

# NATIONAL ASSEMBLY

## OFFICIAL REPORT

**Tuesday, 1st July, 2003**

The House met at 2.30 p.m.

*[Mr. Deputy Speaker in the Chair]*

### PRAYERS

### PAPER LAID

The following Paper was laid on the Table:-

Economic Recovery Strategy for Wealth and Employment Creation, 2003/2007

*(By the Assistant Minister for Planning  
and National Development (Mr. Kombo)  
on behalf of the Minister for  
Planning and National Development)*

### ORAL ANSWERS TO QUESTIONS

*Question No.289*

#### SHOOTING OF MR. OLE SITEYIA

**Maj. Gen. Nkaissery** asked the Minister of State, Office of the President:-

- (a) under what circumstances Mr. Jeremiah ole Siteyia was shot and his private parts mutilated by the police at Athi River on 20th July, 2002; and,
- (b) what urgent measures he is taking to ensure that investigations and prosecution of this case are done and Mr. ole Siteyia is compensated for injuries sustained and the loss of his body parts.

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

(a) The circumstances under which Mr. Jeremiah ole Siteyia was shot and his private parts mutilated at Athi River are yet to be established since he was never arrested nor has he completed the P3 Form which was issued to him on 17th February, 2003, to facilitate investigations.

(b) The police visited Mr. ole Siteyia in hospital to interview him and record his statement after it was reported on 21st July, 2003, by some people that Mr. ole Siteyia had been admitted to Kenyatta National Hospital (KNH) as a result of gunshot wounds. He was, however, uncooperative and did not record a statement until 7th February, 2003. The statement he recorded is yet to be corroborated by other evidence since he has refused to fill and return the P3 Form. An Inquiry File, Athi River No.1/2003, was opened to facilitate investigations into this matter. The file will be forwarded to the Attorney-General for his advice on compensation as soon as investigations are concluded.

**Maj. Gen. Nkaissery:** Mr. Deputy Speaker, Sir, I would like to thank the Assistant Minister for trying to answer the Question. You will remember that you directed this Assistant Minister to bring a comprehensive answer to the House today. He has given this House the same answer he gave on 26th June, 2003. I still find his answer unsatisfactory. Could the Assistant Minister inform this House when investigations into this case will be concluded so that Mr. ole Siteyia can be compensated?

**Mr. Tarus:** Mr. Deputy Speaker, Sir, it is very difficult to predict exactly when Mr. ole Siteyia will be compensated because investigations into his case are still going on. I urge this august House to understand the situation we are in because investigations are still going on.

**Mr. H.M. Mohamed:** Thank you, Mr. Deputy Speaker, Sir. I have heard that somebody's private parts were mutilated. A similar thing happened in my constituency, 20 years ago, where somebody's private parts were mutilated. That incident caused a lot of suffering to so many people because many people were killed as a result. Could the Assistant Minister tell us why policemen interfere with the "sacred" parts of people?

*(Laughter)*

Could he also tell us the action he will take against the policemen who mutilate people's private parts?

**Mr. Tarus:** Mr. Deputy Speaker, Sir, I will confine myself to the problem of Mr. ole Siteyia. Mr. ole Siteyia has been asked to fill in a P3 Form so that investigations into his case could be hastened. But the police have had a problem because the victim has been a bit unco-operative in filling in this form. However, as I have said, investigations to establish what exactly happened are still going on. This is because Mr. ole Siteyia was injured after 500 Maasais armed with *simis* and spears invaded a sheep and goat farm at Athi River.

Mr. Deputy Speaker, Sir, it is not known whether Mr. ole Siteyia was trampled on or was actually shot when the area DO asked the armed Maasais to disperse. The investigations would have been much easier if Mr. ole Siteyia had filled in a P3 Form.

**Mr. Deputy Speaker:** By the way, before we go further, it seems to me that there are two issues here. I do not know whether it was the gunshot that contributed to the mutilation. Could Maj. Gen. Nkaissery assist by asking the complainant to cooperate because the Assistant Minister is insisting that the person is not cooperating?

**Maj. Gen. Nkaissery:** Thank you Mr. Deputy Speaker, Sir, I think we have a problem of inefficiency as regards this Ministry. We know who gave the orders for the assembly; for the people to come for the meeting. We know who gave the order to the police to disperse the people, the policeman who shot the man and the rifle used. It is just a question of the process the Assistant Minister should initiate to ensure that the law takes its course. Get the policeman and a statement from Mr. ole Siteyia, who is cooperating with the police. We know the District Officer who gave the orders and the police officer who shot the man. This happened a year ago, on 20th July, 2002. Yet, the Assistant Minister is still telling this august House that they do not have enough time for investigation.

Mr. Deputy Speaker, Sir, I am requesting the Assistant Minister to take this matter seriously, get a statement made, get compensation for Mr. ole Siteyia and this issue will be resolved.

**Mr. Tarus:** Thank you Mr. Deputy Speaker, Sir. I am happy that Mr. ole Siteyia will cooperate by filling the P3 forms so that we can conclude the matter.

**Mr. Deputy Speaker:** Very well, I believe this matter is--- Maj. Madoka, may be it was done during your time as the Minister of State, Office of the President?

**Maj. Madoka:** Thank you Mr. Deputy Speaker, Sir. Certainly it was not done during my time. But we would like to know from the hon. Assistant Minister whether the police officer

concerned is still working or has been interdicted.

**Mr. Tarus:** Mr. Deputy Speaker, Sir, usually when an officer makes a mistake, the necessary disciplinary action measures existing within the police force are effected. But I will confine myself to this particular problem. Once it has been resolved, all the issues regarding it will be addressed.

**Mr. Deputy Speaker:** Next Question by Mr. Sungu!

*Question No.089*

TRANSFER OF NACC TO HEALTH MINISTRY

**Mr. Deputy Speaker:** Mr. Sungu not here? Next Question by Mr. Leshore!

**Mr. Leshore:** Thank you Mr. Deputy Speaker, Sir. I do not wish to ask this Question because I know I will not get a satisfactory answer from my friend, Andy.

**An hon. Member:** What does that mean?

**Mr. Deputy Speaker:** Mr. Leshore, I did not hear you. Could you repeat what you said?

**Mr. Leshore:** Mr. Deputy Speaker, Sir, I said I do not wish to ask this Question because I know I am not going to get a satisfactory answer from my friend, Andy.

**Mr. Deputy Speaker:** So we drop the Question?

**Mr. Leshore:** Yes, and then proceed to the next Question!

*(Loud Consultations)*

**Mr. Deputy Speaker:** Order! Order Members! What is it?

**The Assistant Minister for Agriculture (Mr. Khaniri):** On a point of order, Mr. Deputy Speaker, Sir. I thought that when a Question appears on the Order Paper, it becomes the property of the House. Therefore, the Member is bound to ask the Question.

**Mr. Deputy Speaker:** Up to now, I have been unable to hear Mr. Leshore. What is the reason behind you not asking the Question, Mr. Leshore? I did not hear.

**Mr. Leshore:** Mr. Deputy Speaker, Sir, the answer I got from the Minister is not satisfactory, so I do not need to pursue it.

**Mr. Deputy Speaker:** But, Mr. Leshore, would you not want other Members to hear what it is all about? I would rule that you ask the Question.

**Dr. Ali:** On a point of information, Mr. Deputy Speaker, Sir.

**Mr. Deputy Speaker:** Order! Order! Dr. Ali, I have already ruled that the Question be asked. Will you ask the Question Mr. Leshore?

**Mr. Leshore:** Well Mr. Deputy Speaker, Sir, if you are insisting that I should ask the Question, then I will.

*Question No.347*

INSTALLATION OF STD  
FACILITIES IN SAMBURU

**Mr. Leshore** asked the Minister for Transport and Communications:-

- (a) if he is aware that it has been very difficult to reach Wamba and Archers Post towns of Samburu East by telephone; and,

(b) when the Minister will instal STD services to facilitate faster communication.

**The Assistant Minister for Transport and Communications** (Mr. Ligale): Mr. Deputy Speaker, Sir, I beg to reply.

(a) Yes, I am aware that it has been difficult to reach Wamba and Archers Post by telephone. Wamba is currently served by a Manual Exchange, with a capacity of a capacity for 70 subscribers and it is connected to Nyahururu Automatic Exchange through two single-channel radio trunks from where it gets access to the rest of Telkom Kenya's public switch network.

Archers Post on the other hand, is currently served by a Manual Exchange with a capacity of 70 subscribers and is connected to Meru Automatic Exchange through a single channel radio trunk from where it gets access to the rest of Telkom Kenya's public switch network.

The use of two or one single channel radio trunk, respectively, has meant that only one or two subscribers can use the telephone at any one given period. The radios are also old and breakdown frequently. To minimise the breakdown, a reinforcement team has already been sent to the two stations to try and rectify the situation.

(b) In its development plan for the period 2000 to 2005, Telkom Kenya intends to automate telecommunication services in Wamba, by installing a multi-access radio system, with a central station based at Maralal. Archers Post on the other hand, will be automated by installing a line concentrator of 240 lines subscriber capacity to be parented to Meru within the same development plan period.

Mr. Deputy Speaker, Sir, Telkom Kenya is also in the process of making arrangements to procure new digital radios to increase the capacities in both Meru and Nyahururu areas. This will result in better services for the two towns of Wamba and Archers Post. The procurement of the two radio equipment is to be done within the next ten months.

Thank you.

**Mr. Leshore:** Thank you Mr. Deputy Speaker, Sir. I would like to ask the Assistant Minister why Marsabit, Isiolo and Maralal are connected with STD facilities, yet my constituency lies between the three but does not have the service. Why are they by-passing my constituency to go to places as far as Marsabit and Moyale?

**Mr. Ligale:** Mr. Deputy Speaker, Sir, I have just stated that the station of Wamba will be connected with Maralal within this plan period and that we will be able to improve the situation within the next two years.

**Mr. Rotino:** Thank you Mr. Deputy Speaker, Sir. This Ministry is fond of giving us answers that have no head or tail. Could this Ministry give us their plan and policy as far as telephone services are concerned? Just the other day, I asked a similar Question about my constituency, Sigor. There are no telephones and the one that is there keeps on breaking down. Could the Assistant Minister give us an overview of the policy of the Ministry in the next five to ten years? What are you going to do, as people need to communicate?

**Mr. Ligale:** Mr. Deputy Speaker, Sir, in the particular case of the two towns, we have given a plan covering five years; 2000 to 2005. We have only two years left within that plan period and those facilities will be in place.

**Dr. Ali:** Thank Mr Deputy Speaker, Sir. the Assistant Minister is avoiding the question asked by Mr. Rotino. The problem of Manual Exchanges breaking down day in, day out, is rampant. You are telling us about the period 2000 to 2005. What is wrong with providing us with the policy and the guidelines, so that we know when our constituencies are going to benefit from Telkom Kenya and the NARC Government?

**Mr. Ligale:** Mr. Deputy Speaker, Sir, the NARC Government has been in position for the last six months only. The KANU Government was in place for 40 years. We did not have that plan.

*(Loud consultations)*

I am answering the question! We have instructed Telkom Kenya--- I am answering the question. Let hon. Members give me a chance!

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

**Mr. Deputy Speaker:** Order! Order! Mr. Muiruri, you know the Standing Orders! Proceed, Mr. Assistant Minister.

**Mr. Ligale:** Mr. Deputy Speaker, Sir, I thank you for intervening.

We have instructed Telkom Kenya to prepare the plan for the next ten years. However, you will appreciate that telecommunications services are very expensive. It takes time to put in place all the resources that are required, but we are trying our best.

*(Mr. Muiruri went to the microphone on the Dispatch Box and remained standing)*

**Mr. Deputy Speaker:** Order, Mr. Muiruri! Resume your seat!

*(Mr. Muiruri resumed his seat)*

Mr. Muiruri, you can rise on a point of order but you do not proceed to the microphone before the Chair gives you the Floor.

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

**Mr. Deputy Speaker:** What is it?

**Mr. Muiruri:** Is it in order for Mr. Ligale to speak ill of the former Government when he served it as Permanent Secretary for Transport and Communications? In 1992, he handed over the management of the Ministry to my colleague, Mr. Lesrima. Is it not shameful for him to do so?

**Mr. Ligale:** Mr. Deputy Speaker, Sir, I am glad that the Member for Gatundu North rightly says that I was a Permanent Secretary. During that time, I was implementing Government policy. I am now in this House, where policy is formulated.

**Mr. Deputy Speaker:** Let us have the last question from the Member for Belgut.

**Mr. Keter:** Mr. Deputy Speaker, Sir, the Assistant Minister said clearly that he has instructed Telkom Kenya to prepare a plan. When Telkom Kenya was licensed by the Communications Commission of Kenya (CCK), it was required to produce a five-year plan and a ten-year plan of its operations. Now that the Assistant Minister says that he has instructed Telkom Kenya to prepare a plan, could he tell the House what happened to the plans that were produced to the CCK?

**Mr. Ligale:** Mr. Deputy Speaker, Sir, the implementation of the plan that Telkom Kenya produced to the CCK was based on funding from Telkom Kenya. We have now told Telkom Kenya that we want it to improve its capacity. If necessary, it may borrow funds from external sources, so that it can roll out networks which can meet our needs.

**Mr. Deputy Speaker:** Very well. Let us proceed to Mr. Sambu's Question.

*Question No.058*

#### ALLOCATION OF KIMWANI ADC FARM

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

(a) whether he is aware that the ADC Farm at Kimwani in Nandi was subdivided and allocated to individuals, leaving out squatters who were living on the farm;

(b) whether he could table the list of beneficiaries, indicating the acreage per individual; and,

(c) in view of the above, whether he could explain the criteria used in the allocation of the said farm.

**The Assistant Minister for Agriculture** (Mr. Khaniri): Mr. Deputy Speaker, Sir, I beg to reply.

(a) I am aware the ADC Farm at Kimwani in Nandi was subdivided and allocated to individuals in 1993. The squatters who were living on the farm were also considered.

(b) I hereby table the list of beneficiaries, indicating the acreage per individual allottee.

*(Mr. Khaniri laid the list on the Table)*

(c) The criteria of identifying the allottees were through the normal Government machinery. Local leaders and the Provincial Administration were involved.

**Mr. Sambu:** Mr. Deputy Speaker, Sir, I have not seen the list. Usually, such a list comes with the reply to the Question. This Question has been deferred four times.

Be that as it may, the Assistant Minister says that the local leaders were involved. The problem is that the squatters who were living on the farm were removed as the farm changed hands; from the ADC to individuals. The squatters now live on the Nandi Escarpment. They are dying of hunger because the escarpment is not arable. In fact, in February, the Assistant Minister, Office of the President, Mr. Tarus, had to supply these people with relief food. So, could the Government cancel those allocations, where some individuals were given 300 acres, and allocate the needy squatters two acres each?

**Mr. Khaniri:** Mr. Deputy Speaker, Sir, the question of cancellation of the allocations does not arise, because the allottees have already paid their premiums to the ADC. I am not aware of anybody who has been allocated 300 acres. I have gone through the list and the biggest allocation to an individual is 10 acres.

**Mr. Sambu:** Mr. Deputy Speaker, Sir---

**Mr. Deputy Speaker:** Order! Order, Mr. Sambu! Let somebody else have a chance to put a question to the Assistant Minister.

Mr. Kaindi, you may proceed.

**Mr. Kaindi:** Mr. Deputy Speaker, Sir, could the Assistant Minister explain Government policy regarding allocation to individuals; of land belonging to the ADC generally? The issue is also of great concern in Machakos District.

**Mr. Khaniri:** Mr. Deputy Speaker, Sir, could the hon. Member repeat the question?

**Mr. Kaindi:** Mr. Deputy Speaker, Sir, what is the Government policy regarding the ADC farms that were illegally allocated to individuals not only in Mr. Sambu's area, but also in Machakos, where individuals got over 7,000 acres of land?

**Mr. Khaniri:** Mr. Deputy Speaker, Sir, since its inception, the ADC has allocated to private parties 270,000 acres throughout the country. If the hon. Member brings a Question about a specific ADC farm, I will gladly answer it.

**Mr. Sungu:** Mr. Deputy Speaker, Sir, today's newspapers have reported that the Government has, in fact, established a commission to inquire into the issue of illegally allocated land. I would like the Assistant Minister to be honest with this House. We know that most of the illegally allocated land in this country belonged to the ADC. Could he now confirm to the House that the allocations in question will, in fact, be investigated by the commission that has been established by the President, and that the land will be returned to the squatters, who should have rightfully owned it instead of it being allocated to rich individuals such as the late Managing Director of the ADC?

**Mr. Khaniri:** Mr. Deputy Speaker, Sir, I would like to give this House the assurance sought by the hon. Member. I guess that, that is why the commission has been established.

**Mr. Deputy Speaker:** Could you ask the last question on this matter, Mr. Sambu?

**Mr. Sambu:** Mr. Deputy Speaker, Sir, the Assistant Minister has been misled. So, for the sake of getting accurate information on the matter, may I request the Chair to direct that the relevant Departmental Committee, or the Public Investments Committee (PIC), together with the Assistant Minister and myself, visit the farm to verify the acreage allocated to individuals? Some individuals have been allocated between 300 acres and 400 acres, which they have now planted with sugarcane while the squatters, who previously lived on that farm, are starving on top of a hill. Such a committee will come up with a report, which will be presented to the House.

**Mr. Deputy Speaker:** Mr. Sambu, there is no need for the Chair to give such an order. The relevant Departmental Committee can, on its own initiative, inquire into any matter that its membership thinks is of interest to the people of this country. So, the Departmental Committee may proceed in that direction if it so wishes.

**Mr. Khaniri:** Mr. Deputy Speaker, Sir, on the Ministry's part, we are ready to accompany the Departmental Committee if it deems it fit to visit the farm.

**Mr. Deputy Speaker:** Very well. Let us proceed to Mr. Wamwere's Question.

*Question No.108*

NON-PAYMENT OF SALARIES TO  
CERES ESTATE WORKERS

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

- (a) whether he is aware that the workers of Ceres Estate Limited in Subukia, Nakuru, have not been paid their salaries for the last two years and that their demand for the salaries has led to their dismissal;
- (b) whether he is further aware that a Mr. K.P.M. Dowson of the same company set his dogs to attack children on the farm, accusing them of trespassing; and,
- (c) what action he has taken to have these people paid and further prevail on the management to stop harassment of *wananchi* living in the area.

**The Minister for Labour and Human Resource Development** (Mr. Mwakwere): Mr. Speaker, Sir, I beg to reply.

(a) I am not aware of the alleged non-payment, for two years, of salaries due to the employees of Ceres Estate Limited. I am, however, aware that the said employees have not been paid their salaries for two months. I am also aware that the workers were dismissed after participating in a strike, which was declared illegal by the Ministry of Labour and Human Resource Development.

(b) I am aware that a child by the name of David Gitonga Mohamed, whose parents work and reside within Ceres Estate, was bitten by a dog owned by a Mr. K.P.M. Dowson, who owns the estate. I am also aware that the incident was reported to Kirengero Police Post and that, after investigations by the police, Mr. K.P.M. Dowson was charged in a Nakuru court for the offence under Case No.194 of 2002. He was found guilty of the offence and fined Kshs2,000 on 21st May, 2002.

(c) I have taken action by charging the employer before the Chief Magistrate's Court, Nakuru, Case No. 3101/2002, for non-payment of wages and leave due. However, I have withdrawn the case under Section 87A after the employer deposited the total amount claimed, with my District Labour Officer, Nakuru, who has started paying the workers. I have also appointed an investigator, under Ref.No. ML/IR/11/15/2002, to look into the issue of unlawful dismissal of the 187 employees.

*(Applause)*

The report has been submitted and the one with recommendation that the management decision to dismiss the workers be appealed, has been dispatched to the concerned parties, that is the management and the union.

**Mr. Deputy Speaker:** Mr. Wamwere, do you still have something to ask?

**Mr. Wamwere:** Mr. Deputy Speaker, Sir, could the Minister explain why the strike by workers, who were demanding payment of their salaries, was considered illegal? Does the Minister agree with me that it is wrong to withhold two months' salaries for the workers?

**Mr. Deputy Speaker:** Order, Mr. Wamwere! Ask a question!

**Mr. Wamwere:** Mr. Deputy Speaker, Sir, I have asked why the strike was considered illegal when the workers had not been paid for two months and whether the Minister considers it right that two months' salaries could be held for two years?

**Mr. Deputy Speaker:** Very well! The Minister may now answer.

**Mr. Mwakwere:** Mr. Deputy Speaker, Sir, the management of Ceres Estate Limited occasionally paid the salaries of the workers late towards the end of 2001 and this was because they were experiencing financial problems. They were facing a down-turn in their commitments as a company and the workers went on strike. What unfolded is exactly as I have explained. The employer has now deposited the money with our Labour Office in Nakuru and the workers are being paid. It was an unfortunate incident; of a company that was facing problems.

**Mr. Sambu:** Mr. Deputy Speaker, Sir, it is now over 40 years since we got our Independence. The British colonialists took the land by the force of the gun and they would set dogs on our people. Will this Government consider - the other two Governments unfortunately failed to repossess all the land from the British repossessing all the farms from the British colonialists starting with those ones in Nandi Hills? In any case, the British do not feel safe in Kenya.

*(Applause)*

Would the Government repossess all the land from the British colonialists who are still here before they repossess land from anyone else?

**Mr. Mwakwere:** Mr. Deputy Speaker, Sir, as much as I would like to answer that question now, I think he should direct it to the Minister for Lands and Settlement. I would not like to make a commitment on that.

**Mr. Wamwere:** Mr. Deputy Speaker, Sir, having been found quilt of setting his dogs on an African child, could the Minister explain why Mr. Dowson was not deported? This crime is very grave because of its colonial nature.

*(Applause)*

Mr. Deputy Speaker, Sir, secondly, has the new Minister---

**Mr. Deputy Speaker:** Order, Mr. Wamwere! I have difficulty with you. You have asked one question and you cannot ask other questions. You have asked one very good question and the Minister may now respond.

**Mr. Mwakwere:** Mr. Deputy Speaker, Sir, Mr. Dowson was found quilt of the offence of setting his dogs on the children who were playing. The court made a decision and fined him. It is not my responsibility to change the decision of the court nor am I in a position to deport him. The court is supreme in this particular respect.

**Mr. Deputy Speaker:** Next Question, Mr. J.K. Kilonzo!



**An hon. Member:** I have a question!

**Mr. Deputy Speaker:** I gave you the last chance. Order! Mr. J.K. Kilonzo!

*Question No.299*

WATER/SEWERAGE SERVICES  
FOR KITUI MUNICIPALITY

**Mr. J.K. Kilonzo** asked the Minister for Water Resources Management and Development what plans she has put in place to provide Kitui Municipal Council with piped water and construct a sewerage system for the town.

**The Minister for Water Resources Management and Development** (Ms. Karua): Mr. Deputy Speaker, Sir, I beg to reply.

Kitui Municipal Council is supplied with piped water from the Ministry's two boreholes with a total production capacity of 576 cubic metres per day and the Kitui-Masinga pipeline with a production of 17,000 cubic metres per day of which 300 cubic metres per day goes into augmenting the water supply. The water requirement for Kitui Municipality and its environs is 3,000 cubic metres per day.

Mr. Deputy Speaker, Sir, the Kitui-Masinga pipeline has enough water to meet the demand for Kitui Municipality. However, the available water is not fully utilised because of the old existing pipelines which have been neglected for a long time and require urgent rehabilitation and augmentation to perform. In this regard, my Ministry will be spending about Kshs10 million this financial year 2003/2004, for rehabilitation works which will include completion of the branch pipeline from Kitui-Masinga pipeline to increase water supply to Kitui Town.

Concerning the construction of a sewerage system in the town, my Ministry is in the process of taking over the management of sewerage and development services in all urban towns as part of its new mandate. It is already undertaking planning and designs of waste disposal systems for all urban councils and towns that have no such facilities. The programme is covered in the Sector Investment Plan budgeted for in three financial years; 2003/2004, 2004/2005 and 2005/2006 respectively.

Mr. Deputy Speaker, Sir, with your permission, I would like to say that the Questioner comes from Mutito Constituency. While this relates to Kitui Central, the hon. Member for Kitui Central, who is my colleague Minister, had already drawn my attention to this issue. I would also like to let the hon. Member know what is happening in his own constituency which he has not asked about.

*(Laughter)*

**Mr. Deputy Speaker:** Order, Madam Minister! Order, Mr. J.K. Kilonzo! I think there was a similar issue here last week and the Chair ruled on it. The hon. Member asked a Question and you have answered it so well, Madam Minister. The other issues that have not been raised should be left there. Let us go to supplementary questions, if any.

**Mr. J.K. Kilonzo:** Mr. Deputy Speaker, Sir, before I ask the supplementary question, I want to tell the Minister that if she bothered to consult Mr. Kivuitu, he would have told her that part of Kitui Municipality falls under my constituency.

**Mr. Deputy Speaker:** Order! Mr. J.K. Kilonzo, let us not argue about which constituency belongs to who because the Chair has already ruled that you rightly asked that Question. The issue of who comes from where should stop and let us concentrate on the substance of the Question. Can you ask a supplementary question?

**Mr J. K. Kilonzo:** I would like to say that the Minister seems to have zeroed in on Kitui Town, while my Question was specific on Kitui Municipality on an area called Kwakinyai Town,

which is far from Mutito Constituency, which falls under the Municipality and which is not supplied with water. Could the Minister tell us how my "Nyalgunga" people are going to get water and stop dilly-dallying!

**Ms. Karua:** Mr. Deputy Speaker, Sir, one needs to look at the Question, it does not give any first name as he is now trying to construct. It is asking about Kitui Municipal Council, which I have answered and which I need not repeat. But if you would like me to give him the breakdown of the work that will be done in the district, it is as follows:- Rehabilitation of Mutomo Water Supply will cost Kshs10 million; rehabilitation of Mutito, in your own constituency, Kshs6 million; rehabilitation of Kitui Water Supply Kshs11 million---

**Mr. Deputy Speaker:** Madam Minister, I thought Mr. J.K. Kilonzo indicated that, in fact, the Municipal Council covers the area.

**Ms. Karua:** Yes, he did.

**Mr. Deputy Speaker:** I think the question is rightly put. Could we confine ourselves to the answer please, and not the district because we are confining ourselves to the municipality?

**Ms. Karua:** I appreciate, Mr. Deputy Speaker, Sir, and that is why I answered the Question. I had said that Kitui Water Supply will take Kshs11 million, desiltation of dams in the district Kshs5 million, operation and maintenance of water supply Kshs2.5 million; and Katheka Water Supply Kshs4 million. A total of Kshs38.5 million will be used in the district this financial year.

**Mr. Deputy Speaker:** I will allow the last question from Mrs. Mwendwa.

**Mrs. Mwendwa:** Thank you, Mr. Deputy Speaker, Sir. First and foremost, I would like to thank the Minister for the answer she has given, because we appreciate all that is being done. But could the Minister tell us how much money is budgeted for this work, or could she give us an undertaking as to when the distribution of water is going to be done before we get to Kitui Town? This is because we actually only get 5 per cent of the water that is supplied from the Masinga-Kitui Water Project. Indeed, we are short of water. I think the figure she has given us is still going to be very inadequate, given that about Kshs700 million was used to pipe water from Masinga Dam to Kitui.

**Ms. Karua:** I appreciate the question and I know that the hon. Member has discussed this issue severally in my office. I want to say that the National Water Conservation and Pipeline Corporation is going to undertake work to make sure that the area the hon. Member is concerned with is served. We do not have enough money this financial year, but I undertake that we will do our best to raise the necessary funds to ensure that her constituents and the rest of the people in Kitui District get access to water.

**Mr. Deputy Speaker:** Very well, Madam Minister! Now, for the second time, Mr. Sungu's Question!

*Question No.089*

TRANSFER OF NACC TO HEALTH MINISTRY

**Mr. Sungu** asked the Minister of State, Office of the President when the functions of the National Aids Control Council (NACC) will be transferred to the Ministry of Health.

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

There are no immediate plans to transfer the functions of the National Aids Control Council (NACC) to the Ministry of Health.

*(Loud consultations)*

**Mr. Deputy Speaker:** Order! Order! Order, Members!

**The Assistant Minister, Office of the President** (Prof. Kibwana): The current Government policy is to combat the spread of the HIV/AIDS through a multi-sectoral approach given the diverse nature of HIV/AIDS. This is so because HIV/AIDS is a social, economic and health issue, requiring a concerted national effort of all the sectors and institutions. NACC, under the Office of the President, offers the necessary co-ordination and resource mobilization to combat this critical national catastrophe. To supplement the work of NACC, His Excellency the President has taken the lead in the fight against HIV/AIDS by establishing a Cabinet Committee, which he chairs. Since many Ministries and other sectors are involved in this noble fight, Government policy has so far advocated for the Office of the Presidents' co-ordination, under the agency of the specialist NACC.

Thank you.

**Mr. Sungu:** Thank you, Mr. Deputy Speaker, Sir. As I congratulate the new Assistant Minister in the Office of the President, I must complain that the answer I have is substantially different from what I have heard. The answer I have has got three lines only, while what has been read out is over 20 lines, which is very unfair to me! But having said that, I am still able to ask questions.

**Mr. Deputy Speaker:** Before you proceed, could the Assistant Minister explain why he has given you a different answer from the one he has read?

**Mr. Sungu:** And it is not even signed!

**Prof. Kibwana:** I am not aware, and hon. Sungu has said that the reply is not signed. I do not know where he got it from.

*(Applause)*

**Mr. Sungu:** Mr. Deputy Speaker, Sir, I got it from the orderlies of the House. I do not want to complain, as he is a new Assistant Minister. This is a very important issue. Therefore, let us go on with the Question.

According to Sessional Paper No.4 of 1997, the good Government of Kenya in its---

*(Loud consultations)*

**Mr. Deputy Speaker:** Order! Order!

**Mr. Sungu:** On the issue of the establishment of NACC, on page No.30, it indicates that NACC will be based in the Ministry of Health. Now, I want to know when, how and where this decision was made to relocate this important function from the Ministry of Health, where there are qualified staff to deal with that kind of thing, to the Office of the President. Why and when was this done and what is the legal basis for this action?

**Prof. Kibwana:** Mr. Deputy Speaker, Sir, I also want to draw the attention of hon. Sungu to the fact that NACC is actually established under an Act of Parliament; the State Corporations Act, Cap. 446, through Legal Notice No.170 on the NACC Order of 1997 as subsequently amended. So, indeed, before this Act of establishing NACC under the State Corporations Act is reviewed, NACC can only continue to be a creature of the Office of the President. But, as I had indicated earlier, this is an issue that must be approached in a sober way, because the idea of Government policy to ensure that there was a co-ordinated approach in terms of dealing with this pandemic was actually to centralize all efforts by all Ministries and all other institutions, including Non-Governmental Organizations (NGOs). As we know, even in terms of sensitization, the Provincial Administration is one of the most important aspects of mobilizing citizens so that the Ministries, NGOs and other organizations can sensitize the people.

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

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

**Mr. Deputy Speaker:** Order, Mr. Wanjala! I warn you that you are becoming disorderly and I am going to take action against you!

**Mr. Kimeto:** On a point of order, Mr. Deputy Speaker, Sir. The Assistant Minister has said that this Question must be approached in a sober manner. Was hon. Sungu drunk when he asked this Question?

*(Laughter)*

**Mr. Deputy Speaker:** Order, hon. Members!

**Prof. Kibwana:** Mr. Deputy Speaker, Sir, unfortunately, most English words have more than one meaning.

**Mr. Lesrima:** Mr. Deputy Speaker, Sir, is the Assistant Minister aware that the District Aids Control Committees (DACCs) and the Provincial Aids Control Committees (PACCs) have been abolished? Is he further aware that, in fact, in the districts, the key officer in charge of this programme is the District Development Officer in the Ministry of Planning and National Development?

**Prof. Kibwana:** Mr. Deputy Speaker, Sir, yes, indeed, there was a policy shift to ensure that the co-ordination of the HIV/AIDS activities at the grassroots level takes place within the constituencies where most of the hon. Members of Parliament are involved in as patrons or as Chairmen of those committees. We felt that the district and provincial bodies were becoming very bureaucratic and, therefore, the idea was to focus on the constituencies at the grassroots level.

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

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

**Mr. Deputy Speaker:** Hon. Members, I realise the interest that you have on this Question.

**Mr. Ndambuki:** There is still more time for supplementary questions.

**Mr. Deputy Speaker:** Order, Mr. Ndambuki! You do not keep the time in this House.

**Mr. Sungu:** Mr. Deputy Speaker, Sir, I agree with your ruling. This is a very important Question and I wonder whether the hon. Member who raised the issue of soberness was in his right mind because my people are dying of HIV/AIDS.

**Mr. Deputy Speaker:** Order, Mr. Sungu! Could you withdraw that remark and apologise?

**Mr. Sungu:** Sorry, Mr. Deputy Speaker, Sir. I withdraw and apologise.

However, my people are dying of HIV/AIDS daily while 49 per cent of the money allocated to NACC is being spent on administration purposes and 39 per cent is spent on personnel costs. Only 6 per cent is spent on advocacy. Whether I am sober or not, is this really fair? Is there no corruption in that place? Why is the Director earning a salary of Kshs2 million which is equivalent to the salary earned by the President of the Republic of Kenya? Is there no corruption there?

*(Applause)*

**Prof. Kibwana:** Mr. Deputy Speaker, Sir, sometimes we can use statistics to prove almost any point. I also want to respond to that intervention by also stating the following: Since this multi-sectoral strategy was adopted in the fight against HIV/AIDS, there has been a significant

reduction in overall HIV/AIDS prevalence from 14 per cent in 2000 to 10 per cent in 2002. After that---

**Prof. Oniang'o:** On a point of order, Mr. Deputy Speaker, Sir. With all due respect, the hon. Professor, who is not a statistician himself, is discrediting his colleague's views on statistics and I am surprised that---

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

**Prof. Oniang'o:** Mr. Deputy Speaker, Sir, my point of order is that he should know better and inform the House properly on how to use statistics. Could he tell us where he got his figures from?

**Mr. Deputy Speaker:** Order, Prof. Oniang'o! You did not put it properly.

**Mr. Ogur:** Mr. Deputy Speaker, Sir, the figure Prof. Kibwana has quoted is for buying condoms and not drugs.

*(Laughter)*

**Mr. Deputy Speaker:** Order, hon. Members! May I have order in the House? Mr. Assistant Minister, the question asked by Mr. Sungu is whether the NACC is spending the money properly. Could you address yourself to that aspect?

**Prof. Kibwana:** Mr. Deputy Speaker, Sir, it is true that in 2001, the personnel costs of NACC were 32 per cent of the total funds while programme activities accounted for 68 per cent of the total funds. However, in 2002, the position changed so that personnel costs took 20 per cent out of the total funds while programmes took 80 per cent out of the total funds.

**Mr. Deputy Speaker:** That is all. Let us move to Questions by Private Notice.

### QUESTIONS BY PRIVATE NOTICE

#### GOVERNMENT VEHICLE FOR ISIOLO DOS

**(Mr. Bahari)** to ask the Minister of State, Office of the President:-

(a) Is the Minister aware that District Officers in Sericho and Garba Tulla Divisions of Isiolo District are not provided with a government vehicle?

(b) In view of the hardships faced by these officers and the frequent security needs they have to attend to, could the Minister provide them with a new motor vehicle?

**Mr. Deputy Speaker:** Mr. Bahari sent a message that his Question by Private Notice be deferred because he is not there. So, the Question will be deferred until Thursday afternoon.

*(Question deferred)*

**Mr. Sasura:** On a point of order, Mr. Deputy Speaker, Sir. You have skipped my Question by Private Notice which is the first one on the Order Paper.

**Mr. Deputy Speaker:** I am sorry. I will come back to it. However, since I have already started, let me go to the next Question by Private Notice.

#### ACQUISITION OF VEHICLES FOR GOVERNMENT MINISTERS

**(Mr. Omingo)** to ask the Minister for Finance:-

(a) Could the Minister inform the House how many vehicles have been acquired in the last four months with cubic capacity rating above 2,000 and what are their registration numbers and make?

(b) How many vehicles are attached to each Minister?

(c) What deliberate policies are being put in place to ensure that this facility is not misused by those in office?

**Mr. Deputy Speaker:** Mr. Omingo is bereaved and so he had requested that his Question be deferred. It is so ordered.

*(Question deferred)*

**Mr. Deputy Speaker:** We have only two minutes for the Question by Private Notice by Mr. Sasura. Mr. Sasura, I would like to seek your indulgence that I defer this Question to tomorrow. Is that okay?

**Mr. Sasura:** It is okay, Mr. Deputy Speaker, Sir.

**Mr. Deputy Speaker:** Then we will defer this Question to tomorrow afternoon. Is that okay with the Minister of State, Office of the President?

**The Assistant Minister, Office of the President (Mr. Tarus):** It is okay, Mr. Deputy Speaker, Sir.

#### KILLING OF MR. MAMO GUBO

**(Mr. Sasura)** to ask the Minister of State, Office of the President:-

(a) Is the Minister aware that on the morning of 12th June, 2003 at 2.30 a.m. police invaded Hurlingham Village, Ruai Location of Embakasi Division, killing Mr. Wako Mamo Gubo and injuring eight others?

(b) Could the Minister explain who authorised the operation to torment innocent Kenyans who were asleep at the time of the incident?

(c) Since the incident took place, what action has been taken against the culprits to assure the residents of justice for all?

*(Question deferred)*

**Prof. Olweny:** On a point of order, Mr. Deputy Speaker, Sir. I submitted my Question in March this year.

**Mr. Deputy Speaker:** Which Question are you talking about since I am dealing with the first Question by Private Notice?

**Prof. Olweny:** I am referring to my Question by Private Notice which is on the Order Paper, Mr. Deputy Speaker, Sir.

**Mr. Deputy Speaker:** Just a minute! Hold your horses! Mr. Oparanya, are you there?

**Mr. Oparanya:** Yes, Mr. Deputy Speaker, Sir.

**Mr. Deputy Speaker:** Mr. Minister, could we defer this Question until tomorrow afternoon?

**The Minister for Agriculture (Mr. Kirwa):** Yes, Mr. Deputy Speaker, Sir.

**Mr. Oparanya:** No, Mr. Deputy Speaker, Sir. This is the first time I am seeing the Minister for Agriculture around.

**Mr. Deputy Speaker:** Order, Mr. Oparanya! What are you talking about? We are talking about your Question by Private Notice and the Minister has consented that it be deferred to tomorrow.

Now, what are you talking about?

**Mr. Oparanya:** Okay, Mr. Deputy Speaker, Sir. I accept that it be deferred to tomorrow.

#### CLOSURE OF MUMIAS SUGAR COMPANY

**(Mr. Oparanya)** to ask the Minister for Agriculture:-

- (a) Is the Minister aware that Mumias Sugar Company has been closed as a result of a strike by the tractor drivers and the reduction of sugar price from Kshs2015 to Kshs1750?
- (b) What action is he taking to ensure that the factory is opened?
- (c) Who will compensate the farmers for the sugar-cane, which had already been harvested and was not collected?

*(Question deferred)*

**Mr. Deputy Speaker:** Prof. Olweny, could we also defer your Question to tomorrow afternoon?

**Prof. Olweny:** Mr. Deputy Speaker, Sir, I have waited for too long for this Question to be answered since I submitted it in March.

**Mr. Deputy Speaker:** But you have to understand that we do not have time for it to be answered. The Question will be deferred to tomorrow afternoon and the Minister for Agriculture has agreed.

**Prof. Olweny:** I agree that it be deferred to tomorrow afternoon!

**Mr. Deputy Speaker:** Thank you very much. Question deferred until tomorrow afternoon.

#### PURCHASE OF CHEMELIL SUGAR COMPANY SHARES

**(Prof. Olweny)** to ask the Minister for Agriculture:-

- (a) Is the Minister aware that the Managing Director of Chemelil Sugar Company has deducted over Kshs140,850,457.95 from the farmers' dues for purchase of shares from the company?
- (b) Is he aware that the records available in February this year indicate that over Kshs27,000,000 deducted from farmers in the month of february, March, June, October and November was never banked in the shares account?
- (c) Who are the signatories to the shares account?

*(Question deferred)*

#### POINT OF ORDER

##### ARREST OF MR. KHALIF ABDI HASSAN IN MALAWI

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

**Mr. Deputy Speaker:** Mr. Y. Haji we have only one minute left. What is your point of order about?

**Mr. Y. Haji:** Mr. Deputy Speaker, Sir, on Wednesday last week, I asked the Minister for Foreign Affairs to issue a Ministerial Statement on a Kenyan who was arrested in Malawi. He promised to do so on Thursday and he has not yet done so. May I request that he issues this Ministerial Statement now?

**Mr. Deputy Speaker:** Well, is the Minister for Foreign Affairs in the House? We also have two Ministerial Statements from the Minister of State, Office of the President. We will try to find time tomorrow so that we can hear those Ministerial Statements.

For now, all the Ministerial Statements will have to be deferred until another time. If you look at your Order Paper, Business should start at 3.30 p.m yet it is now 3.30 p.m.

Next Order!

## BILLS

### *First Readings*

#### THE FINANCE BILL

#### THE INSURANCE (AMENDMENT) BILL

*(Orders for First Readings Read -  
read the First Time and ordered  
to be referred to the relevant  
Departmental Committees)*

## COMMITTEE OF WAYS AND MEANS

## MOTION

THAT MR. SPEAKER DO NOW LEAVE THE CHAIR

*(The Minister for Finance on 12.6.2003)*

*(Resumption of Debate interrupted  
on 26.6.2003)*

*(Seventh and Last Day of Budget Debate)*

**Mr. Deputy Speaker:** Very Well. Next Order! Who was on the floor? Mr. Nderitu, you have seven minutes!

**Mr. Nderitu:** Mr. Deputy Speaker, Sir, thank you for giving me seven minutes to contribute to this Motion.

Mr. Deputy Speaker, Sir, while I was talking, I insinuated that it is pointless---

**Mr. Deputy Speaker:** Order, Members! May those willing to withdraw from the Chamber do so quietly!

**Mr. Nderitu:** Mr. Deputy Speaker, Sir, I was saying that it does not matter what kind of Budget we have because if we do not take care of the farmers, Kenya being an agricultural country



because we have no minerals and there is no mining going on in the country then, we shall not revive the economy of this country.

Mr. Deputy Speaker, Sir, we have heard a lot of talk about the Agricultural Finance Corporation (AFC), Kenya Co-operative Creameries (KCC), Kenya Meat Commission (KMC) and others being revived but still there is a bone of contention because rice farmers today are still suffering.

**Mr. Deputy Speaker:** Order, Mr. Nderitu! May I have some order there! Mr. Ogur, Order!

**Mr. Nderitu:** Mr. Deputy Speaker, Sir, unless farmers are supported, by giving title deeds to those who do not have them so that they can go to banks and borrow money to develop their farms, there is no way we can claim that we are assisting them.

Mr. Deputy Speaker, Sir, this country requires a radical change. The Minister for Finance and his team should be able to do that because they have our total support. I do not know why this country is still importing rice, sugar, and even pencils which we can manufacture here.

What are we doing to our people? What are we doing to assist farmers in Mwea who produce more than 80 per cent of the rice which is consumed in this country?

Mr. Deputy Speaker, Sir, there are other irrigation schemes which have been left idle. They should be revived and by so doing, we will have excess rice, even for export. Really, I would like this House to support our farmers who have not been given their title deeds.

Mr. Deputy Speaker, Sir, I get sick when I talk about the issue of title deeds. Mwea farmers have been used by all the former regimes as slaves yet they have been living on this land all their lives. Do not forget that they started to fight for their rights when the *Mau Mau* started to fight for the liberation of this country. That is why they were detained.

Mr. Deputy Speaker, Sir, concerning the Kenya Co-operative Creameries (KCC), the former Government, and I am surprised, did not look after the cow which was producing milk. They thought that milk was to be found in the KCC offices and so they killed the cow! That is why they could not even get milk. Why did these people sell-- Mr. Deputy Speaker, Sir, why did the former Government--

**Hon. Members:** What are you talking about?

**Mr. Nderitu:** I am talking about KCC and all its assets. The former Government finished the farmers who were actually producing milk. If my hon. colleagues cannot understand what I am saying, they need to go and refer to certain books.

Mr. Deputy Speaker, Sir, the Co-operative Bank was set up by so many co-operative societies; spread all over the country. The Bank is supposed to assist its members. The Minister for Finance should find a way of reducing the lending rates of the Co-operative Bank so that its members can be assisted. These are the same people who are being finished by the Ministry of Agriculture! The Ministry of Agriculture in liaison with the Ministry of Lands and Settlement, and the Ministry of Finance, should wake up and revamp agriculture in this country.

A case in point is the pyrethrum farmers who produce about 70 per cent of the pyrethrum produced in the whole world. However, if you look at them, you will see that they are paupers! They are very poor. What happened to their income?

Mr. Deputy Speaker, Sir, I would urge the Government to apprehend all the people who have stolen money, and they were in the former Government, from the pyrethrum farmers.

Mr. Deputy Speaker, Sir, I also know that even from the Government side there are people who have been mentioned.

*(Applause)*

Let this Government not leave any stone unturned. Even some of those who are in Opposition,

and the former President, should be put on the carpet so that they can pay back what belongs to Kenyans. It is very sad to see our people dying today.

**Mr. Deputy Speaker:** Order, Mr. Nderitu!

**Mr. Nderitu:** Mr. Deputy Speaker, Sir, I beg to support.

**Mr. Deputy Speaker:** Mr. Nderitu, your time is up!

**Mr. Sasura:** Thank you Mr. Deputy Speaker, Sir. I stand to support the Budget Speech. However, I would like to call this Budget---

*(Loud consultations)*

**Mr. Deputy Speaker:** Order, Members! What is the excitement all about? Could we consult quietly please, so that we can hear what the hon. Member is saying?

**Mr. Sasura:** Mr. Deputy Speaker, Sir, I say that this year's Budget is a Budget of hope because it is in line with the NARC Government's Manifesto of free and compulsory primary education and creation of jobs. Basically, it is a Budget of hope, but Kenyans do not feed on hope. They do not sleep under hope but under roofs. Kenyans need to have a common man's budget; the Budget we used to hear during the early days, when the current President was the Minister for Finance.

We appreciate that the NARC Government inherited an ailing economy. The Government must convince us that it has put measures in place---

*(Loud consultations)*

Could you protect me from the Front Bench of the Opposition?

**Mr. Deputy Speaker:** Order, Mr. Nderitu! I was protecting you when you were contributing from the Government side, and now you have moved to the Opposition side to cause trouble.

**Mr. Sasura:** Mr. Deputy Speaker, Sir, I say that we needed a common man's budget because Kenyans wanted to hear that the prices of sugar, paraffin, matatu fares and bread have gone down. The Minister said that the Value Added Tax has been reduced from 18 per cent to 16 per cent. That must translate into reduced prices of commodities. The problem we have with our Budget is that it is a political statement, and that is where it ends. I do not remember a time in this country, when the prices of fuel, sugar and bread have gone down. The Government must ensure that tax measures put in place must translate into reduced prices to reflect the standard of living of the common man.

As far as corruption is concerned, it will be a futile effort for the Government to say that it will eradicate corruption, as long as the status of our Police Force remains the same. I am not saying that policemen are the only corrupt people, but they are the enforcers of law in this country. The Government cannot expect a hungry policeman to enforce law in this country. If a policeman earns Kshs4,000 at the end of the month, and we expect him to chase thieves, work overtime at night and fight with criminals, we will be cheating ourselves. The Government must find a way of improving the standard of living of policemen. They live in dilapidated houses, if at all any, earn very poor salaries and we do not want them to ask for bribes from us along the roads. Policemen do not wear smiles on their faces. The only time a policeman puts on a smile on his face is when he sees an overloaded matatu or an old lorry coming towards him. It is high time we looked into terms and conditions of our Police Force, if we are serious about eradicating corruption. A strong Police Force will definitely help us to eradicate corruption.

Mr. Deputy Speaker, Sir, let me touch on the Judiciary. The Government must be commended for targeting the Judiciary in terms of reforms. Let me also thank the Minister for Finance for setting

aside some money to rehabilitate our law courts. The most embarrassing offices in this country are the law courts; the district magistrate courts and the senior magistrate courts. They serve as law courts, police cells and cafeterias. They are in a very bad shape. It is high time we respected our Judiciary in terms of rehabilitation, so that even from the look of it, it will earn some respect.

Mr. Deputy Speaker, Sir, the Budget is about good governance. The Government has started engaging the reverse gear very fast in seven months. We cannot have a good economy if we do not have good governance. The Government must remember that Kenyans gave it the mandate to rule. Kenyans had a lot of confidence in the Government because it promised them a lot. The "100 days slogan" is what brought the NARC Government to power, but it has forgotten all that in only 100 days. Despite the fact that I was in the former Government, the NARC Government must prove that it is different from the previous regimes that have ruled this country. It cannot prove by just telling us that it is new. It cannot be on honeymoon for seven months. It is old enough to show a difference to Kenyans. How can the Government convince us that it will make a difference from the previous regimes? When hon. Members of the current Government were in the Opposition, they were very admirable. They were always critical of the former Government, and I thought that if they crossed the Floor, they would make a difference. But they are fast forgetters.

Mr. Deputy Speaker, Sir, one of the major projects that were being criticised by the current Government when it was the Opposition, was the purchase of the presidential jet at about Kshs3.5 billion. The Opposition then said that it was a luxury for one person to ride in a jet worth Kshs3.5 billion. The amount of money that we needed to implement the first phase of the teachers' salary increment was about Kshs2.9 billion. What would it have cost the Government to sell the presidential jet to implement the first phase of the teachers' salary increment?

**The Minister for Lands and Settlement** (Mr. Kimunya): On a point of order, Mr. Deputy Speaker, Sir. Is the hon. Member in order to confuse the House that we could sell the presidential jet to pay the teachers?

**Mr. Sasura:** Mr. Deputy Speaker, Sir, I am sure the Minister for Lands and Settlement is very busy forming commissions every other morning. I did not say that the Government should sell the presidential jet at the same price it was bought. Even if it is sold at Kshs2 billion, it would have paid some part of the teachers' salary, unless it is too comfortable for the Government not to sell it now. I think the Government should concede if that is the case. If the Government sold the jet, we would have no problem.

Mr. Deputy Speaker, Sir, the NARC Government must show a difference. I remember, in November and October last year, the Opposition was lamenting about the sale of Government houses at a price of Kshs4.8 billion by the former KANU Government. It was alleged that KANU wanted to finance its campaigns using that money. What is preventing the NARC Government from stopping the sale of those houses? The Government is now planning to sell the same houses, and the Minister for Roads, Public Works and Housing has stood up in this House and conceded to that. We know that it was a World Bank conditionality for the previous Government to sell those houses. The same conditionality is now facing the current Government. If the NARC Government sold those houses, it would make Kshs4.8 billion. If that amount of money is added to the Kshs3.8 billion from the sale of the presidential jet, we would take care of the salaries for teachers and policemen.

Mr. Deputy Speaker, Sir, governance is about policies. The size of the current Cabinet is increasing every other month. The current Government's appointments are no different from the previous Government's. They are done on radio. The latest appointment was done at 1.00 o'clock. We thanked the President for appointing somebody from North Eastern Province but still, the size of the Government is expanding at a very fast rate. The more you expand the Government, the more you eat into the economy. The current Government has been crying that it inherited empty coffers, but it is emptying them too fast.

Mr. Deputy Speaker, Sir, Ministers of the NARC Government must stop playing to cameras to please foreign governments, whose intentions they do not know. It is not the business of a Minister to inspect the cleanliness of a toilet. What does it cost a Minister of the NARC Government to send a City Council clerk to inspect a toilet and report back to him? A Minister does not have to use four Mercedes Benzes; one for himself, one for his Permanent Secretary, one for the Under Secretary and one for the Mayor, just to go and inspect the cleanliness of a toilet in Pumwani Maternity Hospital. That is shameful. The NARC Government is bad enough now that it is in power. We have had enough playing to the cameras and we expect the Government to work seriously. Ministers should stop calling the Kenya Broadcasting Corporation (KBC) to interview, intimidate and sack civil servants on the camera. That does not earn a Minister any mileage in terms of the economy. There is nothing significant in being called "Minister *chapa kazi*". Your name is enough for you. The NARC Government will prove to us that it is a working Government by what it produces. We want the economy of this country to grow. Ministers should not frustrate Kenyans of all sorts.

With those few remarks, I beg to support.

**Mr. Ethuro:** Thank you, Mr. Deputy Speaker, Sir, for giving me this opportunity to contribute to this Motion. I rise to support the Budget Speech.

Mr. Deputy Speaker, Sir, if you look at the opening paragraph of the Budget Speech, you will see that the Minister was very categorical on the aspirations and the mandate of the NARC Manifesto. The Speech was basically designed with a mandate in mind. I really support the allocation for free primary education to the Ministry of Education, Science and Technology. The Ministry of Water Resources Management and Development is allocated substantial amount of money. The Minister removed the duty on borehole equipment so that areas like the Arid and Semi-Arid Lands (ASAL) get enough water. This goes a long way in supporting the Government's commitment to the ASAL areas.

Mr. Deputy Speaker, Sir, of course, a Speech is a Speech. As they say, the taste of the pudding is in the eating. I want to believe that the Government will put into action all these commitments. However, I am very disappointed because the Minister mentioned very little about the Public Service. Apart from a proposal to give them a pay rise, public servants require reorientation to be able to look into the aspirations of Kenyans and the commitment of this Government to the people of Kenya. We need to retrain our civil servants if we want to develop a culture of a working nation. Currently, our civil servants do not care about productivity. They only care about reporting to work at 8.00 a.m. and leaving at 5.00 p.m. We need to refocus on that. To me, this is the only glaring omission that I do not see in the Budget.

Mr. Deputy Speaker, Sir, the issue of security is of great concern. I am happy that the Government has made proposals on security. However, those proposals are not good enough. There is no serious investor who will come to this country when everyday our people are mugged, when thugs are killing NGO staff and medical doctors are being murdered in broad daylight. This is what is happening in this City.

Mr. Deputy Speaker, Sir, if you look at our border with Somali, there is a lot of insecurity. You remember last week in this House we talked about the killings that are taking place in Turkana District. These killings are a result of us hosting refugees and friends from our neighbouring countries. However, these people have abused our hospitality and they are killing our people. These killings are as a result of laxity among our police officers. The systems that are already in place are not good enough to protect our own people. A Turkana has equal rights just like a Kikuyu, a Kalenjin or a Luo.

For that matter, we deserve recognition and proper security as *bona fide* citizens of this country. It is not our choice to live in Turkana District. We are part of the great Republic of Kenya.

Mr. Deputy Speaker, Sir, the Minister, in the Budget Speech, allocated a lot of money to the Ministry of Roads, Public Works and Housing. I would like to concur with the hon. Minister, that infrastructure is the key to the development of any country. If you look at our road network, you will

realise that it is all in shambles. The Kitale-Lokichoggio-Sudan Road is in a very sorry state. There is a section of about 200 kilometres without tarmac. The development of a country is judged by the condition of its infrastructure. If our roads are not tarmacked, what message are we sending out about this country? Are we making progress or are we retrogressing? I know hon. Members on this side of the House will say that we have been in the Government for only six months, but I think it is unfair to blame KANU for all the ills afflicting this country.

*(Applause)*

We need to accept the fact that Kenyans did not elect KANU because of those ills. It is time we did something as a Government to deliver our promises to Kenyans. We need to be extremely careful because KANU has made Kenyans suspicious of Government's intentions. We have had governments that promised heaven, but delivered hell to its people! I would like the NARC Government to be a Government of action. I have every reason to believe that this is a Government of action. For example, if you look at the free primary education programme, it was a matter of commitment and resolve. Without enough resources, the Government implemented this programme. We have made it and the whole country is proud of this programme.

Mr. Deputy Speaker, Sir, for those of us from pastoral areas to access free education, the Government must ensure that there are enough modern boarding schools and mobile schools in those areas. This is because in a district like Turkana, the fact of the matter is that the enrolment rate in schools is even lower than it was before because our circumstances are different from other areas. I am happy that the Minister will be able to form an agency to deal with issues of ASAL areas. We are grateful that the World Bank has contributed money to the ASAL areas programme in the Office of the President. This is a credit to this country. In this Budget, a sum of Kshs770 million is allocated to that programme.

Mr. Deputy Speaker, Sir, what we need in the ASAL areas, and I really pray that this Government makes a difference, is a marshal plan where we are going to look at inter-sectoral development. We need to look at issues of education, water and health. There are some dispensaries in the ASAL areas which are managed according to the patient attendance. For example, Lodwar District Hospital does not even have a medical doctor. It is only at the border where there is a big referral hospital under the International Community of the Red Cross (ICRC), but our people cannot even access it. We need to get our priorities right. It is only when we have those priorities right, that we can actually implement them.

Mr. Deputy Speaker, Sir, I would like to associate myself with a statement from my colleagues, especially on the Constituency Development Fund (CDF). I am grossly disappointed by the Minister who is a good friend of mine and I know he will do a good job. I think the excuse of having no money is not good enough. If we want to get some minimum development in each of our constituencies, he should think of allocating the initial Kshs20 million to each constituency. That is the only way to ensure that each and every constituency in this Republic realises some minimum development. I would like to appeal to the Minister to reconsider this particular proposal. When funds become available, and I hope that they will be available sooner than later, he should increase that amount. This is because the Government has already made commitments and this information is out there in the public domain, that money will be used for development in the constituencies.

Mr. Deputy Speaker, Sir, I would like to support the Minister because we need a Budget that is going to help this country. With those few remarks, I beg to support.

**Prof. Oniang'o:** Mr. Deputy Speaker, Sir, I am happy to have this chance to contribute to this Budget Speech. I would like to start by giving the few good points about the Speech, then come to the "real meat" of it.

First of all, the delivery of the Speech was good and one could see that a lot of thought had gone into the preparation of this Speech. I also believe that the Budget was based on the Economic Recovery Strategy Paper (ERSP) and part of the NARC Manifesto. The Speech was long. It took the Minister two-and-half hours to read. It was also clear and so on.

Having said that, Mr. Deputy Speaker, Sir, I felt that this Budget lacked innovation because it was also not a pro-poor people Budget. In fact, the NARC Government lost an opportunity to make gains on the promises they made during the campaigns.

Mr. Deputy Speaker, Sir, since the NARC Government came to power, they have been saying this over and over again, that the Treasury was empty. One wonders whether and how the Treasury was empty when we see the lavish living of the Ministers. We have not been told what they have cut back on, what savings they have made and how much of these savings have actually been injected into the economy. The Ministers continue to make foreign trips, leaving the Government and the country without Ministers and they continue spending lavishly. We want to see where the savings are so that they can go feed them into the Budget.

Mr. Deputy Speaker, Sir, when the NARC Government came into power, it promised to eradicate poverty. I want to mention who the poor are. The poor are those many people who work in the informal sector and civil servants.

**Eng. Toro:** Mr. Deputy Speaker, Sir, the hon. Member is reading instead of referring to notes.

**Mr. Deputy Speaker:** The Standing Orders state that Members should not read but can refer to notes.

**Prof. Oniang'o:** Mr. Deputy Speaker, Sir, I am not reading and I never read. I am referring to my notes. The poor are those in the informal sector, most of the civil servants and teachers. Even with the salary increase, they cannot perform well because there is also an increase in their work load. We have very many unemployed people in the streets who are poor. I visit Kenyatta Market and when I do, I see a lot of poor people there.

Mr. Deputy Speaker, Sir, the NARC Government promised to eradicate poverty. This has not been addressed and nothing has been done to address the problems of the poor. The poor cannot afford secondary school fees for their children and they cannot afford training courses for them. They cannot also afford healthcare or food on a daily basis, and even access to water. The poor who constitute more than 70 per cent of the population have a lot of problems. I do not know what the NARC Government has done to address its major campaign pledge to eradicate poverty. Mr. Deputy Speaker, Sir, one of the points that the Government was praised for, was the lowering of the cost of computers. The computers fall under the general area of Information Communication Technology (ICT). The Government lowered these costs and at the same time, increased the cost of airtime on mobile phones, yet we are aware that our land lines do not operate. If they were smart enough, they would make sure that communication is affordable to everybody. It cuts down on road use, enhances marketability of produce and also enables people living in the rural areas to communicate with those living in the towns. All the other countries are ensuring that these costs are reduced. The Government lacked the vision that I would have liked to see on that issue.

Mr. Deputy Speaker, Sir, the Government lost an opportunity to lower the cost of essential goods with regard to VAT. The lowering of VAT from 18 per cent to 16 per cent is not statistically significant. The NARC Government brags of having many professors and people with brilliant brains.

I am surprised that they did not use those brains in this case. What difference does the lowering of VAT from 18 per cent to 16 per cent have on the cost of bread, flour, or paraffin to the people?

Take soft drinks for example, which are not nutritious. The poor cannot take soft drinks. They require water, salad, butter and sugar. I would have liked the Government to lower the price of milk. The Government lost an opportunity here. I would also like to point out that, the energy

supply costs should have been lowered for the rural areas to generate jobs. The Government also left out the right sectors, which include the cereals and sugar cane sectors, where farmers are suffering day in, day out. It is as if Kenyans depend on coffee only, which is not true. The Government has lost a lot of opportunities here. This Budget is populist because it has good sounding statements, which do not say much and will not have short term impact. I would have liked the Government to lower the cost of electricity for the next six months for the industries to develop, so that the young jobless people can get employed.

Mr. Deputy Speaker, Sir, in the health sector, we have many HIV/AIDS orphans. We do not have enough ambulances in the hospitals. Kenyan women die on their way to deliver children. Other Kenyans die when they are very ill, just because they cannot reach the hospitals. Providing drugs to the people is not the only way out. I feel that we need a situation where the Government can harmonise the statements it has in the Budget. As one hon. Member said, we are waiting to see the implementation take place, and that will help us know how genuine the Government is on the Budget. One gets the impression that only certain regions will benefit from this Budget and maybe, only the areas represented by NARC Members. The Government has to come out clean and assure Kenyans that it is for all Kenyans. That way, we will see that it is a Government of all the people, and that no one will wonder why some areas have benefitted and others have not.

Mr. Deputy Speaker, Sir, with those few words, I very reluctantly support this Motion.

**Mr. Wambora:** Mr. Deputy Speaker, Sir, thank you for giving me this opportunity to contribute to this Budget. I wish to join my colleagues in thanking the Minister for Finance for coming up with a good Budget. The theme of the Budget, "Sustainable Economic Growth", is a good one. The Budgetary goals which are optimization of resources and aiming at projects which will bring the highest returns are commendable goals. I am happy with the taxation proposals which have brought down the VAT from 18 per cent to 16 per cent and tax remission on raw coffee, which will help farmers. However, the devil is in the details and I want to give some examples of this. When we begin to assess the Budget, we look at the equitability principle. When we look at the development Budget, we look at the fairness in the distribution of resources. The details of the Budget must fulfil the goals stated by the Minister in his speech. In that area, it has not succeeded. A good example is the allocation of resources for the road sector in Eastern Province. A small section of the province is enjoying 94 per cent of the Budget allocation for roads, when the rest of the districts are getting only six per cent; that is not equitability.

Mr. Deputy Speaker, Sir, we have some goals in the Budget that are not being fulfilled. Some of the most strategic roads like the road from Isiolo to Moyale, would open up a market of over 60 million people in Ethiopia, if well maintained. This road has not been allocated any cent. Another road which has one of the highest returns in my constituency is the Mutunduri-Manyatta-Kianjokoma-Renyenjes-Ugweri Road. This road serves an area of great agricultural potential. It has been allocated only 9 million which is not adequate. Another strategic road is the Ena-Karurumo-Ishiara-Tharaka-Nkubu Road, which should be considered.

Another aspect of the Budget that should have been given priority is marketing because it is important to the common Mwananchi for the purposes of eradicating poverty and employment creation. The emphasis should be put on the marketing of key commodities in this country such as coffee, tea, and sugar. The marketing sector is in a mess and it is high time the Government looked into the problems created by the of tea and coffee auction mafia groups. These groups should be dismantled so that our farmers are not impoverished; this is very important.

Mr. Deputy Speaker, Sir, another area of critical importance is the provision of adequate health services. I am glad this has been well funded. However, I would like to appeal to the Minister for Health to look at critical health projects. We have one of the oldest sub-district hospital called Runyenjes. It should now be upgraded because the funds are there. We have a health centre called

Kianjokoma which should also be upgraded because it caters for a large population.

Another area where I wish to commend the Minister in his provision of Constituency Development Fund because these funds will be used to finance projects for the common man in the rural areas. This is a welcome move. I would only appeal to the Minister for Finance to ensure that these funds are disbursed as early as possible. Each constituency is entitled to receive Kshs20 million. We must ensure the disbursement is done because sometimes funds are allocated in the Budget, but they are not disbursed. Constituency based projects will have the biggest impact because it will go to where the majority of the Kenyans live; in the rural areas.

Finally, I want to talk about the provision of water services. Water is a critical resource for survival and development. The funding of the sector is a welcome move. I would like to appeal to the Minister for Finance to ensure that the IFAD Fund, which is one of the agreements he signed when he became a Minister and which is meant for some five districts, including my own Embu District, is allocated to those districts for which it was meant. These funds should not be diverted.

Thank you, Mr. Deputy Speaker, Sir, I beg to suggest this Motion.

**Mr. Rai:** Thank you, Mr. Deputy Speaker---

**Mr. Deputy Speaker:** Mr. Rai, to which side of the House do you belong?

**Hon. Members:** He is on the wrong side!

**Mr. Deputy Speaker:** Order, Mr. Rai! Go back to your side. I know you are in Parliament.

You can sit there if you want, but when you want to speak---

**Mr. Rai:** I am in the Opposition Side, Mr. Deputy Speaker, Sir.

**Mr. Deputy Speaker:** Order, Mr. Rai! Where do you belong?

**Mr. Rai:** I am in Ford-People.

**Mr. Deputy Speaker:** So, hon. Members, why are you misleading the Chair? Mr. Rai is in the right place. You have the Floor, Mr. Rai.

**Mr. Kimeto:** Mr. Deputy Speaker, Sir, they do not know him.

**Mr. Deputy Speaker:** Order, Mr. Kimeto. One person at a time. This is time for Mr. Rai.

**Mr. Rai:** Bw. Naibu Spika, ninachukua nafasi hii kukushukuru kwa kunipa nafasi hii ili nipate kuchangia katika Hoja hii. Ningependa kuungana na wenzangu Wabunge kumpongeza Waziri wa Fedha kwa sababu ya makadirio alioandika katika Bunge hili. Ninafikiri ni moja kati ya yale makadirio ambayo yalikuwa yakisubiriwa na Wakenya baada ya miaka 40.

Jambo ambalo ningetaka kuzungumzia ni kwamba hadi kufikia hivi sasa, hali za Wakenya na makadirio ambayo yanaletwa katika Bunge hili ni kitu ambacho kinatutuzia kwa sababu wakati tulipata Uhuru, tuliweka ahadi na nadhiri ya kupigana na mambo matatu; umaskini, kutojua kusoma na kuandika na maradhi. Tangu miaka 40 iliyopita hadi kufika hivi sasa, hatujaweza kuwaangusha maadui hawa watatu. Inaonekana kwamba umefika wakati wa kuinua mikono na kujua tulifanya makosa wapi.

Kusudi la kuzungumza juu ya swala hili ni kwamba hadi kufikia wakati huu, kama tutakuwa tunazungumzia habari ya umaskini, idadi kubwa ya wananchi wanaoishi Kenya ni maskini. Kila mwaka tuna makadirio ya pesa lakini kitu kinachoshangaza ni kwamba wakati Waziri [**Mr. Rai**] wa Fedha alipokuja hapa, tulikuwa na matumaini kwa mara ya kwanza tulipohakikishiwa kwamba kutakuwa na hazina ya pesa katika maeneo ya uwakilishi Bungeni. Lakini wakati alipobadilisha nia yake na kusema kwamba senti zile hazitaweza kupatikana, tukajua ya kwamba tumerudi tena katika ile hali ya kubagua wananchi wetu na kuwafanya wengine waitwe Wenyekenya na wengine waitwe Wakenya.

Sasa, itakuwa ni wakati ambapo sisi Wakenya tutakuwa hatufaidiki kwa sababu, pesa zinavyogawanywa, wengi wa Mawaziri hawa hawajui hizi sehemu zote za uwakilishi Bungeni. Itakuwa ni shida kujua hali ya maendeleo katika sehemu zote nchini. Tunapozungumzia habari za maradhi, tungetaka kusikia kwamba karibu kila lokesheni ndogo ina zahanati, kituo cha afya ama hospitali. Leo hatuna vitu kama hivi na hakuna Waziri anayefahamu kwamba sehemu fulani ina



matatizo gani na shida gani. Tunagawanya pesa tukiwa Nairobi lakini wakati wa kutoza ushuru, kila mwananchi wa Jamhuri hii anatoa pesa. Jambo hili lazima tulitie maanani na tuangalie kwamba tutaweza kuwasaidia wananchi wetu kwa njia gani.

Bw. Naibu Spika, kufikia wakati huu tutakapozungumzia habari ya elimu, ninaishukuru Serikali kwa sababu imekata shauri kutupatia elimu bila malipo ama elimu ya bure. Unatosheka vipi kusikia wakati huu kwamba sehemu nyingine zina madarasa ya kutosha watoto kuweza kuenda shuleni na kupata elimu inayotakikana na huku watoto katika sehemu zingine wanasoma nje? Utakapofika wakati wa mtihani utapata kwamba watoto wale wote wanajaribiwa na mtihani mmoja. Jambo hili linaonyesha kwamba usawa haupatikani.

Bw. Naibu Spika, kwa hivyo, ni lazima tuangalie njia gani tutaweza kuangalia kwamba watoto wetu wanapata ile elimu wakiwa na mazingara ambayo yataweza kuwasaidia ili waonekane kwamba wamepata majaribio ya kisawa sawa.

Jambo hili linatatiza kwa sababu katika sehemu nyingine kupitia wakati huu hakuna madarasa au madawati. Leo tunawaambia kuwa tunawapelekea pesa shuleni lakini pesa zinazokwenda katika shule ni zile ambazo tayari zimepangiwa hapa kwamba ni za choki, vitabu na kadhalika. Kama hakuna ubao wa kuandikiwa ila jiwe ndilo linatumiwa kuandikia, unafikiri kutakuwa na usawa au haki? Lazima tuviangalie vitu kama hivi. Tunapozungumza siku zote tunasema kwamba Kenya ni moja lakini swala hili limetufanya sisi watu wengine kurudi nyuma. Sehemu ninayoiwakilisha Bungeni ni kame. Hauwezi kuifananiha sehemu kame na sehemu nyingine katika Jamhuri hii. Wenzetu wanakuza kahawa na sisi, kazi yetu ni kuangalia mambo ya mifugo. Kufikia hivi sasa hatuna soko la mifugo kwa sababu Kenya Meat Commission na viwanda vingine vya maziwa na sukari vilianguka. Wakati tutakapozungumza habari za kuondoa umaskini, tutauondoa kwa njia gani?

Barabara za kuweza kupitia katika sehemu zetu ili tupate kuchukua mazao yetu na kuyapeleka katika masoko pia hakuna. Pesa hizi tunazogawanya kama vile tunavyopata Kshs5 milioni katika kila eneo la uchaguzi hazitoshi. Laiti kama Serikali ingekuwa tayari kuongeza kima cha pesa zile ili tupate kurekebisha hali ya barabara zetu, ndio tukaweza kufikia masoko na tupate kupeleka nafaka zetu ili tuweze kupata pesa. Ni jambo la kusikitisha kwamba hadi kufikia wakati huu katika sehemu ninayowakilisha Bungeni, utaona kwamba Bw. DO wa Samburu au Kinango hana gari. Stesheni ya polisi ya Kinango na Samburu hazina magari na hizi ni sehemu za uhalifu mwingi. Sasa tutakimbilia wapi wakati tutakapoingiliwa? Bajeti imeshatengenezwa. Wakati tulipokuwa tukisema kwamba tutakapopata Kshs20 milioni, tutajaribu kuangalia mambo fulani ili kuinua hali ya maisha ya watu wetu kwa

njia gani. Ni afadhali kuikata Bajeti nzima na kupeana pesa hizi katika maeneo ya uchaguzi badala ya kuja kutusomea hapa kwamba upande wa elimu au afya tutapeleka pesa hizi. Kama tuna Kshs2 bilioni inafaa tuseme jinsi pesa hizi zitagawanywa katika kila eneo la uchaguzi ili kila mtu apate haki yake.

Bw. Naibu Spika, wakati huu wenzetu wengine wanazungumzia habari ya umeme. Sisi hatujui ni mwaka gani umeme utafika sehemu zetu. Umeme unaweza kutusaidia kwa mambo mengi. Unaweza kutusaidia kufanya mambo ya jua kali. Leo tutakuwa tunazungumzia habari za kupeleka stima sehemu za mashambani lakini hatujui itachukua miaka mingapi ili tupate mambo kama haya. Bado tunazungumza tukisema kwamba Kenya ni moja.

Utaona kwamba mara nyingi Wapwani tunasema tunahitaji majimbo kwenye swala kama hili kwa sababu tutaendelea kuishi hivi mpaka lini? Itakuwa wakati wote kila mwananchi anatoa kodi lakini ugawanyaji wa rasilimali si sawa sawa. Hatujui tumlaumu nani. Imekuwa swala la kuambiwa kwamba fulani alipora mali. Tutakwenda na mambo hayo mpaka lini? Bunge hili limewahi kuwa na Kamati ya Fedha za Umma. Kamati hii imefanya mapendekezo zaidi ya miaka mingi kwamba kumekuwa na matumizi mabaya ya pesa. Ni jukumu la Serikali kutupa ahadi kwamba uchuguzi utafanywa ili kuangalia nani amepora hiki na nani amefanya hivi lakini hakuna hatua inayochukuliwa. Siku chache baada ya Serikali ya NARC kupata mamlaka iliapa kupunguza ufasadi. Lakini badala ya

kupunguza ufisadi, tunaona ya kwamba ufisadi unaongezeka. Hii ni kwa sababu hatuoni mambo ambayo yanaweza kumsaidia mwanachi wa kawaida.

Bw. Naibu Spika, wakati umefika ambapo ni lazima tubadilisha mitindo yetu. Wakati ambapo idara ya polisi, idara ya magereza na jeshi zinapoajiri wafanyakazi, wao huzingatia vipimo fulani, kwa mfano, futi tano na inchi kadhaa. Haya ni mambo ya kikoloni. Sehemu zenye watu mbilikimo au watu wafupi kama kule kwetu, watu wetu hawawezi kuajiriwa katika idara ya polisi. Lazima tuzingatie swala hili kikamilifu kwa sababu mtu yeyote anayetaka kuwa polisi ni lazima apewe mafunzo juu ya kazi ya polisi. Pengine kama sisi sote tungalikuwa wafupi hakungekuwa na polisi katika nchi hii.

Bw. Naibu Spika, ni lazima tubadilisha mitindo yetu ya kuwaajiri wafanyakazi wa Serikali kwa sababu sehemu fulani za nchi zinabaguliwa. Serikali inapoajiri askari kutoka Mkoa wa Pwani, watu wetu hubaguliwa kwa sababu wengi wao ni wafupi. Ikiwa watu wetu ni wafupi, kwa nini watu wengine kutoka sehemu zingine hata kama ni wafupi huajiriwa katika polisi na kuletwa kule Mkoa wa Pwani kufanya kazi ya polisi? Jambo hili ndilo tatizo kubwa sana katika Mkoa wa Pwani.

Bw. Naibu Spika, kwa upande wa elimu, kuna upungufu wa walimu katika Mkoa wa Pwani. Wanafunzi wengi katika Mkoa wa Pwani hupata alama ya C kwa sababu ya mazingara tofauti ya elimu. Hata hivyo, masharti ya wanafunzi wanaotaka kujiunga na vyuo vya mafunzo ya walimu ni kwamba lazima wawe na alama ya C. Ningemuomba Waziri awakubalie wanafunzi kutoka Mkoa wa Pwani kujiunga na vyuo hivyo hata kama wamepata alama D+ kwa sababu baadaye wakihitimu watakuja kuwafundishe watoto wetu. Haifai wanafunzi wa shule za msingi kuendelea bila walimu na huku Serikali inasema kwamba inafanya haki kwa kila mwananchi. Mambo haya yanatutuzia na yanatumiza akili. Ninamjulisha Waziri wa Fedha kwamba ninaiunga mkono Bajeti ya mwaka huu kwa sababu ni Bajeti inayojishughulisha na hali ya maisha ya Wakenya. Hata hivyo, ninamuomba afikirie kuhusu hazina ya pesa za maendeleo katika sehemu zote za uwakilishi Bungeni.

Bw. Naibu Spika, kwa hayo machache, ninaunga mkono.

*[Mr. Deputy Speaker left the Chair]*

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

**The Minister for Home Affairs** (Mr. Awori): Bw. Naibu Spika wa Muda, asante kwa kunipa nafasi ili nichangie machache juu ya Hotuba ya Waziri wa Fedha kuhusu makadirio ya mapato na matumizi ya pesa za Serikali. Wakati tulipokuwa tukifanya kampeini zetu mwaka uliopita, tuliwaahidi wananchi mabadiliko. Tulitaka mabadiliko ambayo yangeweza kuimarisha maisha yao. Tulitoa ahadi nyingi sana kwa wananchi na ndio maana wakatupatia mamlaka ya kuongoza taifa hili.

Bw. Naibu Spika wa Muda, ninafurahia sana kazi ambayo Waziri wa Fedha amefanya na ninampongeza kwa sababu amechukua mwelekeo ambao utaweza kuleta manufaa mengi kwa nchi hii. Aliangalia sana masilahi ya akina yahe au watu wasiojimudu kimaisha kwa kupunguza ushuru unaotozwa bidhaa, yaani *Value Added Tax (VAT)*. Waheshimiwa Wabunge wengine wamesema kwamba haikutosha na wangetaka ushuru huu upunguzwe zaidi. Hata hivyo, ni kama kuwa na glasi ambayo ni baridi sana na ukimwaga maji moto kwa haraka ndani yake, basi glasi hiyo itavunjika. Ni lazima tupunguze ushuru huo kwa utaratibu. Nafikiria huu ni mwelekeo mwema. Tunayotaka sasa ni kutafuta mbinu ambazo zitaweza kumsaidia Waziri apunguze ushuru unaotozwa kutokana na mapato ya kibinafsi kwa sababu nchi yetu inatoza ushuru wa juu zaidi ikilinganishwa na nchi zingine. Tunataka vile vile kutafuta njia ya kurudisha chini ushuru wa biashara.

Bw. Naibu Spika wa Muda, tuliahidi kuajiri watu nusu milioni kila mwaka. Tunalotaka kufanya ni kuleta mazingara bora ambayo itawawezesha wenye rasilmali kuja kusaidiana na Serikali. Waziri bado ana nafasi ya kuangalia sehemu chache ambazo zitaweza kusaidia wananchi wetu.

Nafurahia juhudi za Waziri za kuondoa kabisa ushuru unaotozwa tarakilishi au mitambo ya

komputa. Tunajua kwamba siku za usoni nchi ambayo itakuwa mbele katika tekinolojia ya mawasiliano na habari yaani *Information Technology (IT)*, itapata maendeleo mengi. Kuhusu kazi kwa vijana, tunaonelea kwamba kuna mambo mengi katika Bajeti hii ambayo yanaweza kuwasaidia vijana wetu ili waweze kujitegemea wenyewe.

Bw. Naibu Spika wa Muda, kufuatana na utaratibu wa elimu ya bure katika shule za msingi, Bajeti hii imetusaidia vilivyo. Tulikuwa tunatarajia kuwa tutakuwa na watoto milioni tano peke lakini tumekuta kwamba tuko na watoto wengine zaidi ya milioni nne wamejiunga na shule. Kwa hivyo, tuna watoto milioni tisa katika shule za msingi. Kutokana na jitihada ambazo tumekuwa nazo, tulionyesha dunia nzima kwamba tulikuwa na nia na njia za kuwasaidia watoto wetu. Tulifanya hivyo kwa kutumia makadirio ya mapato na matumizi ya pesa za Serikali ya mwaka uliopita. Hakukuwa na pesa zilizotengewa elimu ya bure, lakini Serikali yetu imefaulu.

Bw. Naibu Spika wa Muda, wakati huu tunajishughulisha na vijana ambao umri wao hauwezi kuwaruhusu kujiunga na shule za msingi. Hata hivyo, tulifanya mipango na wengi wa watoto hawa wamejiunga na chuo cha vijana kwa huduma ya taifa cha Gilgil. Wanajifundisha ujuzi ambao utawafaidi maishani.

Bw. Naibu Spika wa Muda, ninataka kumshawishi Waziri wa Fedha aangalie njia ambayo tunaweza kuwashirikisha wananchi ambao hawana kazi katika ujenzi wa taifa. Nchi nyingi duniani zinatumia wananchi wake kujenga vifaa ambavyo vitasaidia wao maishani. Wakati huu ninafikiria sana kwani karibu asilimia sitini ya nchi yetu ni jangwa. Hakuna maji na kadhalika. Tutafute mbinu ambazo zitatuwezesha kuatumia wananchi ambao hawafanyi kazi kujenga masilanga ambayo itasaidia kuhifadhi maji. Maji haya yataweza kugeuza sehemu kame na kuwa shamba kubwa kama kule Mkoa wa Kaskazini Mashariki au sehemu za ukambani. Tunajua kwamba Serikali inatumia pesa nyingi kununua chakula kwa wananchi wetu katika sehemu hizo. Tukijumuisha pesa zote ambazo tumetumia kununua chakula cha msaada, ni pesa nyingi sana ambazo tunaweza kuzitumia kujenga masilanga. Tunataka tukomeshe kabisa mafuriko ya maji ambayo yanaharibu mimea na kuwaondoa watu katika makao yao na kadhalika. Tuko na ujuzi wa kujenga mabwawa katika mito yetu ili tuweze kuhifadhi maji na kuzuia mafuriko. Wakati wa kiangazi, tunaweza kuyatumia maji hayo kwa ukulima.

Bw. Naibu Spika wa Muda, kuhusu ukulima, tunataka kukuza mimea inayoleta mapato ya juu, yaani, *high value crops*. Kuna mimea mengi ambayo tumezoea kukuza. Hata hivyo, imefika wakati ambao ni lazima tutafute mimea inayoweza kutusaidia kwa sababu ya kushindana na nchi za muungano wa COMESA katika biashara.

Bw. Naibu Spika wa Muda, umefika wakati wa kutaka kujua marafiki zetu wako wapi. Tumekuwa tukiangalia upande wa Magharibi kwa miaka mingi sana. Hivi majuzi, wakati tulipokuwa na shida, walitutupa. Umefika wakati sasa kwa sisi kuangalia upande wa Mashariki kama vile nchi ya Japan, China, Korea na kwingineko, ambapo tunaweza kupata huduma ya kutosha. Tusitegemee utalii kutoka upande wa Magharibi tu kwa sababu tumeona, kwa siku hizi chache ambazo zimepita, kwamba hawana haja na sisi. Wanatudharau na kutuchukia. Umefika wakati sasa kwa sisi kuangalia sehemu hizi zingine.

Bw. Naibu Spika wa Muda, ninamshukuru Waziri wa Fedha kwa kushughulikia masuala ya benki. Mwaka uliopita, tulikuwa na Mswada wa Donde. Serikali iliyokuwako haikutekeleza Mswada huo. Nimefurahi kuona kwamba vipengele vingi vilivyokuwa katika Donde Bill, Waziri wa Fedha ametumia kulinda maslahi ya wale wanaoweka pesa zao katika benki. Wakati huu, ukiwa na pesa katika benki ni kama hawataki uweke pesa huko kwa sababu wanatoza ushuru mwingi kwa huduma zao. Vile vile hawataki pesa taslimu. Ukipeleka pesa taslimu katika benki, badala ya kuweka hundi, wanakutoza ada ya juu. Ninamshukuru Waziri wa Fedha kwa kuangalia jambo hilo. Tunataka atumie Kipengele cha 44 ambacho kinasema kwamba kama benki haijatoa ushuru fulani, lazima ipate idhini kutoka Benki Kuu ya Kenya. Pia ninafurahi kuona kwamba Benki Kuu ya Kenya na Wizara ya Fedha zinafanya kazi pamoja. Hali hii itaweza kuleta ufanisi katika nchi yetu.

Kwa hayo machache, ninaunga mkono.

**Mr. Kimeto:** Thank you very much, Mr. Temporary Deputy Speaker, Sir, for giving me this opportunity to contribute to this Motion. Let me also thank the Minister for Finance for revisiting the Donde Bill. We want to have a ceiling of the amount of money one can borrow from financial institutions or banks. We do not want banks to charge us high interest rates which are completely impoverishing our people. Instead of banks lending out money to help us, they are impoverishing us.

Mr. Temporary Deputy Speaker, Sir, during the campaigns, the NARC promised the electorate that they will create 500,000 jobs once they came to power. This is one of the promises which brought them to power. I thought they would have started by creating, at least, 200,000 jobs, so that every constituency would have 10,000 jobs. Unfortunately, that promise has been forgotten. I would request the Minister to allocate more funds through the Supplementary Estimates, for the creation of the 500,000 jobs to enable us employ 100,000 or 200,000 people annually.

Mr. Temporary Deputy Speaker, Sir, after this Government took over and appointed the Cabinet Ministers, the Minister for Local Government, Mr. Maitha, met with all the councillors from all local authorities here in Nairobi and promised them that they were each going to get allowances amounting to Kshs250,000. Unfortunately, this was not catered for in the Minister's Speech. What was the Minister for Local Government doing? Is he still campaigning? Was he lying to the councillors? I would have liked if this was contained in the Budget so that councillors could start getting their allowances from the Consolidated Fund so that they could assist us in the constituencies. I would urge the Minister to consider bringing the Supplementary Estimates to cater for the councillors. They are languishing in abject poverty in those local authorities.

Mr. Temporary Deputy Speaker, Sir, I know a majority of hon. Members have gone out of this country. They have gone to Britain and other countries in the developed world. But when you are flying over several places in this country at night, you cannot see. There is total darkness. We want electricity to be supplied to all places through the Rural Electrification Programme. This will help to protect our forests which are being destroyed for charcoal and firewood. Why has the Minister not thought of using electric power for cooking and other purposes so as to save our forests? If we do not allocate more funds for electricity, then destruction of natural resources will continue. There are two things which go together. If we construct dams, we shall enable this Government to produce electricity. We can also use water from Lake Victoria for irrigation in the North Eastern and we shall produce enough food and even have surplus to donate to others. We should not be beggars. For how long shall we continue to beg?

Kenya is endowed with very many natural resources. If these resources are well used by the NARC Government, then soon or later, this country will start exporting food. It will be a country of the rich children and rich old men. If we are not going to produce enough food in this country, very many people will die because of hunger. Part of my constituency does not have electricity. Kapletundo Location has raised over Kshs500,000 for the supply of electricity, but the Government has not assisted them. We want the NARC Government to assist our people by supplying them with electricity.

Mr. Temporary Deputy Speaker, Sir, I would like to thank the Minister for Agriculture, Mr. Kirwa, for reverting the ownership of the Kenya Co-operative Creameries (KCC) back to the farmers. But they have made the KCC a company. We would have liked the KCC to be taken by the co-operative societies so that people will have power to decide on how it is to be run. We do not want another company to take over the functions of the KCC. I do not know whether soon or later, it will be KCC 2002 or KCC 2003. I would like the KCC to go back to the co-operative movement.

Mr. Temporary Deputy Speaker, Sir, we produce tea, sugar and coffee in this country. The point I want to put across is that we should trade with countries which buy our goods. We should not trade with countries which do not buy our goods. We do not want this country to import cars from

Japan and yet, Japan is not buying anything from us. We want manufacturers to build their factories here, so that, our people can get jobs and learn the techniques of manufacturing. Instead of importing goods, we should encourage foreign investors to come and manufacture them locally.

Mr. Temporary Deputy Speaker, Sir, we have been discussing about the HIV/AIDS funds. The National Aids Control Council (NACC) is in the Office of the President. We would like the HIV/AIDS funds to be utilised by the Ministry of Health. I would like to ask the Minister for Health: Are the HIV/AIDS funds too heavy to be taken? We should put the funds under the Ministry of Health, so that, we can go to the Minister and tell her to give us money for the Constituency Aids Control Fund. We would like those funds to be controlled by the Ministry of Health.

Mr. Temporary Deputy Speaker, Sir, out of the Kshs20 million that the NARC Government promised for the Constituency Development Fund, only 1 per cent has been given. I would like to urge the Minister to increase the amount to Kshs20 million! Already, members of the public have heard that you are giving us Kshs20 million and yet, you have only given us Kshs2 million. The Minister should go on air and tell the public that he has failed, and he has only given us Kshs2 million. That is what we want. He advertised that he will give us Kshs20 million and yet, he is only giving us Kshs2 million. He should tell the public that the NARC Government is unable to give the Kshs20 million. That way, members of public will understand and forgive Members of Parliament.

Mr. Temporary Deputy Speaker, Sir, teachers have always been overlooked in the Budget, with regard to their allocations. The Government must remember to promote teachers. For a long time, teachers have not been promoted on merit. We would like promotions on merit to continue in this Government.

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

**Eng. Okundi:** Mr. Temporary Deputy Speaker, Sir, I rise to support this Motion. The reason why I support it is because, it has addressed many areas of budgetary concerns in our country. It has extensively touched on a number of areas which constitute the economy of this country. I also think that the Motion, and the Speech itself, was realistic because in it, there was a budget deficit.

Today, in modern economies, deficit budgeting reveals realism. I think the Minister of Finance has revealed realism. If you cannot balance the Budget, you must show what your country must work hard to find, so that, you can close the gap.

Mr. Temporary Deputy Speaker, Sir, having said that, I have a few areas of concern. I come from a cotton growing area, a fishing area in Lake Victoria, a sugar-cane growing area and a number of other crops. This Budget has left out those key sectors of the economy. This country is an agricultural country. When I look at the Budget of the Ministry of Agriculture, I could tell that we have left out very key sectors which comprise the economy of most Kenyans. Most Kenyans are very poor. We know that most districts, including mine, have a poverty level of 63 per cent. But most of those poor areas are marginal areas. Cotton grows in marginal areas and also improves the soil. But the Budget has not dealt with it. It is time this Parliament passes the Cotton Act, in order to address cotton as a major cash crop in this country, as it is in the world, like we have done with coffee and tea.

Mr. Temporary Deputy Speaker, Sir, with regard to education, I have seen that, in Homa Bay District, for example, previously, the total number of pupils enrolled in primary schools was 76,000. When the NARC Government introduced free primary education, the enrolment suddenly rose to, at least, 96,000 pupils. So, all primary schools are heavily enrolled. We all know that those schools are badly dilapidated. They are not able to cope.

But what worries me in this Budget is that, whereas a very good budget has been prepared for the free primary education, there are no budgetary indications of how to deal with secondary schools, come next year. We need to address that issue because many pupils will come out of primary schools, and we shall find that facilities in secondary schools are not able to cope because the students will be too many and secondary schools are few in this country. We are going to suffer. We must start

early because, in preparing the Budget, you need to plan a few years in advance, so that, when pupils are ready, they find a system already prepared to absorb them. That is for the secondary schools sector.

Mr. Temporary Deputy Speaker, Sir, I know that in many districts, there are very serious bursary situations. A number of parents cannot afford school fees due to poverty. That is happening in my own district and many children are being sent home to look for school fees. That is happening in secondary schools as well as in the universities. A budgetary allocation of merely Kshs800 million to address the bursary situation is not enough. The Minister must look at that situation thoroughly, so that, the bursary situation is addressed both at university and secondary school levels.

Mr. Temporary Deputy Speaker, Sir, I want to speak with some knowledge on two sectors, which I know very well. The two sectors are telecommunications and broadcasting. The Minister has raised tax on mobile phones. He has also removed the licence for radio and television sets.

The theory of communication states that you should give a person the right to communicate. It is the communication explosion which has made the information sector to grow throughout the world. If information is allowed to flow freely, even if people are very poor, they will be happy because they will tell other people their problems. So, story telling is an investment. If you make communication expensive by increasing the tax on air time, you will not get the tax you intend to realise. The cheaper it is to make a call on a mobile phone, the more tax the Government will realise. This is because people will make many calls since they will be cheap. If this is done, it will also promote democracy, freedom of association and good governance. If this tax is removed, people will talk to each other as much as they do today.

Today, there are many poor people in this country who have cellphones because they are cheap. With the introduction of air time tax on cellphones the Government will realise less revenue from this subsector than what the Minister has estimated in his Budget. So, the air time tax on mobile phones is not welcome. This tax should be lowered, or removed if possible, so that many people can communicate and generate a lot of enterprise in our economy.

Mr. Temporary Deputy Speaker, Sir, I now come to the Kenya Broadcasting Corporation (KBC). Every country worth its name has a national broadcasting station. A national broadcasting station does not have a chance to compete with private broadcasting stations. This is because the latter can use prime time purely for advertising to raise funds. A broadcasting station should reach enough audience in order to get advertisements. But a national broadcasting station has to broadcast a number of programmes for the country for which it is not paid. That is the reason why it is always disadvantaged.

If we ban the KBC permits required for television sets and radios, we will make the KBC collapse. For example, the taxes levied by countries such as the United States of America (USA), the United Kingdom (UK) Germany and Japan on television sets are very high. That is the only way the governments of those countries support their national broadcasting stations. I do not know where the Government will get enough money to allocate to the KBC. The Government might raise some money through other means but it should allocate the KBC enough money so that it can survive and develop.

The Budget was good and I think all of us should support it. This is the first Budget to be presented by the NARC Government. This Budget has addressed so many areas affecting our people.

Mr. Temporary Deputy Speaker, Sir, with those remarks, I would like to support this Motion.

**Mr. Koros:** Mr. Temporary Deputy Speaker, Sir, I would like to join my colleagues in contributing to this Budget. The Budget, which was read in this House by the Minister for Finance, is for the rich. It addressed the problems affecting the rich and left out the common man.

The Minister for Finance allocated the Ministry of Education, Science and Technology

Kshs800 million to cater for bursaries. This amount of money should be shared equally amongst our constituencies.

All of us know that the agricultural sector is the backbone of our country, but the Minister for Finance did not put enough emphasis on this sector. He only removed some tax paid by coffee farmers. The Minister for Finance only addressed the problems afflicting the Mount Kenya region in his Budget and left out the other regions.

Due to the hard economic times facing the country, we expected the Minister to increase the salaries of our civil servants but he did not mention that aspect in his Budget. The NARC Government been saying that the previous Government left the public coffers empty. Where did the NARC Government get the money to buy its Ministers and some senior public servants new Mercedes Benz limousines? Where did this Government get the money which it intends to use to purchase aircraft for the Kenya Air Force at a cost of about Kshs6 billion? Did the NARC Government really inherit empty public coffers? This money should have been used to pay teachers---

### QUORUM

**Mr. Serut:** On a point of order, Mr. Temporary Deputy Speaker, Sir. Is there a quorum in the House?

**The Temporary Deputy Speaker** (Mr. Ethuro): No, we do not have a quorum. Ring the Division Bell.

*(The Division Bell was rung)*

**The Temporary Deputy Speaker** (Mr. Ethuro): Order, hon. Members! We have a quorum now.

You may proceed, Mr. Koros.

**Mr. Koros:** Mr. Deputy Speaker, Sir, the money which the Government intends to use to buy aircraft for the Kenya Air Force should be used to employ more teachers and pay their salaries.

The NARC Government is trying to harass the former Head of State. That is unacceptable and cannot be tolerated. You better throw some of us into jail rather than harass that old man.

*(Applause)*

The NARC Government promised Kenyans that it will create 500,000 jobs per year if it was elected to power. Where are these jobs? A year is almost gone. Has the NARC Government employed even 50,000 people?

**Mr. Munya:** On a point of order, Mr. Temporary Deputy Speaker, Sir. Is the hon. Member in order to insinuate that the former President will not obey the law if he is summoned by the police to record a statement?

*(Applause)*

**Mr. Koros:** Mr. Temporary Deputy Speaker, Sir, he is wasting my time.

Free education is welcome but, the Government should have built more classrooms. The NARC Government is busy constituting commissions. Are these commissions meant to look into matters pertaining to wananchi or are they a way of looting the country? Commissions such as the one constituted by the President on lands, should start investigating land issues from 1963. They should have all grabbed land from 1963 returned to the owners.

*(Hon. Members on the Opposition side  
made gestures of canning to the  
Government side)*

**Hon. Member:** Munya, umesikia?

**The Temporary Deputy Speaker** (Mr. Ethuro): What is it Mr. Sungu?

**Mr. Sungu:** On a point of order, Mr. Temporary Deputy Speaker, Sir. Are the hon. Members on the Opposition side in order to threaten Mr. Munya with physical violence when he merely raised a very valid point?

*(Laughter)*

**The Temporary Deputy Speaker** (Mr. Ethuro): I did not see that, but they should not threaten a Member.

**Mr. Koros:** On the issue of trying to look for the remains of the late Dedan Kimathi, the money should be used to settle former freedom fighters who are still alive. Let those remains rest where they were put to rest.

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

**Mr. Arungah:** Thank you Mr. Temporary Deputy Speaker, Sir. I would like to add my voice to those of the hon. Members who spoke ahead of me in support of the Budget. The Budget shed some light and it brought back a ray of hope, after so many years of hopelessness. But, before I comment on the Budget itself, I would like to say a few things about the budget-making process.

When Kenyans went to the polls last December, they voted for change. This change was not of guard alone but also of policies and the manner in which management of public affairs is conducted. This change must include the budget-making process. For many years, we have had Ministers for Finance walking in with briefcases to unleash what they called secrets.

As far as I am concerned, the days of price controls are gone and we must allow the Wanjikus, Adhiambos, Awinjas and Fatumas of this world to participate in the budget-making process.

We know there is a big debate going on. This debate has to do with constitution-making. If you can allow the Wanjikus to participate in constitution-making, surely, you must allow them to also decide what the priorities that affect their lives are. I would like to see a situation where the Ayumas and Wanjikus in the village come together and decide what it is they want in their lives. This information should be collected from the locational level, then forwarded to the division and the district levels and eventually, to Nairobi.

Mr. Temporary Deputy Speaker, Sir, all the Permanent Secretaries need to be told is that, this is what the people on the ground want. The Permanent Secretaries and their deputies should not take it upon themselves to decide what the people's priorities are, because they are not the representatives of the people.

We, as the representatives of the people in this House, must have a role to play in the budget-making process. I believe that if Members of Parliament are given a chance to participate in the budgeting-making process, the resources of this country will be equitably and fairly distributed.

We have heard of this fuss about the President having too much power and of all types of *mafia*. The root cause of--

**Mr. Muriithi:** On a point of order, Mr. Temporary Deputy Speaker, Sir. Is it in order for the hon. Member to say that some *mafia* powers exist in this country?

**Hon. Members:** Aah! That is not a point of order!

**The Temporary Deputy Speaker** (Mr. Ethuro): Order! Order! Mr. Arungah, continue. That is not a point of order.

**Mr. Arungah:** Mr. Temporary Deputy Speaker, Sir, all I was saying was that there has been talk of the existence of some powerful *mafia* groups in this country. After Independence, we had the



Kiambu *mafia*, who were succeeded by the Kalenjin *mafia*. We now have the Mount Kenya *mafia*. Everybody in this House knows about these *mafia* groups.

**Mr. Muriithi:** On a point of order, Mr. Temporary Deputy Speaker, Sir. I demand that the hon. Member withdraws the word "*mafia*".

**An hon. Member:** What is he supposed to withdraw?

**Mr. Muriithi:** The words "Mount Kenya *mafia*".

**An hon. Member:** Are you part of the Mount Kenya group?

**Mr. Arungah:** Mr. Temporary Deputy Speaker, Sir, I will ignore that demand by the hon. Member.

*(Applause)*

As other hon. Members of this House have stated, if we embrace---

**The Assistant Minister for Home Affairs** (Dr. Machage): On a point of order, Mr. Temporary Deputy Speaker, Sir.

**The Temporary Deputy Speaker** (Mr. Ethuro): Why do you not give the hon. Member a chance to contribute to the debate?

**The Assistant Minister for Home Affairs** (Dr. Machage): Mr. Temporary Deputy Speaker, Sir, I find it very much disorderly for the term "*mafia*" to be referred to in this House. Kenyans will demand to know what it is all about. Such a group does not exist in this country. If it does, the hon. Member should let the country know.

**The Temporary Deputy Speaker** (Mr. Ethuro): What is your point of order?

**The Assistant Minister for Home Affairs** (Dr. Machage): Is the hon. Member in order to refer to something that does not exist in Kenya?

**The Temporary Deputy Speaker** (Mr. Ethuro): Mr. Arungah, respond to Dr. Machage's point of order.

**Mr. Arungah:** Mr. Temporary Deputy Speaker, Sir, I only said that if we embrace the idea of planning on the basis of constituencies, talk about the existence of a *mafia group* will cease.

*(Applause)*

Such a talk will cease because each constituency will be guaranteed its fair share of national resource allocation, so that it can enjoy quality education as well as good health care for its people. If Kenyans access such basic services, they will not be bothered about which part of the country the President hails from. If wananchi in every part of this country get their fair share of the national cake, there will be no need for the kind of delegations that we used to send to Kabarak. It will not be necessary for us to send delegations to Othaya with long memoranda to the President, to plead for various kinds of development because money for it will have been provided for in the Budget. If we adopt this concept, and it has also been suggested by other hon. Members, every constituency will be provided with funds for the various economic sectors through allocations made to Ministries.

I would now like to comment on the Budget itself. When the National Rainbow Coalition (NARC) Government took over the leadership of this country - I am very proud to be part of the Government - the country was generally in a mess. Although some hon. Members on the Opposition side may not agree with me, I wish to repeat that the national coffers were empty. The new vehicles and fighter jets by the Government, which have been referred to in this House, were ordered by the previous regime.

The current Government has not placed an order for any of the limousines being talked about. We inherited empty coffers as well as a big financial obligation in respect of both domestic and

international debts. These are some of the issues that the Minister attempted to address. So, having been confronted by this state affairs, I believe that Mr. Mwiraria has done his best in preparing this Budget.

*(Mr. Salat interjected)*

**The Temporary Deputy Speaker** (Mr. Ethuro): Mr. Salat, I would like to remind you to follow the proper procedure whenever you wish to catch the eye of the Chair. Heckling is not allowed in this House.

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

**Mr. Salat:** Mr. Temporary Deputy Speaker, Sir, that is why I am now on my feet.

**The Temporary Deputy Speaker** (Mr. Ethuro): Now that you are following the correct procedure, you may proceed and raise your point of order.

**Mr. Salat:** On a point of order, Mr. Temporary Deputy Speaker, Sir. The hon. Member on the Floor said that the Treasury was empty when NARC took over the leadership of this country.

**The Temporary Deputy Speaker** (Mr. Ethuro): What is your point of order?

**Mr. Salat:** Mr. Temporary Deputy Speaker, Sir, where did the Government get the money to give each one of us a grant of Kshs3.3 million if the public coffers were empty when it took over power?

*(Laughter)*

**Mr. Arungah:** Mr. Temporary Deputy Speaker, Sir, I would like to inform the hon. Member that a Government can finance public expenditure through borrowing. We have been told that we inherited a huge public debt from the previous Government. So, the money we were paid must also have come from public borrowing. That is not very difficult to understand. If hon. Members care to read a book in my possession, they will realise that there have been definite attempts by the current Government to address the biggest problem afflicting this country, namely, poverty. Kenyans, including the people of Khwisero, are now happy because their children are enjoying free primary education. Also, they are paying less for kerosene; it does not matter whether the difference in price per litter is Kshs1. Further, teachers---

**The Temporary Deputy Speaker** (Mr. Ethuro): Your time is up, Mr. Arungah!

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

**Mr. M. Kilonzo:** Mr. Temporary Deputy Speaker, Sir, it is a great pleasure that this afternoon you have allowed me to address this august House. Over the last one week, I have been examining the Budget that was presented before this House. I am afraid that the only thing that I find of value in this Budget is the attempt by the Minister to rationalise banking in the country by reducing share capital and so on. I am, therefore, afraid that I do not have anything to say in favour of this Budget; I must oppose it.

First of all, I would like to start by reminding the House that a day before the presentation of this Budget, His Excellency the President launched with a lot of funfair, a document entitled "Economic Recovery Strategy for Wealth and Employment Creation". Of course, for some reason, that document is being put in hon. Members' pigeon holes. Also, its publication in the country has been limited. So, I have come to only one feasible conclusion, which is that it contains enormous contradictions to the

Budget itself. I will demonstrate that shortly.

*(Applause)*

I have said in this House before, and I would like to repeat it, that the secret to development in this country is consistency in national policy formulation. A human being of average intelligence at any corner of the globe should be able, because of the existence of the internet and other services, to tell with certainty what Kenya is doing. Unfortunately, I held my breath, and I nearly suffocated, when NARC won the last general election. I was hoping that NARC would come and prepare a Budget that would be supported by policy guidelines that show consistency for the country. Unfortunately, that is not so and I have been forced to open my mouth and take a deep breath lest I suffocate, waiting for NARC to be consistent.

Mr. Temporary Deputy Speaker, Sir, with your kind permission, let me demonstrate. Let us take, for example, the promise that NARC gave to the country on the rule of law. They promised that they would bring about the rule of law, clean the Judiciary and turn it around so that it can offer a proper avenue for the resolution of disputes in this country. I would like to say that a country without a proper dispute resolution machinery, however developed or well-meaning, will not get anywhere.

In the Paper that His Excellency the President launched one day before the Budget, they said that the Government would modernise the administration of justice and recruit more professionals. They also said that they would include additional resources. It is extremely sad that when reading the published and recorded item in the Budget, the Judiciary got an increase of 0.38 per cent. That is the additional money that we are being asked to vote for the Judiciary. Is that the money that is going to hire new judges and pay them well? Is that the money that is going to pay our court clerks in the registries so that they do not hide files? Is that the money that is going to pay our magistrates so that they do not live in Korogocho together with criminals? Is that the money that we are going to use for proper administration of justice? I dare say, with no fear of contradiction, that it is not enough. Therefore, that promise of NARC is going to fail.

*(Applause)*

From that perspective, with all due respect to the Minister, the promise cannot be realised.

Concerning the office of the Attorney-General, we all know that Section 26 of the Constitution gives the authority of advice on legal matters to the Attorney-General, including prosecution. The NARC Government also promised that they would offer us a different system of governance where people who are guilty of corruption would be prosecuted as quickly as possible. They promised that they would modernise this system. Indeed, in order to appear to be different from KANU, they created a Ministry headed by a politician. The office of the Attorney-General is headed by a politician and I would have expected - the reason that I was holding my breath - that this politician would be able to convince his Cabinet colleagues and his Government that without an efficient, able and well qualified office of the Attorney-General, this country would never turn around. What they gave the office of the Attorney-General is an increase of 0.13 per cent from the previous KANU administration. We are saying absolutely nothing. This increase of 0.13 per cent is only for buying a new lift worth Kshs10 million to be installed in Sheria House.

*(Applause)*

Mr. Temporary Deputy Speaker, Sir, let me ask you something again. Right now, we are suffering from a big problem in tourism because foreign countries are saying that this country is

insecure. How are we going to secure this country? Are we going to use British soldiers or American marines? No! We will use our policemen. We will have to give our policemen faster cars than the cars used by the robbers and hijackers. We must give our policemen better telephone facilities, better housing and other things. With all due respect, the Minister gave a paltry Kshs300 million to the police force. That is the increase that they are getting. How will this country administer justice, secure its borders and provide the security that is required? We are forced to stop flights to Somalia.

*(Applause)*

This is because we do not have any money that can be used to man our borders. I will again say that this is extremely unfortunate because in this document that His Excellency the President launched, we were assured that tourism was going to be supported and security promulgated. However, in the Minister's Speech, there was no mention of this item.

Mr. Temporary Deputy Speaker, Sir, let me talk about the other issue which is so close to our heart; agriculture. The President launched the document and the Minister for Finance came and read the Budget. What happened four or five days later? A new Ministry was created. A Ministry that had not been catered for in the Budget. I suspect that the two Ministers now will have to go to their offices and start wrangling over it; they will probably need a lawyer so that he can determine how they are going to share the money that was allocated under the Ministry of Agriculture and Livestock Development. The document that His Excellency the President launched during the Madaraka Day celebrations; to say that the Government will support milk production, and that he will give this country Guaranteed Minimum Return for farmers, is not mentioned in the Minister's Speech.

Again, there is inconsistency in politics. When you examine the Estimates that have been published, you will be sad to note that for a simple and very critical thing in this country like vaccines for animal diseases, the Government has allocated Kshs150,000. So now, how do we get out of this problem? On tourism, the document said that Kenya would be converted into a global destination, and that there would be money for refurbishing the hotels and existing facilities. How do you achieve that when the hotels are empty?

*(Applause)*

On the face of it, the country is saluting the Minister, perhaps, with the reason that the Value Added Tax (VAT) was reduced by 2 per cent. But the deficit that this Budget has given to this country is Kshs117 billion.

With all due respect to my colleagues across the Floor, the automatic result of a deficit budget is to create inflation, and the automatic result of inflation is to undermine real wealth. So, what the Minister has done is to give you a reduction of 2 per cent on VAT, and by the same hand, he has withdrawn it! Experts are already unanimous that the minimum inflation rate the country is going to face is 15 per cent---

*(Applause)*

**The Minister for Finance** (Mr. Mwiraria): On a point of order, Mr. Temporary Deputy Speaker, Sir. Is it in order for the previous speaker to talk about a Budget deficit of Kshs117 billion, when it is nowhere in the Estimates? Where did he get the figures from?

**Mr. M. Kilonzo:** Mr. Temporary Deputy Speaker, Sir, with your kind permission, these figures are self-evident. In fact, let me tell you what has happened, because the figures are there, unless

the Minister has already forgotten what he has already spoken.

*(Applause)*

You see, he said that he will finance Kshs93---

**The Temporary Deputy Speaker** (Mr. Ethuro): Your time is up, Mr. M. Kilonzo!

**Mr. M. Kilonzo:** I beg to oppose! Thank you, Mr. Temporary Deputy Speaker, Sir.

**Mr. Muriithi:** Thank you, Mr. Temporary Deputy Speaker, for giving me an opportunity to contribute to the Finance Bill. It is rather sad to hear some of my colleagues talk about deficits, when we know that it is a matter of common sense that they were being paid billions to offer legal services to the former regime.

*(Applause)*

Mr. Temporary Deputy Speaker, Sir, I have a few remarks to make in support of hon. Mwiraria's Finance Bill. The Government has given us free and compulsory primary education, and we are very pleased and happy. But I would like to ask the Minister for Education, Science and Technology to increase the facilities for secondary school education. As Members of Parliament, we receive many requests to pay school fees, and we know that in the Budget, there is the bursary allocation to assist desperate children. I would request the Minister for Education, Science and Technology to increase the budgetary allocations for the destitute children who are in need of education.

As regards the agricultural sector, in the earlier days we used to see the extension officers going round the farms and advising the farmers on how to prepare their farms. They also supplied the best seeds for increased production. This does not happen nowadays. It is important that the budgetary allocations provided for this Ministry are utilised properly so that the farmers are properly trained. Good seeds should also be provided so that we have sufficient food production. I still feel that the Nyayo Tea Zones should be disbanded. I shall never rest until the Nyayo Tea Zones are reverted back to the co-operative societies in various regions.

Mr. Temporary Deputy Speaker, Sir, I will now come to the environment. The NARC Government promised to create 500,000 jobs per year. I think one way of creating these jobs is for the Ministry of Environment, Natural Resources and Wildlife to assist people establish tree nurseries all over the country where people can buy seedlings. I am sure Prof. Wangari Maathai will support this idea.

Mr. Temporary Deputy Speaker, Sir, as regards energy, I still do not know what will happen because I cannot see some parts of Kenya like Maasailand, being provided with electricity because the Ministry of Energy has only been provided with a meagre allocation of Kshs163 million. Under the Rural Electrification Programme, I think they had been allocated Kshs2.6 million which is nothing compared to the areas where energy and power are required, particularly in secondary schools and health clinics which are scattered all over the country.

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

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

Mr. Temporary Deputy Speaker, Sir, as regards water, the previous Government told us a lie

that by the year 2000, each rural home would have piped water. I am sure our NARC Government will have provided treated water by the year 2007 because most of our people are drinking untreated water and that is why they are suffering from bilharzia and other water-borne related diseases. Our rivers are drying up in some areas because of excessive farming activities which use plenty of water.

The Ministry of Water Resources Management and Development should ensure that these farming activities are limited in order to ensure there is free flow of water to other users.

Mr. Temporary Deputy Speaker, Sir, I congratulate His Excellency the President for reinstating the Ministry of Livestock Development. This Ministry should help farmers by re-introducing Artificial Insemination (AI) services so that we can once again have pedigree animals which can produce higher milk yields now that KCC has been revived.

Mr. Temporary Deputy Speaker, Sir, as regards hospitals, I must congratulate the Ministry of Health for the good work they are doing, but we still require more drugs. There is no point for a patient to go to a Government hospital if he cannot be given drugs. After failing to get drugs, he starts looking for his Member of Parliament to give him money to buy drugs.

**The Temporary Deputy Speaker** (Mr. Khamasi): Order, hon. Muriithi! I get the impression that you are reading your speech. According to our Standing Orders, you are supposed to be debating and not reading your speech. However, you can refer to your notes.

**Mr. Muriithi:** Thank you, Mr. Deputy Speaker, Sir. Nyeri Provincial Hospital is facing problems of drug shortages and I would like the Ministry of Health to provide these drugs. We have no pathologist today because the only one we had was mysteriously sacked, and families are suffering because they are unable to determine what killed their people. We would like to have that service restored.

Mr. Temporary Deputy Speaker, Sir, as regards finance, we would like to have our indigenous banks back. All these banks were closed down and merged by the previous regime, leading to the creation of the Consolidated Bank. This Consolidated Bank is a conglomeration of several indigenous banks which were closed. We would like these banks to be reinstated.

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

**The Temporary Deputy Speaker** (Mr. Khamasi): Order, Mr. Serut! You are not supposed to interrupt an hon. Member while sitting. If you have a point or order to raise, then rise up and catch my attention.

**Mr. Muriithi:** Mr. Temporary Deputy Speaker, Sir, we would like the Consolidated Bank to be abolished and the indigenous banks reinstated because it is very sad for Kenyans to go to a large bank in order to obtain loans and then they are referred to as a high risk borrowers. Why? It is very sad because there are two types of interest rates. There are those for high risk borrowers, which literally refers to the African borrowers. We should have our indigenous banks where we should be able to borrow money at reasonable rates without these ambiguous interest rates which they are using to cheat us.

Mr. Temporary Deputy Speaker, Sir, as regards land, we still have some people living on the roadsides. The Government should think about these people. I would like to recommend that we revert back to the old concept so that these people can live together and the services brought closer to them.

As regards the Ministry of Roads, Public Works and Housing, the roads are still in pathetic conditions and Kenyans continue to lose lives. I do not think the Kshs2.8 billion that was allocated to this Ministry is enough to maintain the current road network. I would like to request the Government to give more funds to this Ministry for the safety of our people.

Mr. Temporary Deputy Speaker, Sir, as regards security, we require police posts all over the country. Most of us hon. Members of Parliament are involved in the construction of these police posts. It is very sad to see that hon. Mwiraria did not give us the intended Kshs20 million for the Constituency Fund, which would have helped us construct more police posts to beef up security. He

only allocated Kshs2 million for this purpose, and I hope that in next year's Budget Speech, he will allocate Kshs40 million for this purpose so that we can support our constituents. In Nyeri, I have got a community of 100,000 people and Kshs2 million is nothing. In fact, it is a drop in the ocean.

With those few remarks, I beg to support.

**Maj. Gen. Nkaiserry:** Thank you, Mr. Temporary Deputy Speaker, Sir. First of all, let me commend the Minister for trying to present to the country a Budget that will last for the next 12 months. As I do that, I have a few comments to make. When you look at our country's economy, one gets a feeling of desperation. I say this because when I read in the Budget Speech that we have an external debt of Kshs377.7 billion and a domestic debt of Kshs251.5 billion, that translates to a Kshs629 billion debt for this nation. The Minister did not tell this House or country how he was going to solve that serious situation.

Mr. Temporary Deputy Speaker, Sir, my colleague, hon. M. Kilonzo, said that we have a deficit of Kshs117.7 billion in the current Budget. This has arisen as a result of the recurrent expenditure being projected at Kshs234 billion while the development expenditure is projected at Kshs334 million. That leads to a deficit of Kshs100 million. The amount required is Kshs117.7 billion. The Development Account has a real projection of Kshs 39 billion, while the required amount is Kshs59 billion, leaving a deficit of Kshs20 billion. That translates to Kshs117.7 billion. The Minister for Finance should tell us how he is going to offset the deficit.

Mr. Temporary Deputy Speaker, Sir, optimism is a dominant factor in the current Government. I am saying this because Ministers in NARC Government are saying that the economy is going to make a dramatic change. This is a self-satisfying prophecy. It is a dream because, as we know, the current state of security in the country, which would otherwise encourage investments, is zero. The utterances by Ministers in the NARC Government have brought the tourism industry to its knees. How then do they expect the economy to turn round for the better?

Mr. Temporary Deputy Speaker, Sir, concerning the creation of jobs, the Government promised Kenyans 500,000 jobs yearly. Today is July 1, 2003, but unfortunately, not a tenth of a thousand persons have been employed, instead, the Government has suspended 2,000 procurement officers. That means their jobs are threatened and their families are going to miss bread on their tables.

Mr. Temporary Deputy Speaker, Sir, concerning security, this nation is a sovereign State. When you look at what has been written in the media in the past few weeks, it seems like we are being commanded by outsiders. Not a single Minister of the NARC Government has come forward to assure Kenyans that the Americans and the British are not going to build military bases in this country because the Kenya Armed Forces are efficient and capable of taking care of our security.

Mr. Temporary Deputy Speaker, Sir, turning to agriculture, the Minister for Finance talked well about it, especially, the coffee sector, but he forgot to talk on matters pertaining livestock; that means pastoralists are not in the focus of the Government. The pastoralists have not been considered for anything. The Minister for Finance, in his Budget Speech which took him about three hours to read, did not mention even once, issues concerning the Kenya Meat Commission (KMC), the pricing and marketing of beef, vaccines, *et cetera*. It is unfortunate for us pastoralists because the NARC Government has cheated many Kenyans, especially the people from North Eastern whom the NARC Government---

**The Temporary Deputy Speaker** (Mr. Khamasi): Order, Maj.- Gen. Nkaiserry! The word "cheating" is not parliamentary. Could you, please, use parliamentary language?

**Maj-Gen. Nkaiserry:** Mr. Temporary Deputy Speaker, Sir, I wish to withdraw that word. The people of North Eastern and the communities residing in the Arid and Semi-Arid Land (ASAL) areas have been taken for a ride by this NARC Government. In his inaugural speech, the President said that he was going to consider the people who live in the ASAL areas. The Minister seems to have forgotten that in his Budget Speech.

Mr. Temporary Deputy Speaker, Sir, with regard to the recent appointments by the Government, he gave a raw deal to the Maasai community. We got only one Managing Director who was appointed to work in a very useless parastatal which has no budget, offices or locality! I am referring to the Uaso Nyiro Development Authority. How do you expect to please a whole community with the appointment of one of them to serve a useless, non-existent parastatal, when the bulk of the appointments went to the Mount Kenya and Nyanza regions? We seem to have been marginalised by the Budget. I would like to request the Minister to consider appointing members of the Maasai community to head parastatals.

With those few remarks, I beg to support.

**Mr. Oparanya:** Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me this chance to contribute to this important Motion, which I support. I also take this opportunity---

*(Loud consultations)*

Mr. Temporary Deputy Speaker, Sir, I am being interrupted!

**The Temporary Deputy Speaker** (Mr. Khamasi): Order, Mr. Ojode!

**Mr. Oparanya:** Mr. Temporary Deputy Speaker, Sir, I also take this opportunity to thank the Minister for Finance for having taken bold steps to ensure that the economy of this country is revived, especially, through reduction of taxes. The Minister has reduced taxes on capital goods for investment and equipment for generation of electricity. He has reduced Value Added Tax (VAT) and increased the tax-free payment on retirement benefits. All that will ensure that there are more economic activities in the country and will also contribute to creation of the 500,000 jobs that the NARC Government promised this country. I also thank the Minister for reducing the cash ratio and the enforcement of Section 44 of the Banking Act. That section has been in existence for a very long time, but the problem has been the Government. The Government has not enforced Section 44 of the Banking Act. I thank the Minister for raising that issue during this year's Budget.

Mr. Temporary Deputy Speaker, Sir, with regard to the Rural Electrification Programme, rural areas should be electrified to revive economic activities, but that has not happened due to poor planning. I hope the Minister will distribute the Rural Electrification Programme funds equitably to all constituencies, so that, at least, every constituency will be supplied with electricity.

Mr. Temporary Deputy Speaker, Sir, we require to make amendments to the Income Tax Act, which was passed a long time ago. The environment has changed and the Act is now obsolete, inadequate and some sections are ambiguous. So, it is important to review the Income Tax Act to comply with the current business environment. Also, companies make VAT returns and claims every end of the month, but they get no payments from the Kenya Revenue Authority (KRA).

The Minister for Finance should ensure that when companies make VAT claims, payments are made on time to ensure that cash flows of various companies are not affected. Also, payment of the VAT should be based on the accrual basis of accounting, instead of cash basis of accounting. Companies, like consultancy companies, which deal with large amount of invoices find it very difficult to pay VAT on time because of the accrual bases of accounting. I would request the Minister to make sure that VAT is paid when money is actually collected, and not when a sale is made.

Mr. Temporary Deputy Speaker, Sir, the Minister for Finance should recruit more officers at the KRA, so that they can carry out the compliance audit on time. Compliance audits are usually done three, four or five years after the accounting date, and some companies which are found to have made irregularities are penalised heavily. In fact, some companies have closed down because of high penalties. But if compliance audits are carried out on time, the penalties will not be high and companies will progress further.

I thank the Minister for including the retirement benefits of employees among the preferential



creditors, but, unfortunately, the maximum of the preferential creditors on employees' salaries is only Kshs4,000. I do not know whether the Minister will increase that figure to more than Kshs4,000. The provision at the moment is Kshs4,000.

The mobile phone industry is a growing and information technology is very important. It is unfair to impose taxes on a growing industry. That is the industry that is providing employment in this country, and it is likely to provide more employment in future. By taxing it, you are interfering with its growth. I know the Minister wanted to reduce his deficits by taxing the mobile phone industry. But I feel that in future, such an industry should be left to grow.

With regard to education, I take this opportunity to thank the Government for having introduced free and compulsory primary education. The programme has been received very well, and in my constituency, the primary school enrolment grew up by about 40 per cent. That is very encouraging. However, if the free primary education is not controlled properly, it will affect the secondary education system. We need to revive the village polytechnics, most of which have collapsed. We need to have a proper loan scheme for secondary schools and universities. We have the Higher Education in various secondary schools in the rural areas. Disbursement of the funds, sometimes, has been very unfair. We need to have constituency bursary funds where Members of Parliament, councillors and members of the Provincial Administration are involved in evaluating the needy students. The Minister for Finance has allocated quite a substantial amount of money to the Ministry of Water Resources, Management and Development. When I was in school, we were told that by the year 2000, we will have piped water in the entire country. However, by year the 2000, there was no piped water in our homes. It is high time the Ministry of Water Resources Management and Development was restructured so that there is piped water everywhere in this country. It is a shame that 40 years after Independence, women are still going to the rivers to fetch water.

On the health sector, health services have been run down. For example, in my constituency, most health facilities are not working. There are no drugs. The few health facilities are congested. It is a pity that some hospitals have no running water and electricity. It is also sad that this House, year in, year out, votes money for health facilities in my constituency. Therefore, we must have an implementation committee in this House so that when money is voted for a project, it is used on that intended project.

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

**Mr. Sugow:** Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me this opportunity to contribute to the Budget Speech. I would like to get down to the main issues that I would like to discuss with regard to the Budget Speech. First of all, I would like to advise the Government to take advantage of the goodwill prevailing in the country. For example, it enjoys goodwill from the Kenya National Union of Teachers (KNUT) because they promised to pay teachers' salary award within a shorter period. However, there is a serious shortage of teachers in many parts of the country. In the past, there have been attempts to solve this problem because some areas have surplus teachers. There have been attempts by the Government to try to evenly redistribute teachers in the country. However, because of the bad blood between the KNUT and the Government, this has been very difficult to achieve. I would like to urge the Government to actually try now to address this problem. At least, it will alleviate some of these chronic problems in some parts of the country with regard to the number of teachers.

Mr. Temporary Deputy Speaker, Sir, the other issue that I would like to talk about is the free education policy. At the end of this year, many children will be graduating from primary schools. However, poverty is endemic in many areas, particularly in the ASAL areas. So, if they complete their Standard Eight, most of them will not be admitted to secondary schools. It would have been very nice if the Government increased bursary funds to secondary schools, especially in the ASAL areas. This will allow many children at least to attain higher education.

I would also like to urge the Government to lift the ban on the construction of new schools. Right now, many schools are congested, but we cannot construct new boarding schools because of that ban. That ban is bringing a lot of problems to our children. As a matter of urgency, I would like to urge the Government to lift it.

Mr. Temporary Deputy Speaker, Sir, many hon. Members have talked about the issue of insecurity in this country. It cannot be gainsaid when we say that our police force is a cornerstone to actually achieving internal security in this country. The police force is in a very bad shape. The allocation given to them is not sufficient at all. With the increased incidents of insecurity in this country, and if we really want to turn the economy around, we must seriously address the issue of security. Therefore, the police need better pay and accommodation since they are the people who are putting their lives on the line for this country. We should start by looking into their welfare first. The next thing we should do for them is to improve their equipment. This country is poor, but it faces enormous challenges when it comes to security.

Our development partners allude to themselves as "Moses" because we are accepting everything they are giving us. I think it is only fair that we let them know that the efforts we are making as a Third World country, in terms of maintaining law and order are commensurate with our economy. If they wanted us to take care of their interests in this country, they should not put conditions on aid and grants before addressing the insecurity problem in this country. If they can do that, then they will be devoted partners and not bosses.

Mr. Temporary Deputy Speaker, Sir, my other point is on the issue of terrorism. The Government is making considerable efforts in fighting terrorism, but let us be very careful and not go overboard. Many Kenyans are now being harassed in the name of fighting terrorism, because there are so many arbitrary arrests. Recently, over the weekend, a very innocent Kenyan of Pakistan origin was arrested in Garrissa. He is a very innocent and harmless person. There were over a hundred armed security personnel who went to arrest him and people in Garrissa town were terrified. Therefore, let us not use so much force to try and eradicate our problems, or suspect innocent people in the name of appeasing external forces.

Mr. Temporary Deputy Speaker, Sir, let us not undermine our own sovereignty as a country. We may be poor but poverty is not an excuse to surrender the sovereignty of this country. We should not bow too low in order to get favours from external agents. We have been affected very much by the presence of other unfriendly interested countries, particularly the United States of America and Britain. We should know that the world is not only made up of Britain and the United States of America. In terms of attracting tourism, there is a big market out there and not necessarily from those two countries. If anything, at this time when terrorism has affected most of the world, their presence is just a liability. We should realise that and reciprocate accordingly, and not brand this country as insecure, when it is their presence that makes it insecure. We should make efforts in making this country a safe place to live in. In the effort to make this country secure, the Government is making mistakes.

Many Kenyans are out of jobs, not only in the tourism sector, but even in other areas of commerce. Ever since tourism went down, many of our aviation companies are struggling very hard to run their business in other sectors. A case in point is *miraa* trade which is transported from the Wilson Airport to Somalia. With the reduction of tourist flights, these companies are trying their best to get businesses elsewhere. Business worth over Kshs30 million was being transacted at Wilson Airport every morning to Somalia. That has now been put to a halt. With lack of donor aid, decline of tourism and most of us having no option but to close down many of our companies, where will we get the extra money referred to by the Minister for Finance? This is a very serious problem and we need not go overboard in order to appease others.

Mr. Temporary Deputy Speaker, Sir, the other issue is on refugees. Refugees in this country are settled in discriminated areas. The camps in my constituency have been there for the last 12 years

now. These people engage in businesses that are not regulated. They earn, make income and get money outside the country which is sent here through fraudulent means. I think it is only fair that---

**The Temporary Deputy Speaker** (Mr. Khamasi): Your time is up.

**Mr. Sugow:** Mr. Temporary Deputy Speaker, Sir, I support.

**Dr. Awiti:** Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me this opportunity to make my contributions on the Budget. It was a well-crafted and well-argued Budget. A Budget has only two purposes; it is either supporting the people, or it is against the people. This Budget is not pro-poor people; it is meant to enrich the already rich. The poor are expected to be spectators. They are expected to wait for the trickle-down effect. For how long will the Kenyan poor wait, particularly since the Government promised a lot of things? The Budget process is a question of how a country is governed. It is not so much as to how much finances are allocated to different sectors, but which direction this Budget is directing the country to go to.

The Budget is formulated, implemented and even audited by the non-elected members of this Government. It is Executive-driven. This is why it cannot respond to the needs of Kenyans.

**The Temporary Deputy Speaker** (Mr. Khamasi): I would like to advise you that you have got five minutes in which to conclude your Speech as the Minister would like to reply.

**Dr. Awiti:** Thank you, Mr. Temporary Deputy Speaker, Sir. I would like to thank the Minister for allocating 26 per cent of the Budget to education. Education will not mean much to people if, say for example, the bursary funds are not evenly distributed across the constituency. Free primary education will be meaningless if it does not include the building of tuition blocks, providing enough equipment for students and teachers. I submit that it is good for the President to appoint chancellors to the universities. The university is an institution of higher learning that requires people who can make a contribution towards it. Those people who can make a contribution towards universities are those who have gone through the mill and not those who are taken from anywhere. Our education is competitive and it must compete equally with the rest of the world.

The question of developing a country depends on the state of the country's infrastructure. The Budget only provides 10 per cent for infrastructure. Roads were allocated only 4.9 per cent. A majority of areas of our country still lack proper roads. We need small feeder roads that can open the womb of the economy which is still under subsistence. I think the Minister should have allocated more money towards improving infrastructure. In places like Karachuonyo where I come from, the roads are made and swept away by floods the following year because they are done haphazardly. There is need for the Ministry of Roads, Public Works and Housing to look at the manner in which those people who they have posted in the districts are maintaining the roads.

Mr. Temporary Deputy Speaker, Sir, everyone knows we need electricity. If the Minister only allocates 1.7 per cent for rural electrification, how will that help generate employment? How will that help fishermen preserve their fish? Most of the beaches in the lake region do not have electrification facilities. This is why our fishermen cannot make any profits from fishing. One of the most important sectors here is agriculture.

I come from a marginal area, where we grow cotton and sugar. I have read the whole Budget Speech to find out if there is any mention of support being given to the cotton farmer, and I found nothing.

This country needs a new agricultural policy that will provide food sovereignty for our nation and create internal market. We are tired of an economy which produces raw materials and exports other people's produce. Countries like Britain are now exporters of tea, but if you go to Britain, there is not even one single tea tree which is growing there. Where are they getting this tea which they are exporting back to us to drink? We need to have an economy which will enable us process and sell our finest tea with an added value.

Mr. Temporary Deputy Speaker, Sir, the country cannot grow when the extension services are left the way they are. More funds should have been allocated for extension services because this will assist the peasant farmer who needs to be supported. We need to have a credit system which is affordable to the small farmer. This should be credit that will enable the farmer to grow whatever crop he needs to grow. Above all, before any farmer plants any crop, the Ministry of Agriculture should announce the price at which they will sell their produce. The issue of allowing our country to follow liberalisation indiscriminately without considering whether it will benefit us or not, is, in my opinion, an undirected effort.

With those few remarks, I beg to support.

**The Temporary Deputy Speaker** (Mr. Khamasi): It is now time for the Minister for Finance to reply.

**The Minister for Finance** (Mr. Mwiraria): Thank you, Mr. Temporary Deputy Speaker, Sir. First of all, let me start by thanking the hon. Members for their constructive suggestions and criticisms. I must say I was impressed in the manner and seriousness with which most hon. Members contributed to the Budget Speech. However there have been a few of hon. Members who made statements and allegations which really have no foundation. Some of them have been based on, perhaps, the fact that, had the KANU Government been in power, it would not have supported the people who voted against it. Why am I saying this? This is because some hon. Members said that the President promised people from the Arid and Semi-arid Lands (ASAL) certain things. Yes, he did. Since the NARC Government took over, we have done everything possible to show the people living in ASAL areas - majority of who did not even vote for NARC - that we will treat them equally, like any other Kenyan. We will give them all the privileges that we will give other people. I want to demonstrate that by giving examples from my Budget Speech.

*(Applause)*

Mr. Temporary Deputy Speaker, Sir, it will be recalled, and if anybody wants I can take them through the relevant pages in the Budget Speech, that I stated that the NARC Government will provide Kshs775 million for the general development of ASAL areas. At the time I was giving the Budget Speech we had not concluded negotiations with the World Bank. On Thursday, last week, I signed an agreement for US\$60 million for the ASAL areas. That is an extra Kshs4.5 billion for ASAL areas.

ASAL areas, like any other areas in this country, benefit from free primary education. In addition, we have increased funds for the feeding programme. We have also given cash grants to primary schools in these areas, which is more than what we are giving to schools in Nairobi or any of the other better areas. In addition, we have also provided water for the ASAL areas. We have increased the allocation for this from Kshs552 million last year, to Kshs1,024,000,000 this year. This is besides the fact that we have zero-rated the drilling equipment for boreholes to make them cheaper. This will benefit all Kenyans. However, most of the boreholes will be drilled in the ASAL areas. I am really saying these things to demonstrate the fact that, not only have we made verbal promises, but we have gone out of our way as a Government to give the ASAL areas as much as we are able to give, given the economic constraints under which we are operating.

Mr. Temporary Deputy Speaker, Sir, let me also remove one other misconception, that we have not been pro-poor people. How far do you need to look, to find out that our Budget favours the poor? If you take free primary education alone, whatever little funds those poor people were spending on education is now available to them for other expenditure.

In addition, an hon. Member talked about lowering Value Added Tax (VAT) from 18 per cent to 16 per cent on milk, *unga* and other food items.

These basic food items like milk and bread are not subject to VAT. I think it is good to make this point absolutely clear. But VAT on other items, such as clothing and *mitumba* went down. I believe quite genuinely that were we not to allow *mitumba* into this country and lower their cost, most of the Kenyan people would have had difficulty in dressing up. We have a difficult economic condition and we have tried as best as we could to take care of the economy. I stated that the Budget was intended to ease the lives of the poor temporarily while at the same time stimulating economic growth.

Mr. Temporary Deputy Speaker, Sir, let me answer a few other questions which were raised. An hon. Member suggested that we should sell all Government houses to make money and reduce the Budget deficit. May I, with humility, state that this step, under the previous regime, made the cost of maintaining civil servants much higher. We removed Government houses for which official fact, most of the people, and I am sure even hon. Members in this House, know that investing in a house is one of the wisest things you can do for your old age. You will be earning income when you are unable to work.

Mr. Temporary Deputy Speaker, Sir, very many speakers have talked about changing the budgeting process. As I said earlier on, the NARC Government welcomes contributions to the budgeting process. Even this year, we had public hearings at City Hall. Maybe, next year, we will have special public hearings for hon. Members of this House, to give them an opportunity to tell us what it is they think needs to be done so that we can get the best Budget. The Budget for the country should not be the property of the governing party. We should be asking ourselves together, what is good for Kenya and what we can do to stimulate economic growth. The wisdom does not rest on one side of the House. I hope I am really making myself clear.

*(Applause)*

Mr. Temporary Deputy Speaker, Sir, let me now turn to one or two other points which were raised regarding agriculture. Some very good comments were made in this area. Hon. Members stated that the question of the agricultural sector was not adequately addressed. I agree that although we addressed a few items, we did not address all of them. But if we take crops like sugar-cane, cotton, tea, pyrethrum and the fisheries industry, we did not include them specifically. But the sugar industry in particular presents any government with an unusually difficult position for this reason. In the wisdom of the previous Government, we joined the Common Market for Eastern and Southern African countries (COMESA). We agreed to remove all duties on goods which come from the COMESA countries, sugar being one of them. One of the problems we have right now is that some wise businessmen have imported sugar from the COMESA countries.

We are seriously addressing this problem to find out how we can solve it, because we must look after the Kenyan farmers. We must look after the Kenyan sugar-cane farmers; we have no choice. So, the question is: How do we do it? The issue is receiving our attention and I am sure we are going to find a solution to it. In my Budget Speech, I had suggested that we should not accept any goods for which duty is not payable. But as I have already said, under arrangements made much earlier, we cannot stop goods coming from the COMESA countries. This is a problem that we must address.

Mr. Temporary Deputy Speaker, Sir, we are also addressing the question of stopping goods which are destined to Uganda, Tanzania and other neighbouring states from being diverted into the Kenyan market. The issue is not going to be easy, but we must really accept that we need to look after our farmers. Kenya is one of the few countries which has not been doing it, but the NARC Government has no choice.

Mr. Temporary Deputy Speaker, Sir, in the Budget Speech, I stated quite categorically that one of our problems in the agricultural sector is the fact that we depend on rain-fed agriculture. I intimated, in fact, that we must revise the Irrigation Act, do more to drill water and establish dams, so that we can move away from rain-fed agriculture to irrigated agriculture. There is a lot of land in this country where we can grow cotton and rice. We can do that by irrigation.

**Mr. Wanjala:** Yes!

**The Minister for Finance** (Mr. Mwiraria): In fact, in the area of the hon. Member who has said "yes", if we only built a few dams, we would stop flooding in the area. We would be able to have a better constituency with many wealthy people.

*(Applause)*

Mr. Temporary Deputy Speaker, Sir, let me also add that one of our biggest problems in this country has been lack of available credit at affordable interest rates. I stated in my Budget Speech that if we want to assist the poorest of the poor and the small-scale entrepreneurs, we have no choice but to establish micro-finance institutions. I will bring to this House the Micro-finance Bill as soon as other business will allow, so that, we can widen the net and bring in the necessary controls, so that people who need only Kshs40,000 to Kshs50,000 could have an avenue in which they can borrow, instead of going to banks which are fleecing them.

I have talked quite a bit on the issues raised by hon. Members. I now need to talk about the increase in mobile phone tariffs. I want to inform the hon. Member that, any country, including Kenya, requires taxation measures to raise finances to run the services. That was one of the few areas where, in consultation with my East African colleagues, we raised the money.

In conclusion, let me say that when I was concluding the Budget, I said that the Budget itself was but a first step in a long journey. We have been in power for six months and one day today. What took the KANU Government 40 years and was not accomplished should not be expected to be accomplished in six months by the NARC Government. Honestly, I think people are being unfair. Give us a chance. We have made a bold step. We have made a good start and we are going to succeed. The story will be very different in two years' time.

With those few remarks, I beg to move.

*(Question put and agreed to)*

#### ADJOURNMENT

**Mr. Temporary Deputy Speaker** (Mr. Khamasi): Hon. Members, that concludes the business on the Order Paper. The House is, therefore, adjourned until tomorrow, Wednesday, 2nd July, 2003, at 9.00 a.m.

The House rose at 6.30 p.m.