nani atavumilia hayo yote? Nikiangalia, nina zaidi ya miaka na sheria iko wazi. Ikiwa nimeishi mahali kwa zaidi ya miaka 12, nina haki ya kumiliki ardhi hiyo. Kwanza, ingefaa kwamba ikifikia kiwango hicho, hakuna mtu kuulizwa kwenda kutafuta nini wala nini, apewe hati moja kwa moja.

Kwa hayo machache, naomba kuunga mkono.

**Mr. ole Metito:** Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me this chance to contribute to this Motion.

First, I would like to thank the Minister for Finance for getting the strength and energy to deliberate a very lengthy Budget Speech which was fairly balanced. I say it is fairly balanced because virtually, no taxes were raised as we were expecting. There is control of Government officials on travel abroad. I support the downsizing of foreign missions and also the control of Government expenditure especially on the purchase and use of vehicles.

However, I have heard my colleagues who have contributed complaining that we do not have



this or that, it used to be in the previous regime. But I think what happened is that during the last general elections, this Government, when they were wooing voters, they raised the expectations of Kenyans so high that Kenyans thought if the NARC Government came to power, they were going to live in a different Kenya. But I think they are now coming to terms with the reality of the resources that are on the table.

Mr. Temporary Deputy Speaker, Sir, one of the main objectives of the NARC Government is employment and wealth creation for the economic growth of this country. One of the things that could spur economic growth of this country, which was in a way mentioned in the Budget Speech, is the control of bank interest rates. Many of our farmers have been impoverished by the debt service and non-performing loans. We applaud the Minister for bringing some measures on the control of bank interest rates. However, there is still a lot to be done. The Government needs to create legal and institutional frameworks and an enabling environment for micro-finance lending and savings and credit co-operative societies to thrive. This should include co-operative societies for all sorts of farmers; livestock, coffee and other farmers.

I would like to talk about what was mentioned in the Budget; construction of new roads. It is worth-noting that the roads which the Minister gave priority to in the Budget Speech are urban roads; all the highways, yet we know that agriculture is still the mainstay of our economy. Agriculture is not carried out in the urban areas, but in the rural areas yet most of the rural roads and other key infrastructure are in a deplorable state. This has led to high transport costs for both agricultural products and farm inputs. We cannot access the markets or these products.

I was expecting the Minister, actually, to mention roads like the Oloitokitok-Emali Road as being earmarked for tarmacking. It is a very important road for the economy of this country. Loitokitok is an area that has potential in agriculture besides the fact that the said road is a regional one; it connects this country with other East African countries. However, it is in a pathetic situation. There is need to get priorities right because when we talk of construction of a road, it should have a relationship with the productive value of that road. We need roads so as to get our agricultural produce to the market.

There is also need for the Rural Electrification Programme to be implemented in our rural areas. Energy is a key sector for the economic revival of this country. However, as it is now, we still have high costs of electricity. Its outreach and connectivity is limited and there are frequent interruptions and this has significantly reduced investment. The rural people still cannot access electricity. I would like to appeal to the Minister that a substantial amount of the estimates should be given to the Rural Electrification Programme.

There is also need for maintenance of security, law and order to encourage investment in this country. This is very important and a lot of care should be accorded to it.

Mr. Temporary Deputy Speaker, Sir, I would like to come to the issue of the ASAL areas. The previous speakers have noted that these areas have been left out in any development plans of this country. These ASAL areas contribute to the economic development of this Republic. A lot of resources are in those areas. The key need for these areas is water. We find that in the last Financial Year; 2003/2004, a district got Kshs4 million for the development of water resources and this year, instead of getting an increment, it has gone down. There is need for this Government to realise the importance of people living in ASAL districts.

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

**Mr. M. Kariuki:** Thank you very much, Mr. Temporary Deputy Speaker, Sir, for this opportunity. I beg to support this Motion. Let me say at the outset that the Budgetary Speech appears to be like an annual ritual where Kenyans have to come and listen - most of the time, of course, they fall asleep until the Minister starts reading how he is going to raise the additional revenue then we suddenly wake up to find out whether we have additional tax to pay. The Budget will only make sense if it can translate into actual material development or material change in the lives of people. Until and unless people have realised that one year down the road, they have water, roads and medicine they did

not have, the budgetary process becomes entirely irrelevant to their lives. The Minister has changed the style of presentation and concentrated more on the actual content of the Budget. For that one, I commend him.

I would like to look at the bright side first before I come to the dark side of this particular Budget. First, the Minister expects to bring some Bills in the course of the year to ensure that there is greater efficiency and acceleration of growth. I wish to laud him over the question of the Proceeds of Crime and Money Laundering (Prevention) Bill which is proposed to be brought in the coming Financial Year. This is very important because every time I open a newspaper and read about the Goldenberg story, and when I hear the Minister for Justice and Constitutional Affairs assuring the nation that they are going to recover this money, I always ask: "Where is the legal framework which he is going to use to recover this money?" It is important that every country has an anti-money laundering Act. This is because it provides the framework through which money which is being laundered or misappropriated can be followed up and recovered. This is very important in terms of avoiding future scandals of the magnitude of the Goldenberg affair.

I also welcome the Minister's assurance that there will be a Bill on micro-financing and another one on SACCOs. I come from an urban constituency and I know that my people basically do small businesses on the streets and they have to depend on a few institutions that offer micro-financing. It is very critical in terms of empowering our people to begin appreciating the role they play in the revival of the economy.

I probably disagree with the Minister when he seems to have a fixation for foreign donors as the basis for revival of the economy. The greatest investor in this economy is not the foreigner who is being asked to come to this country but our own people; those who are doing those small businesses on the streets. We have to invest in our people and empower them so that they can put this economy on its sound footing. That is why I am saying that we need a micro-financing Bill as urgently as possible.

It is just this morning that the Minister was answering a Question on monies offered by OPEC to assist farmers to revive the farming sector. We have heard how that money has been misused. The donor gave the money at an interest rate of 0.05 per cent and finally this money is channelled through a commercial bank which charged 22 per cent. At the end of the day, the farmer will not have benefited. I believe that when we have a Micro-finance Bill in place, it will provide a framework and regulate the interest on small borrowers, so that they access credit. By so doing, we will be able to invest in our economy and revive it. Most of the wealth of our people, for example, the working class and those doing small business, is in SACCOS. The bulk of their money is there. But, again, they are lacking a legal framework as to how to utilise and manage these funds. Therefore, it is important that we have an Act in place.

I have my reservations about the criminalisation of "Refer to Drawer" (RD) cheques. We know the inefficiency in our banks. I know how much I have had to sue banks on behalf of my clients. A bank, for example, can hold a cheque for months on end without clearing it. Somebody writes another cheque in the faith that, that particular cheque had been cleared. Now, if we will introduce a criminal element, then that would create some serious bottlenecks in the banking sector. If we have to have changes in the law, then they must ensure that banks are given sufficient time to clear a cheque. If one deposits a cheque today and it takes four or five days, or perhaps, one month to clear it, and meanwhile he writes another cheque and it is referred to the drawer, and then he is prosecuted for it, I do not think that is fair. So, there is a sense in which we have to place an obligation on the banks to clear cheques as quickly as possible and the time within which one writes out a cheque in the belief that, that particular cheque has been cleared. It is only after that, that we can bring a criminal element in respect of such cheques.

Mr. Temporary Deputy Speaker, Sir, I would like to look at the other side of the Budget. I come from a constituency where there are thousands of displaced people due to the so-called tribal clashes of the 1990s. The expectation of our people is that it is time, in accordance with the pledge by

the NARC Government, to go back to their farms and start doing business. However, what is conspicuously missing in this Budget is that there is no provision for the resettlement of these people whatsoever. This is a matter that is quite serious. We look forward to a day when our people will go back to their farms and start contributing to the nation building. I think the NARC Government must take a bashing here. After 18 months, it has not been able to set up a resettlement programme. They have not set up a committee in accordance with the resolution of this House, which would take care of our people, so that they enjoy peace and tranquillity in their farms.

Mr. Temporary Deputy Speaker, Sir, on the question of roads, I do not usually agree on many issues with Mr. Raila, but what he said last evening is quite correct. The Ministry of Local Government is not doing enough in respect of roads within urban areas. I think we need serious amendments to the Roads Board Act because it makes the Local Government the agent of the Roads Board. So, in effect, we have not taken into account the national network of roads and the national Budget for the Ministry of Roads, Public Works and Housing. In Nakuru Town, for example, the only money we were able to access last month from the Ministry of Local Government for roads was only Kshs23 million. What is Kshs23 million today in terms of constructing a road? If a kilometre of a tarmac road today costs between Kshs20 million and Kshs40 million, what is Kshs23 million given to a constituency? We cannot even repair the state of the roads in our towns. So, I would be recommending and I hope the Minister will support me in this, in future, that we remove this particular Vote from the Ministry of Local Government and place it in the Ministry of Roads, Public Works and Housing, so that roads in urban areas can also be considered in the road network. We will, therefore, be able to benefit from the Budget.

I would like also to say something about energy. Perhaps, my constituency is the only one that did not benefit whatsoever from the Vote of the Ministry of Energy. The President told us on Madaraka Day that there were 223 rural electrification projects countrywide. I am mindful that we have 210 constituencies. However, not a single of those 223 projects is in Nakuru Town Constituency. It is really a shame! We have submitted 18 projects for consideration. My people have contributed more than Kshs500,000 in each project. The larger part of my constituency, much as it is an urban constituency, is basically rural. So, I think there is a sense in which the budgetary process has been given too much discretion to the Minister. The Minister has to look at your face and decide how many projects to give to your constituency. We must move from the personality to the question of proper planning, so that we know that, for example, in the Budget, Nakuru Town will get five rural electrification projects and another constituency gets another five projects and so on. However, I think a situation where you have to go and plead with the Minister is really humiliating for a leader.

Mr. Temporary Deputy Speaker, Sir, in conclusion, it is important that, we, as leaders, in this nation realise the challenge ahead. A lot has been said about the wrangling in the Government. It is true that no investor will risk his or her money where the Government does not appear to speak in one voice. I think this has been one area of discouragement. People are holding their money in abeyance because there is a lot of uncertainty about the future of this country. But let me say to my fellow hon. Members that we actually need to take up the challenge of the constitutional review process. I think we, as leaders, shall be less than candid--- We shall be abdicating our responsibility, as leaders, if we were to tell Kenyans that on 30th June, 2004, the President will deliver a Constitution. We have a greater responsibility than that. We know that, for example, we have a court case and we know what has gone on. We also know that there is no legal framework, whatsoever, upon which a new Constitution can be delivered as of now. So, I support the efforts towards consensus building. Leaders must put their heads together and be able to say: "This is the future we are providing for our people."

Mr. Temporary Deputy Speaker, Sir, on that note, I beg to support.

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

*[The Temporary Deputy Speaker  
(Mrs. Mwendwa) took the Chair]*

**Mr. Sudi:** Thank you, Madam Temporary Deputy Speaker, for giving me this chance to contribute to this very important Motion. I would like to thank the Minister for Finance for providing a well-thought-out Budget for the nation. However, the Minister seems to have been so tired that he got mixed up while presenting it to the nation.

The NARC Government is not taking Kenyans seriously. It is taking them for a ride. If we consider what was read here for three hours, which made many Kenyans fall asleep-- This Budget was good, but later it turned out to be chaotic. Therefore, this Government must apologise to Kenyans. This Government is a jack of all trades, but a master of none. There is a Swahili saying: *Mtaka vyote hukosa vyote*. Instead of this Government focusing on a particular industry, it came up with a general Budget.

Madam Temporary Deputy Speaker, the Budget which was read on Thursday does not contain much and I refer to it as "bullshit." It is really not good.

**The Assistant Minister, Office of the Vice-President and Ministry of Home Affairs (Dr. Machage):** On a point of order, Madam Temporary Deputy Speaker. Is the hon. Member in order to use unparliamentary language here? He has used the word "bullshit".

**The Temporary Deputy Speaker (Mrs. Mwendwa):** Mr. Sudi, did you use the word "bullshit"?

**The Assistant Minister, Office of the Vice-President and Ministry of Home Affairs (Dr. Machage):** Yes, he did.

**Mr. Sudi:** Madam Temporary Deputy Speaker, maybe, I should elaborate on what I said. The hon. Member did not understand what I said. I said that the Budget was an ox cheating Kenyans.

**The Temporary Deputy Speaker (Mrs. Mwendwa):** But did you use the term "bullshit"? You have to withdraw it because that is unparliamentary language.

**Mr. Sudi:** Madam Temporary Deputy Speaker, I withdraw the word bullshit and replace it with the word "ox".

**The Temporary Deputy Speaker (Mrs. Mwendwa):** Mr. Sudi, that is also unparliamentary language. I am sure you know good English. You are using unparliamentary language!

**Mr. Sudi:** Madam Temporary Deputy Speaker, I apologise.

The Kshs1 billion meant to build a house for the Vice-President is a lot of money. This is taking Kenyans for a ride. Although it has been clarified that, that money was meant to re-carpet our roads and paint our offices, it is not a priority. I would like to say that Kshs1 billion cannot be squandered like that in this era when the Government should fulfil the promises it gave Kenyans. The NARC Government promised Kenyans many things. It promised to create 500,000 job opportunities every year. This is the case, and yet our youths "tarmac" in the streets in search of employment opportunities. This Government is not taking care of the lives of Kenyans and it has completely ignored the rural folk.

There is absolutely no provision in the Budget, which will promote agriculture, cater for rural electrification and in the provision of water in dry areas which support this nation. I wish that this Government wakes up from its slumber. As I speak here right now, there are some youths who have completed their Forth Form and have passed very well. Those youths are supposed to join public universities but because of limited admission places, they are left out and stay at home. Those students can secure places in middle-level colleges if the Government established village polytechnics in rural areas where they can learn and become good citizens of this country. I am sure the Government can do that and I urge it to consider doing so.

There are many things which should be done. I thought we finished building consensus on our Constitution at the Bomas of Kenya. Some Government Ministers walked out during the constitutional talks at the Bomas of Kenya. You cannot walk out of your house! I sympathise with

this Government for walking out of the constitutional talks held at the Bomas of Kenya. Those Government Ministers may even walk out of this Parliament!

*(Applause)*

Madam Temporary Deputy Speaker, I wish the Minister for Finance, who has been a civil servant in the Ministry of Finance for so many years--- When he read this year's Budget for three good hours to the President who has also been a Minister for Finance earlier on, he should have summarised. I think I can make a better Minister than him if I am given an opportunity.

The Budget which has been presented to us is not good at all. It was done in a hurried manner. The real Budget which was supposed to have been read in this House was withdrawn when the alternative Government presented a budget for the first time. We did that at the Inter-Continental Hotel. That night, they went to rewrite the Budget which was read out for three hours in this House. This is because they did not know where to start. They could not even say that they propose to raise funds by taxing certain items. They made us feel happy that the Government had considered the common mwananchi.

**Prof. Olweny:** On a point of order, Madam Temporary Deputy Speaker. The hon. Member is implying that the Budget Speech that the Minister for Finance read out in this House was a reflection of their shadow budget. Could he lay the documents on the Table so that we can compare them?

**Mr. Sudi:** Madam Temporary Deputy Speaker, I thought Prof. Olweny could understand better, but I thank him for wasting my time! I was saying that this Budget was hurriedly done because of confusion, and it will take this country back. This Government is taking Kenyans for a ride. What was done by KANU in 40 years would be passed within a fortnight.

Madam Temporary Deputy Speaker, I beg to oppose this Motion.

**The Assistant Minister, Office of the Vice-President and Ministry of Home Affairs (Dr. Machage):** Thank you, Madam Temporary Deputy Speaker. I support this Motion. This was a well-thought Budget and I congratulate the Minister for Finance for having given us all the details which were necessary and due to us. As Legislators, we did not need a summary. We have the capacity to digest and understand the Budget Speech. To have raised the economy of this country from negative one at the time the NARC Government took power, to 1.8 per cent over a period of only one-and-half-years is no mean achievement. It is worth noting because that is a positive trend. The Budget concentrated very much on equivocal distribution of resources, and more so, to marginalised areas and the people who had been forgotten.

Of course, we have had many factors that have actually interfered with the economic growth of this country in the last one year. The Government cannot under-estimate the fact that wrangling within the ruling party has affected our development. It is in public knowledge! It has been said in this House that the so-called Memorandum of Understanding (MoU) has contributed a lot to that kind of scenario. However, out of the eight people who participated in that draft, only two are vocal on it. It shows the direction that others have woken up to see the truth. We need to think positively as a people of this country, and not bring petty politics that affect the everyday development of Kenyans. I was sent here by the people of Kuria, whom I represent, to give their views. They are not interested, to the very least, with that kind of wrangling! They are not! Even we in the Government are not happy. Instead, Kenyans would want to see unity and a general purpose Parliament. They have sent me here to say on their behalf: "A government of national unity would be the best for this country!" It is also my view that, that is what we need. We should all move forward to develop our economy.

Madam Temporary Deputy Speaker, many good things have been done. Some people have said that the Government has not allocated any funds to the National Hospital Insurance Fund (NHIF). We know that there is a Bill coming to Parliament to approve or disapprove that insurance fund. Therefore, there is no way he could have included those funds in the Budget. However, we know that funds for that kind of insurance are distributed in the Ministries. A good example is where Kshs4

billion has been allocated to the Ministry of Education, Science and Technology for the purposes of the health scheme. That has also been done in many other Ministries.

Madam Temporary Deputy Speaker, it is not true that Arid and Semi-Arid Lands (ASALs) were forgotten in the budgeting of this Government. It is only about one week ago when the Government signed financing to a tune of Kshs1.1 billion towards the development of livestock, and about Kshs1 billion for the development of education in the ASALs. That was done by the African Development Bank (ADB). The people from those areas should actually be grateful.

The Minister said that the Government intends to reduce the number of foreign missions that we have overseas. On that point, I will differ a little. What we need to do is to make sure that those missions operate meaningfully. For, example, they should not rent premises. We should buy our own premises in those missions and reduce the personnel. I believe with globalisation, those missions are important and, therefore, their reduction should be done very selectively and intelligently, lest we lose the gains we have made.

Madam Temporary Deputy Speaker, I am very happy because the Minister recommended very strongly, the reduction of domestic borrowing. That has been a major economic hurdle, especially with the inflation rates in this country. He should continue that way. We should, instead, make our money through business, and run this Government as a business enterprise, so that every move that is made can be accounted for and any profits gained can be quantified. The liberalisation of the economy and removing the Government machinery from actual participation in running of enterprises is positive. Hence, the removal of the Telkom monopoly in the telecommunications industry should be taken as a positive move, and investors are welcome on that line. Madam Temporary Deputy Speaker, the constitutional review impasse that we have in this country has played a great role in the reduction of our development, and that cannot be over-emphasized. Hon. Members, there is only one way forward on that. We just have to sit down and talk. We have to talk to each other. We have to listen to each other. Consensus building must be done in a give-and-take situation and hence, the formation of the Consensus Building Group in Parliament. It should be understood that it is for the welfare of this country. That group is not a puppet for any other party in this House. It is for consensus building, listening to each other and charting the way forward. It is true that some hon. Members walked out of the Bomas of Kenya. But one wrong cannot be interpreted and added to another wrong to make a right. No! We have to turn, accept mistakes and move forward. I am saying it openly because it is the truth. I will continue saying it as the Member of Parliament for Kuria Constituency.

We are happy that education in this country was given adequate attention by the Budget. I am also happy that roads construction was also given a big highlight. However, I pray that funds for the rehabilitation of road networks should be distributed and utilised equally throughout this country, so that some people do not benefit more than others, just because they support a certain section of the political wing in this country. Kenyans are Kenyans, whatever their political affiliation. It is necessary that we have equitable distribution of resources.

*(Applause)*

The Minister emphasized on the curbing of unnecessary purchases of exorbitant and expensive vehicles, especially for senior members of this Government. It is true that there might have been a waste towards that line. But the Ministries will still need some essential vehicle. That should not be a blanket ban, that the Government should not buy new vehicles. I assume that essential services will always be given vehicles, when the need arises. In my Ministry, the Prisons Department is crying for lack of vehicles. We certainly need vehicles to run those services properly. As a whole, I think this Budget fully addressed other services such as agriculture and security. I think the Minister needs to be thanked for having thought that way. It is true old habits die hard. It is difficult for some people to understand that the approach of this Budget was not geared towards what they thought would be the normal way of presenting a budget. People have to change their thinking and read between the lines on

the positive side of this Budget. It was well done.

With those few remarks, I beg to support.

**Dr. Godana:** Thank you, Madam Temporary Deputy Speaker, for giving me the opportunity to contribute to the debate on the Budget, which is proceeding in the House. We have come to a moment in this country's history, where we do not know what to believe, when a crucial Government spokesman like the Minister for Finance, has to give, in this case, the Financial Statement for the year.

Madam Temporary Deputy Speaker, over the last few weeks prior to this Budget Speech, the Minister for Finance was emphatic that the economy grew by 1.8 per cent over the last one year. They have not told us the other half of the truth, which is that the economy grew by 1.8 per cent, when the population growth rate was 2.6 per cent. That means that, on average, we all became poorer.

For economic growth to have any positive impact, Mr. Katuku, representing the Minister here, will agree with me that it will have to be plus. I am glad that hon. Katuku is now denying his own Minister.

**The Assistant Minister for Finance** (Mr. Katuku): On a point of order, Madam Temporary Deputy Speaker. Is the hon. Member in order to say that I am denying my Minister while I am here to represent the Ministry and, furthermore, I did not say that?

**Dr. Godana:** Madam Temporary Deputy Speaker, Sir, I will beg that my time will not be wasted. An Assistant Minister, where the Minister is not in an official capacity, represents the Minister and the Minister is the Ministry. That is, at least, what it was.

"Mr. Temporary Deputy Speaker, Sir," on the Budget process, when this Government came to power, they insisted that they were going to introduce a culture of transparency. I can sense some conspiracy to create a nuisance to waste my time.

**Capt. Nakitare:** On a point of order, Madam Temporary Deputy Speaker. Is my learned colleague in order not to recognise gender?

*(Laughter)*

**Dr. Godana:** I beg your pardon. I should address you as Madam Temporary Deputy Speaker. She knows I respect gender.

Madam Temporary Deputy Speaker, I was saying that when this Government came to power, it gave us lots of promises; promises of a new style of doing things. A promise, in particular, of a new method of Budget preparation. They said that there would be greater transparency. That there would be a more participatory process in the process of the Budget. That citizens, and in particular, stakeholders like the private sector and professions would have an opportunity to make contributions about the lines of policy to be adopted. That, priorities would be based on the Economic Recovery Strategy Paper (ERS), the Poverty Reduction Strategy Paper (PRSP) and other policy documents which this Government, for the past year, has been so proud to parade before us.

Madam Temporary Deputy Speaker, what do we see in the second year running? It is back to the same old habits. Old habits which they had said they were going to change when they came to power. The Budget process is the same. It is not transparent. There has been no effort to involve citizens in the preparation of the Budget. The net result is that it is as complex, voluminous and difficult to read by ordinary people as it has always been. In fact, in this case, it has been difficult to read even by the Minister himself. No wonder, the Minister could stand here, read a Budget Speech in which his Government has allocated Kshs1.05 billion for the construction of the house for the Vice-President and Minister for Home Affairs, and come back to tell us later: "Oh, you know, it was an error." It means he did not know the error was in the books when he was reading the Budget Speech.

Madam Temporary Deputy Speaker, this is the first time again that we have seen a Minister come to tell us as he promised yesterday, that he will correct this afternoon, while he assured us that the supposed allocation to Anglo Leasing Company has been stopped. How come it was stopped a week ago and yet when he came to read the Budget, the estimates already contain it? It means the

Minister did not know what actually was in the estimates that he was presenting to the House.

Madam Temporary Deputy Speaker, we thought with the promises of this Government, there will be much greater returns to the principle of equity. What have we seen? Even the little tradition established for some fairness to reach everywhere has been eradicated. I am sure the House has already been told, and if not, I can, at least, advise or inform hon. Katuku that I am told there was a study done by this Government to assess development levels in this country on the basis of constituencies. One would have expected, therefore, budget resource allocations for development will, at least, try to correct that picture by giving more money to the areas which are the poorest. Instead, what do we see? Those who are already far ahead are being given even more, and those who had nothing before, who were at the tail of the development scale, have been left out. I note, in particular, Marsabit District has no development resource allocation throughout these estimates, except under the Ministry of Water Resources Management and Development, where some paltry two items of Kshs5 million each have been allocated to it.

Madam Temporary Deputy Speaker, I also realise and this is something really surprising; I do not know what has happened to even the civil servants in the Ministry during this era of NARC. There are errors which we cannot explain. There is an allocation to the road from Merille to Moyale of Kshs5 million. That is the Nairobi-Addis Ababa Highway. The entire development budget allocation to the road from Isiolo to the Ethiopian border is Kshs5 million. Despite all the promises we were given that this road is about to be tarmacked and money has been found, the Kshs5 million is entered for a portion of the road which is in Marsabit and Moyale. There is even a more shocking one. There is an allocation for a road in Meru of Kshs100 million and it is entered under Isiolo District. What kind of errors are these? The allocation is for a road which is in Meru for Kshs100 million and yet the road is entirely in Meru and the allocation has been entered under Isiolo District. Is this a deliberate attempt to hoodwink and cheat Kenyans when, in fact, you are doing deliberate inequity in resource allocations? Maybe, that is why hon. Katuku has emphasised that he is here in his own capacity and not in any representative capacity.

*(Laughter)*

**The Assistant Minister for Finance** (Mr. Katuku): On a point of order, Madam Temporary Deputy Speaker. I would hate to interrupt the hon. Member. However, is he in order to use unparliamentary language which is that "we are cheating"? "Cheating" is not parliamentary language and he should use the right word.

**The Temporary Deputy Speaker** (Mrs. Mwendwa): Dr. Godana, withdraw it!

**Dr. Godana:** Madam Temporary Deputy Speaker, I meant "misleading" and "deception".

*(Laughter)*

Madam Temporary Deputy Speaker, there is again clear evidence of deliberate disrespect for legal requirements in our laws running through these estimates. For example, under the relevant statutes, the Kenya Revenue Authority is entitled to a maximum of 1.5 per cent of total revenue collected for purposes of its expenditure, which expenditure includes emoluments as well as development. That law is there. The law binds everybody, the Minister for Finance included. What do we see in the Budget here? That figure should have translated into something like Kshs3.5 billion being the maximum. Instead, they have been allocated Kshs4.3 billion, Kshs850 million above the legal limit. It is not just that. There is an additional allocation of more than Kshs200 million to Kenya Revenue Authority for the purpose of partitioning offices and providing carpets. That is an item of expenditure which should be covered within the limits of 1.5 per cent of revenue that they are entitled to. What is the legal basis for the Minister exceeding the upper limit which has been set by the law? We have to put the Ministry on notice that we will use every means available to seek amendments at the stage of



the Votes or, in fact, to block some of the specific Votes on this issue because we have to insist on compliance with the law.

Madam Temporary Deputy Speaker, there has been a tendency over the last one year of incurring expenditure off budgets; expenditure which has not been covered by the Budget. That is how we ended up with these big stories about the passport scandal and investments here which have yet to come up, and they are coming up and so on and yet the Foreign Loans Act does provide that for every loan negotiated by this Government from a foreign source, Parliament must be fully informed. Parliament has to be notified and we have to appeal prior to the commitment. Now, are we starting a culture of actually doing things and bypassing Parliament, despite the promise that we are going to make Parliament the real centre stage in this era of transparency of vetting and policing the Government conduct? Major areas like telecommunications are not penalised about the time of privatisation. Indeed, I would have wished to see in this statement---

Madam Temporary Deputy Speaker, you know they wasted my time and so, there should be some injury time extended to me. We expected to hear from the Minister a commitment for making each and every part of this country accessible to modern-day communication.

With those few remarks, Madam Temporary Deputy Speaker, I end my contribution.

*[The Temporary Deputy Speaker  
(Mrs. Mwendwa) left the Chair]*

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

**Eng. Nyamunga:** Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me a chance to contribute. I would like to join my colleagues who have spoken before in supporting the Motion.

First of all, I am a bit saddened that the Budget has not paid enough attention to the backbone of our economy, which is agriculture. We know that about 60 per cent of the population is supported by agriculture. It means that if the agricultural sector has collapsed, we are keeping 60 per cent of the population idle. If 60 per cent of the population is idle and not earning from their sweat, the net result is poverty. Now, why do we want to allow our country to become poorer? We know that the weather pattern in this country has changed so much that we can no longer rely on rain-fed agriculture. It means that we have no choice but to move slowly in a systematic way to irrigated agriculture. But looking at the allocation made to the Ministry of Water Resources Management and Development in the Budget, there is very little which has been allocated to take care of irrigation. In fact, I have just seen about Kshs10 million to revive the Ahero Irrigation Scheme, and another Kshs10 million to take care of the West Kano Irrigation Scheme. Very little money has been allocated to address the issue of irrigated agriculture. However, as I have said, if we do not move speedily to have irrigation schemes, we are going to reach a situation where we have food deficit. We are going to be a food-deficit country. If we were to pay enough attention to irrigation, we can, in fact, very easily convert Western Kenya to be a granary for this country.

For example, right now this year, we had very heavy rainfall in Western Kenya. But the water went to Lake Victoria, and it is just going to benefit the people of Egypt. It has left Nyando District where I come from very dry. In fact, we have seen very huge cracks in the black cotton soil. So, we are not going to have any harvests this year, simply because we have not managed or put in place an arrangement of pans and dams which can collect the water during the heavy rains and then release it slowly to sustain the farms. So, what happened this year is that whatever plantations the rural farmers had were all washed down to the lake, and now they have remained waiting for hand-outs from the Government. Now, that is not the arrangement that the people in Kano would like to have. We would like to have an arrangement where water is managed properly, so that we can grow our own food and eat from our sweat, not to rely on hand-outs from the Government.

Mr. Temporary Deputy Speaker, Sir, we know that we are supposed to benefit as a country under the African Growth and Opportunity Act (AGOA). What the American Government would like to have is a situation where cotton is grown and ginned from the country and, eventually, we produce garments. We know that the arrangement where we were allowed to export garments made from imported yarn will soon expire in September, 2004. But the Budget is not paying any attention because it has not made any provision for the revival of cotton growing in this country. Cotton is an industrial crop, because we not only have cloth from cotton, but we can also produce animal feed and vegetable fat from cotton. But looking at the Budget, there is no provision made for the revival of cotton growing. With that, I wonder how we are going to help our country or how we are going to benefit from the AGOA initiative. Because we have not addressed it, and the cotton industry is "dead", and it has been "dead" for many years. No effort or arrangement has been made through the Budget to revive it. I feel saddened that that, has not been done.

Now, Mr. Temporary Deputy Speaker, Sir, I would like to comment about the Ministry of Energy. We know that where we have electricity, the quality of life changes. The rural industries and the *Jua Kali* sector also benefit from the market centres which have been covered by rural electrification. But there is something that I feel very unhappy about, and that is the current arrangement where the electricity consumers pay a tax of 5 per cent of whatever bill one has. This tax goes to the Rural Electrification Programme. But this money is collected by the Kenya Power and Lighting Company (KPLC), and they spend it on rural electrification. But the parent Ministry, which is the Ministry of Energy, does not have the capacity to judge whether we are being overcharged in this scheme or not. So, we have a tax collector who then spends it and there is no mechanism to judge or vet the way the money is spent. I am still looking forward to an arrangement where the Minister for Energy has the capacity to help us spend this money, the way the Ministry of Roads, Public Work and Housing is able to spend the money that we generate through the Roads Maintenance Levy charged in the fuel.

Lastly, Mr. Temporary Deputy Speaker, Sir, is the issue of bouncing cheques. I think Kenyans need to be serious. We need to make our lives easier. Right now, if you are making arrangements to pay school fees, you have to go and get a bankers' cheque. We are in charge of our personal accounts, and we must make sure that we manage them properly. So, I support the idea of criminalizing bouncing cheques. If you obtain a service through cheating by issuing a bouncing cheque, when you know very well that your account has no money, then you should be penalized for obtaining a service by pretending that you have money yet you do not have it. I will definitely support that Bill when it comes to this House for debate.

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

**Mr. Rotino:** Thank you very much, Mr. Temporary Deputy Speaker, Sir for giving me the opportunity to contribute to this very important Motion. On the onset, I want to say that I support this Motion very reluctantly, because when a Budget is being prepared, it is supposed to be a policy guideline on financial management for at least one full year. It is supposed to give us direction on how Government expenditure is supposed to be handled; how the Government is going to get revenue and how it is going to spend that revenue. But a Government spends on the basis of a research on a policy on how the Government is supposed to go.

Mr. Temporary Deputy Speaker, Sir, there are so many Sessional Papers and policy papers being prepared by the Ministry of Planning and National Development, and our Budget is supposed to be based on that. Firstly, we should be able to learn from the mistakes, achievements or the shortfalls of the previous Budgets. What did that Budget not achieve? Then from there, we should learn lessons and prepare a Budget on the basis of the shortcomings, advantages or the disadvantages or the problems that we had in the implementation of the previous Budget. But what we see in the Budget is as if somebody just went and wrote an essay for the Minister for Finance and told him: "This is what you are supposed to go and do", and the Minister comes here and reads to us an essay for three hours.

(Applause)

That was not a Budget. It was an essay written for him and it was boring. It was supposed to be read within a maximum of one hour.

Mr. Temporary Deputy Speaker, Sir, a Budget is not a confidential document. It is supposed to be open to stakeholders from different areas. Members of the civil society and hon. Members are supposed to be involved in the Budget-making process, so that it becomes part and parcel of it and we grow with it. There are so many things we can contribute towards the Budget, but this was not done. The Minister for Finance should take this into account so that he does not repeat the same mistakes when reading the Budget for the next financial year. Maybe, next year, he will present the Budget in four hours and we will sleep more.

If you look at the Budget, you will find that it has many problems. First of all, it never considered some of the problems that hinder the growth of the economy of this country. As one of my colleagues has mentioned, there must be good governance. The NARC Government was voted to power because it promised Kenyans good governance. They are worse than KANU. That is why they are unable to implement their Budget. Good governance is one of the prerequisites of a good Budget.

Mr. Temporary Deputy Speaker, Sir, we also need to complete the constitutional review process. Right now, corruption is rampant in the country. The Government might not even get the Kshs51 billion which is expected to come from the donors because of corruption. The NARC Government must change to be able to implement this Budget.

Let me touch on insecurity. Do we expect investors to invest here when there is a lot of insecurity? Out of the Kshs 87 billion of Development Vote, Kshs51 billion is supposed to come from donor commitment. This might not come and hence nothing will be implemented. There is a big variance between the Development Vote and the Recurrent Vote. The Recurrent Vote is Kshs354 billion *vis-a-vis* a Development Vote of Kshs87 billion. Are we just going to be paying salaries to civil servants to hang their coats in their offices instead of going to the field?

Mr. Temporary Deputy Speaker, Sir, the National AIDS Control Council (NACC) has been given Kshs3.7 billion. The Office of the President has also been given the same amount of money. The Ministry of Health has been given Kshs3.2 billion to implement the same thing. All this is meant for AIDS programmes. We should consolidate all the AIDS issues in the Ministry of Health.

Mr. Temporary Deputy Speaker, Sir, one of the conditions that the donors have given the Government is to clear all the outstanding debts in banks before it can privatise its parastatals. We have been saying that agriculture is the backbone of our economy, and yet the Minister has allocated only Kshs4 billion to the Ministry of Agriculture. The Ministry of Roads, Public Works and Housing, which is supposed to construct good roads to woo investors into the country has been given Kshs13 billion. This amounts to Kshs17 billion for the two Ministries. The Government spends Kshs18 billion to pay debts for the National Bank of Kenya. This is shameful. Next year, there might be famine and we have no money to control it.

The Government must be prepared for serious amendments during the Committee Stage. We cannot allow the Government to keep on loitering around and spending money without priorities. Our people are starving. In my constituency, Sigor, we do not have electricity and yet the Government has proposed to spend Kshs15 million to renovate an office. Yesterday, I went to the Ministry of Health and I found that all the offices there are being renovated at the cost of Kshs50 million.

**The Assistant Minister for Lands and Settlement** (Mr. Ojode): On a point of order, Mr. Temporary Deputy Speaker, Sir. The hon. Member is misleading the House. In this financial year's Budget, the Government has put aside US\$250 million for the rural electrification programme. He might not be aware.

**Mr. Rotino:** Mr. Temporary Deputy Speaker, Sir, the hon. Member has not read the Financial Statement well. We are going to spend Kshs16 billion for the capitalisation of the Kenya Power and Lighting Company (KPLC). The US\$250 million is the donor money, which might not come. How

can the Government get that US\$250 million when it has not fulfilled the conditions?

With those few remarks, I beg to oppose.

**Prof. Olweny:** Thank you, Mr. Temporary Deputy Speaker, Sir. I stand to support this wonderful Budget.

**Mr. Moi:** You have no choice!

**Prof. Olweny:** Mr. Temporary Deputy Speaker, Sir, I want to tell the Opposition that this is a wonderful Budget Speech than the previous speeches KANU used to present here.

*(Loud consultations)*

**The Temporary Deputy Speaker** (Mr. Khamasi): Order! This is not a *baraza*. Let us obey the rules, if you want to stay here!

**Prof. Olweny:** Mr. Temporary Deputy Speaker, Sir, let them stand up to speak instead of speaking from the bench.

The Minister made a good move by bringing sanity in the banking sector. Previously, banks have been ambushing customers with many charges. It is good that the Minister will bring a Bill to this House to introduce changes in the banking sector, which will bring sanity in the sector, so that we do not have many charges which are a disincentive to the customers.

The interest rates on loans have previously done a lot of harm to the loanees. If you get a small loan from a bank, after a short while, the amount of money you are required to repay is so huge, that many loanees have lost their properties because of the accumulated interests. We have a number of micro-finance institutions in this country. It is unfortunate that wananchi in many places are not aware of these institutions. These can really help in boosting development. They can help members of the *Jua Kali* sector, who do not have access to the major loan facility. We have these institutions around us, but it is unfortunate that we do not have a system of disseminating the information to the potential users of the facility. We need to do more in disseminating information to *wananchi* about the importance of micro-financing institutions. The micro-finance institutions' interest rates are high. That is a disincentive to those who use their facilities.

The Minister said that he would bring a Bill concerning money laundering to this House. This is one thing that has caused a lot of harm to this country. The Goldenberg scandal is as a result of money laundering. Of course the passport scandal is also part of it. I would like the Minister to bring that Bill here as soon as possible so that we give him support and eradicate corruption in this country.

The Minister left out the issue of floods, which I am not happy about. Floods are causing a lot of harm to our people. They are destroying our resources. We are losing water to the lakes and oceans through floods. I expected the Minister to say something regarding this and, at least, budget some money for management of floods. This would help us find better use for our water and protect our soil. It is unfortunate that was not properly covered in this year's Budget.

In his Speech, the Minister said a lot of things regarding agriculture. The economy of this country depends mostly on agriculture. The Minister's Speech did not give direction as to how the sector is going to be improved. The Minister said that compared to last year, there were improvements in a number of sub-sectors like cotton, wheat, coffee and tea. That might be true to some extent for some of the crops. However, nothing has been done about the cotton sub-sector. What is the role of AGOA in this country? Who is benefiting from it? It may not even be our country that is benefiting from it. Asians who own industries may be the only ones benefiting from it.

The Government has tried to improve the sugar industry. The Ministry of Agriculture has also done a lot to improve the sugar industry. Unfortunately, the KRA is sabotaging the industry. Why is it that the Customs and Excise Duty Commissioner is not under control? Why is he colluding with multinationals like Mat International, Rechuits and Aberdare Stripes to sabotage the development of the sugar industry? The Minister for Agriculture has tried his level best to bring sanity to the industry. He has tried to control importation but, unfortunately, the Commissioner of Customs and Excise Duty

is not obeying court rulings. Is he not the recipient of the payment from Mat International? We want the Minister to address the problems in the sugar industry. Everybody is crying loudly about the problems in the sugar industry. This includes the Minister for agriculture, the Kenya Sugar Board, farmers, Members of Parliament and all other stakeholders. The Minister for Finance has kept mum, and yet his Ministry is the one causing problems in the sugar industry.

Mr. Temporary Deputy Speaker, Sir, there are no incentives given to our farmers. Inputs have always been expensive, yet we know that in places like Europe, Asia, Japan and the USA, governments subsidise agriculture. The cost of inputs here is high, and we have not given incentives to farmers. The whole agricultural sector is not subsidised. It is high time Kenya turned around and told the world that we have to subsidise our agricultural sector. We should not bow to the wishes of donor countries, which are telling us not to subsidise our agricultural sector while they are doing it. It is no secret and they talk about it on the BBC and the Voice of America. Why can we not do it for our farmers? It is high time we did it.

Kenya is spending very little on research for agriculture. It is high time this Government did something about research on agriculture. The Ministry of agriculture needs to be properly funded, so that the packages developed by KARI are passed to the farmers.

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

**Mr. Salat:** Thank you, Mr. Temporary Deputy Speaker, Sir. I rise to oppose this Motion, which is the most appropriate thing to do because we are here to represent the common man, and yet this Budget did not seem to address the issues affecting the common man. I will give my reasons for opposing this year's Budget.

First and foremost, it did not address the issues of the people who got us here. These are the *mama mboga's* and the common man, whose needs were not addressed in this Budget. By needs I mean sugar. What may not be of interest to a parliamentarian is of interest to the common man. By this I mean sugar, paraffin and maize. This Budget did not address these issues.

This is a Budget that seems to cater for a certain class, that is the elite of this country. Over the weekend, when I was in my constituency, I talked to my people and they told me that they are not aware of the reduction in the price of cooking gas. They still use firewood. This Budget is dependent on donor money in its totality. A lot of donor expectations were factored into this Budget. I wish the Government had learned a lesson from last year when it factored so much into the Budget hoping that donors would be generous to the NARC Government. It managed to get only Kshs8 billion. The Government overspent to the tune of Kshs81 billion.

I expected this Government to learn from its mistakes then and know that donors do not just give free money. They look at the Government in its totality to find out what it is doing to address issues like the wranglings that are costing this country a lot. It is sad that one year down the line this Government does not seem to be getting its act together. We have talked and hope, as Mr. Angwenyi said today, that the Government will realise that their MOU will not put food on the tables of Kenyans. This is a time when we should ask "Who actually has the interests of this country at heart?"

**An hon. Member:** KANU!

**Mr. Salat:** As my good friend says, it is KANU.

**The Temporary Deputy Speaker** (Mr. Khamasi): Mr. Salat, address the Chair.

**Mr. Salat:** Mr. Temporary Deputy Speaker, Sir, of interest to this nation is the fact that domestic borrowing has gone up. What will this do to the common man? It will actually increase the cost of living of the common man. Prices of goods and services will go up. Inflation will affect--  
*Wakati haujaisha!*

*(Laughter)*

**The Temporary Deputy Speaker** (Mr. Khamasi): Mr. Salat, you have been here for more than a year. You know the rules.

**Mr. Salat:** Mr. Temporary Deputy Speaker, Sir, I apologise.

I want to speak about one of the key issues that this Government forgot to address. This is the Sessional Paper on a new health scheme which was brought to this House recently. We have not passed it, but the Government went ahead and actually allocated the scheme funds. Of late, we have been hearing that the stakeholders in the health industry were not consulted. All of them are against this scheme, and yet there is an allocation in this Budget for that particular scheme. Is this Government getting its priorities right?

Our cost per unit of power is the highest in the entire Africa. What is the implication of that? Investors will look at the cost of power and ask: "If we invest, what will we get in return?" They will actually go to other countries where they can invest and get good returns. They will run away from us. Power is very expensive in Kenya. Goods that are produced in Kenya cannot compete with imports, because of their high cost of production. They cannot compete even with goods from COMESA countries, which are our business partners.

Mr. Temporary Deputy Speaker, Sir, the rate of inflation in this country in 2003 was 5 per cent. Now it has gone up to 10 per cent. What does that do to the common man? Makueni District is allocated Kshs167 million for construction of roads. In Bomet District we are still using colonial structures. Makueni District will be given Kshs167 million to construct roads! What is the basis for this? Is it because a certain Member of Parliament hails from that particular district? Distribution of resources is not even. This is why this Budget has no priorities. We are supposed to address the needs of the common man. We are supposed to help the common man improve his life from what it was last year.

#### ADJOURNMENT

**The Temporary Deputy Speaker** (Mr. Khamasi): Order! Mr. Salat, you will have three more minutes when debate on this Motion resumes.

Hon. Members, we have come to the end of our sitting this morning. The House stands adjourned until this afternoon at 2.30 pm

The House rose at 12.35 p.m.