

NATIONAL ASSEMBLY

OFFICIAL REPORT

Tuesday, 25th June, 2002

The House met at 2.30 p.m.

[Mr. Deputy Speaker in the Chair]

PRAYERS

PAPERS LAID

The following Papers were laid on the Table:-

Annual Report and Accounts of the Tea Board of Kenya for the year ended 30th June, 1998, and the certificate thereon by the Auditor-General (Corporations).

Annual Report and Accounts for the Tea Board of Kenya for the year ended 30th June, 1999, and the certificate thereon by the Auditor-General (Corporations).

Annual Report and Accounts of the Kenya Agricultural Research Institute for the year ended 30th June, 2001, and the certificate thereon by the Auditor-General (Corporations).

(By the Assistant Minister for Agriculture and Rural Development (Mr. J.D. Lotodo) on behalf of the Minister for Agriculture)

Annual Report and Accounts of the Export Processing Zone Authority for the year ended 30th June, 2000, and the certificate thereon by the Auditor-General (Corporations).

(By the Assistant Minister for Agriculture and Rural Development (Mr. J.D. Lotodo) on behalf of the Minister for Trade and Industry)

Annual Report and Accounts of the Kenya Ferry Services Limited for the year ended 30th June, 1999, and the certificate thereon by the Auditor-General (Corporations).

(By the Assistant Minister for Agriculture and Rural Development (Mr. J. D. Lotodo) on behalf of the Minister for Transport and Communications)

ORAL ANSWERS TO QUESTIONS

Mr. Deputy Speaker: Mr. Obwocha's Question!

Mr. Imanyara: Mr. Deputy Speaker, Sir, last week, I asked Question No.181 on behalf of Mr. Obwocha. The hon. Member was not aware that the Question would come up today; I was aware. So, may I ask it on his behalf, as I did last week?

Mr. Deputy Speaker: Very well.

Question No.181

FUNDING OF ARID ENVIRONMENTS TRUST

Mr. Imanyara, on behalf of **Mr. Obwocha**, asked the Minister of State, Office of the President, what led to the cessation of funding of the Rehabilitation of Arid Environments Trust by the Royal Netherlands Embassy in 1993/94 for its activities in Baringo and other areas; and what agreement was reached in funding the facilities left behind by the embassy.

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

The Royal Netherlands Government has had several interventions in Kenya, mainly in the area of environmental conservation focused on water and soil conservation and improved livestock. In Baringo District, two such projects had been undertaken as a follow-up to each other. The first one was called The Baringo Fuel and Fodder Project, and was operational in 1991/92, after which the Jamii na Mazingira ya Baringo (JAWABA) Project became operational, between 1993 and 1994. Hon. Obwocha's Question, therefore, must be referring to the JAWABA Project, as it was called, and not Rehabilitation of Arid Environments Trust. This project was funded by the Royal Netherlands Government through an implementing agency called Euro Consult; a Dutch Company. The project's main objective was to undertake environmental management, water and soil conservation, afforestation, improved livestock and capacity building to communities and schools. Notable output of the project was introduction of fruit plantations, particularly bananas and mangoes.

The cessation of the funding of the project was due to a change of funding policy by the Royal Netherlands Government towards several developing countries, including Kenya. In all bilateral and multilateral funding arrangements the Government undertakes to take over all facilities left behind from such projects, operating them through the respective line Ministries, and at times handing them over to communities for operation and management where such facilities are at par with community capacity.

Mr. Imanyara: Mr. Deputy Speaker, Sir, I would like to thank the Assistant Minister for that very exhaustive reply to the Question. Nevertheless, could he tell the House what steps the Government has taken to reverse the decision that was taken by the Royal Netherlands Government, and other governments which used to aid this country? In other words, has the Government fulfilled the conditions that caused the cessation of funding of these projects?

Mr. Haji: Mr. Deputy Speaker, Sir, I am very grateful for the observation by the hon. Member, but I would also like to add that the Government is doing everything possible, so that donor funding can resume. We have complied with all the necessary conditions. We are only waiting for the donor countries to sit together with us and agree with all that we are doing.

Question No.287

ACTION AGAINST LURAMBI DO

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

- (a) whether he is aware that the then District Officer, Lurambi, Mr. Peter Oraro, assaulted Mr. Saul Waka and knocked out the victim's two teeth on 12th June, 1997;
- (b) whether he is further aware that to date, no action has been taken by the police against Mr. Oraro; and,
- (c) what urgent measure he is taking to bring Mr. Oraro to justice.

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

- (a) I am aware that a complaint was made by one Saul Waka at Kakamega Police Station.
- (b) I am aware.

(c) The complainant should surrender a dully filled in P3 Form issued to him by Kakamega Police Station and provide witnesses for the police to investigate the matter and take the necessary action.

Dr. Kulundu: Mr. Deputy Speaker, Sir, that is an extremely infuriating answer. Mr. Saul Waka was summoned to Lurambi DO's office on 12th June, 1997, which is five years ago. He was forced by the then DO to sign away his land to a senior officer, who was related to the DO. Subsequently, Mr. Saul Waka was assaulted by the DO, who knocked out his two teeth. Mr. Saul Waka reported the incident at Kakamega Police Station. He was issued with a P3 Form, which was dully filled in at Kakamega General Hospital and returned to the police station. I have a copy of the P3 Form, which I am referring to, and which I am going to table. In view of the information I have given to the Assistant Minister, what punitive action is the Government going to take against this notorious DO? Even my friend from Malava knows that the DO has been a menace to the citizens of this country.

Mr. Haji: Mr. Deputy Speaker, Sir, as far as the current Question is concerned, I said that the complainant is expected to return the P3 Form to Kakamega Police Station. If the hon. Member can prove that a P3 Form was dully filled in by a medical doctor, and it indicates that injuries were inflicted on the complainant, then necessary action will be taken. I would like to differ with the hon. Member when he says that this particular DO is notorious for beating up

people. I wonder whether the said DO also beats up the hon. Member.

Mr. Muchiri: Mr. Deputy Speaker, Sir, first of all, removing the tooth of a person is grievous bodily harm. It causes permanent disfigurement. It is a very serious offence. The Assistant Minister has been informed by the hon. Member that the complainant was beaten up in the DO's office. Does he agree with me that immediately after the complainant reported the case to the police station, it was the responsibility of the officer in charge to look for evidence and to convict the DO? What the Assistant Minister is telling this House is contradictory. He is asking the complainant to bring evidence. Surely, is that not contrary to how this Government operates?

Mr. Haji: Mr. Deputy Speaker, Sir, I do not know whether the hon. Member, who was a prosecutor, is in touch with the current situation. For every complaint to be investigated, there must be some kind of evidence. That is why we provide P3 Forms.

Mr. Mwenda: Mr. Deputy Speaker, Sir, the Assistant Minister is actually misleading this House. Those of us who are lawyers know the procedure in criminal matters. A complainant cannot be issued with a P3 Form to go and fill it and return it later to the police station. He is usually escorted by a police officer to the doctor who examines him. The original P3 Form is never surrendered to the complainant. It is always carried by the officer who accompanies him to the doctor. If the Assistant Minister is not hiding the truth from this House, could he tell us whether the OCS in charge of the station, where the complaint was made, made an attempt to arrest, question or ask the DO to write a statement?

Mr. Haji: Mr. Deputy Speaker, Sir, it is not possible for police officers to escort every individual who complains of assault. That is the procedure. Unfortunately, it cannot happen all the time. Therefore, if this gentleman--

Mr. Anyona: On a point of order, Mr. Deputy Speaker, Sir. The Assistant Minister was trying to evade answering this Question by saying that the victim did not return the P3 Forms. He has been clearly informed that the law requires a police officer to escort the victim to the doctor and retain the original of the P3 Form. Is he in order to say that they are breaking the law all the time because they do not have enough policemen to go around? What is he talking about?

Mr. Deputy Speaker: In any event, Mr. Haji, this is a very specific case. What happened to the P3 Form that the complainant signed? Is it lodged with the Police Department or is it in the DO's office? This is a very specific case!

Mr. Haji: Mr. Deputy Speaker, Sir, as I said, the information we have is that the particular P3 Form is not at the police station because it has never been taken back there. If the hon. Member can prove that it is in the police station, then the necessary action will be taken.

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

Mr. Deputy Speaker: Order! None of you has got any point of order!

Mr. Shitanda: Mr. Deputy Speaker, Sir, after this DO left Lurambi Division after having assaulted this man, he was posted to Malava Division. Is the Assistant Minister aware that this particular DO was also transferred from Malava Division when he fought a woman in his office over a land dispute?

Mr. Haji: Mr. Deputy Speaker, Sir, I am not aware.

Dr. Kulundu: Mr. Deputy Speaker, Sir, in fact, I kept the two teeth that were knocked out of Mr. Waka's mouth in the Clerk's Office, but he seems to have misplaced them. I will bring them at an appropriate time. But I want to lay on the Table a copy of the P3 Form for use by the Assistant Minister. Could he tell us the whereabouts of Mr. Oraro? Is he still in the Public Service?

(Dr. Kulundu laid the document on the Table)

Mr. Haji: Mr. Deputy Speaker, Sir, if the hon. Member will care to ask that Question, I will find out the whereabouts of this DO.

Mr. Deputy Speaker: Dr. Kulundu, is that document stamped?

Dr. Kulundu: On a point of order, Mr. Deputy Speaker, Sir. The Assistant Minister seems to be answering a Question about an officer he does not know. He does not know whether Mr. Oraro is still in service or not. Is he order to mislead the House that he will take action when, in fact, he does not know whether Mr. Oraro is still in the Public Service or not?

Mr. Deputy Speaker: Order! That is not really a Question, but I will allow the Assistant Minister to answer it.

Mr. Haji: Mr. Deputy Speaker, Sir, this Question does not affect Mr. Oraro as a person. We are dealing with a person who is alleged to have been beaten and whether any action was taken against the DO.

Mr. Deputy Speaker: Next Question, Mr. Sifuna!

*Question No.358*UNION DUES DEDUCTIONS FROM
POLICE OFFICERS

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

- (a) whether he is aware that Kshs50 is being deducted from the salary of each police officer every month as union dues;
- (b) when the union was registered; and,
- (c) how much to date has been deducted from the officers' salaries.

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

- (a) No, I am not aware that any police officer is being deducted Kshs50 every month as union dues.
- (b) There is no union of such nature within the police force.
- (c) Since there are no such deductions, there is no amount to be tabulated.

Mr. Sifuna: Mr. Deputy Speaker, Sir, I am surprised by this answer. The Assistant Minister is my good friend and I do not want to have a problem with him. I have a copy of a payslip here given to me by one of the police officers. It shows this deduction. If I lay this document on the Table, will the Assistant Minister go back to the Ministry and bring the correct information? If you allow me I will read the officer's name and the number. The salary shown here is Kshs5,965, rental house allowance is Kshs1,100 and medical allowance is Kshs495. His total earnings amount to Kshs7,560. The breakdown of his deductions is as follows: Health service is Kshs120, union dues is Kshs50, Co-operative shares are Kshs500---

Mr. Deputy Speaker: What document are you reading from? Is it a payslip?

Mr. Sifuna: Yes, Mr. Deputy Speaker, Sir. I am reading from a payslip. If the Assistant Minister is not aware of this deduction, could you defer the Question so that he gets time to look at this payslip and bring to us the correction information? Could he tell us why he is misleading the House?

(Mr. Sifuna laid the document on the Table)

Mr. Deputy Speaker: Mr. Haji, I think you better get hold of that document and come back with an answer.

Mr. Haji: Mr. Deputy Speaker, Sir, I want to thank the hon. Member for laying on the Table a photocopy of a payslip. All the same, I will investigate and report back to the House.

Mr. Deputy Speaker: When?

Mr. Haji: Mr. Deputy Speaker, Sir, give me a week to complete the investigation.

Mr. Deputy Speaker: The Question is deferred to Tuesday, next week.

(Question deferred)

Mr. Sifuna: Mr. Deputy Speaker, Sir, when the Assistant Minister brings the correct answer on Tuesday next week, could he undertake to answer that all the amounts deducted unlawfully will be refunded?

Mr. Deputy Speaker: Order! Mr. Sifuna, you are now asking more questions and I have deferred the Question to Tuesday next week.

*Question No.357*GOVERNMENT POSITION ON AFRICAN
UNION PROTOCOL

Prof. Anyang'-Nyong'o asked the Minister for Foreign Affairs and International Co-operation:-

- (a) when the Kenya National Assembly will discuss the Constitutive Act of the African Union and what the Government has done to inform Kenyans about its being signatory to this Union;
- (b) what the position of the Government is regarding the Protocol establishing the Pan African Parliament; and,
- (c) how far the Government has gone in implementing the NEPA initiative and why it has not been given as much discussion within the Government and public circles.

The Assistant Minister for Foreign Affairs and International Co-operation (Mr. Odoyo): Mr. Deputy Speaker, Sir, I beg to reply.

(a) I am sure my hon. colleague knows very well that it is the prerogative of Parliament, and not the Executive branch of Government, to decide if and when to discuss any matter or subject in this august Assembly. It is up to the hon. Members to decide if and when they wish to discuss the Constitutive Act of the African Union, which Kenya, together with 49 other member states of the OAU, have ratified. Hon. Members will recall that my predecessor in the Ministry, hon. Obure, on 25th July, 2001, made a Ministerial Statement in this august House in which he briefed hon. Members on Kenya's position *vis-a-vis* the Union.

Mr. Deputy Speaker, Sir, the creation of the African Union by member states of the OAU has been a matter of public knowledge across the entire African continent. Since its inception in 1999, the process has received wide coverage in both the international and local print and electronic media. Kenyans are, therefore, well aware of the ongoing transformation of the OAU into the African Union. This issue has even been covered in today's *Daily Nation*, the *East African Standard* and the *Kenya Times*.

(b) As the Government of a State that is party to the Treaty establishing the African Economic Community and a member State of the OAU and the African Union, the Government of Kenya fully supports and is committed to the vision set out in the protocol establishing the Pan African Parliament. We consider the creation of a continent-wide legislative body to be an important pillar in the quest for a united, integrated and strong Africa. The Government of Kenya subscribes to the noble objectives of the Pan African Parliament.

Foremost among them are:-

(i) Promotion of human rights, good governance, transparency, accountability, peace, security, stability and democracy in Africa.

(ii) Facilitation of the effective implementation of the policies and objectives of the OAU/African Economic Community and, ultimately, of the African Union.

(iii) Promotion of collective self-reliance and economic recovery, and;

(iv) Strengthening of continental solidarity and the building of a sense of common destiny among the people's of Africa.

The Government is, therefore, studying the protocol establishing the Pan African Parliament with a view to an early ratification of the same. In its consideration of the Protocol, the Government will seek the input of this august House from whose Members our representation at the Pan African Parliament will be drawn. I would like to add that, tomorrow, a team of hon. Members of this august House will be travelling to Cape Town to discuss the establishment of the Pan African Parliament.

(c) The NEPAD initiative was formally launched on 23rd October, 2001. The Government of Kenya has prepared a Paper entitled "Kenya's Approach to the New Partnership for Africa's Development". The Paper integrates Kenya's development priorities with those of NEPAD, and identifies key sectors that could benefit from NEPAD's funding. These include, agriculture, education, health and infrastructure.

In the implementation of NEPAD, regional Ministerial conferences were held in the four regions of the African continent. The eastern region held its meeting from 11th to 13th March 2002, in Kampala, Uganda. The meeting identified regional priority programmes that could benefit from NEPAD funding. Kenya was represented at the meeting by five Cabinet Ministers from relevant Ministries. Kenya pushed for the inclusion of the priority regional programmes in the identified sectors.

In recognition of Kenya's leadership in the region, President Jacques Chirac of France invited His Excellency the President to a meeting of the Implementation Committee of NEPAD hosted by the Government of France. This was followed by the NEPAD Summit in Dakar Senegal which was also attended by His Excellency the President.

Finally, I wish to state that the Government recognizes the importance of the inclusive approach of Kenya's participation in the NEPAD Initiative. To this end, it has established a mechanism of dialogue with the private sector task force on NEPAD.

Mr. Deputy Speaker: Order, Mr. Odoyo! Are you reading a Ministerial Statement or answering a Question?

The Assistant Minister for Foreign Affairs and International Co-operation (Mr. Odoyo): Mr. Deputy Speaker, Sir, Prof. Anyang'-Nyong'o asked a very complicated Question and I am addressing the issues that were raised.

Mr. Deputy Speaker, Sir, the Government held a sensitization meeting on 3rd June, on the NEPAD Initiative, that brought together top private sector representatives, senior Government officials and Cabinet Ministers. The meeting was addressed by His Excellency the President and was aimed at enriching Kenya's position Paper in preparing for the African Economic Summit which was recently held in Durban, South Africa. The NEPAD continues to be given the proper weight by the Government of Kenya and continues to enjoy top priority discussions within Government, private and public circles. If anybody holds a contrary view, I beg to differ strongly.

Prof. Anyang'-Nyong'o: Mr. Deputy Speaker, Sir, I thank the Assistant Minister for giving attention to this Question. I would like to raise a very important question which relates to the fact of how much information the Government has given to this House, and the extent to which the Government thinks it is important that it can accede to the Constitutive Act of the African Union without that Act becoming municipal law in this country.

The Constitutive Act of the African Union in Article 27, related to signature ratification and accession says the following:-

"This Act shall be open to signature ratification and accession by the member States of the OAU in accordance with their respective constitutional procedures".

What is the constitutional procedure of the Republic of Kenya regarding the Government acceding to such Acts as the Constitutive Act of the African Union, and to what extent does that constitutional procedure allow the Government to accede to this Act without the law becoming the municipal law in the Republic of Kenya?

Mr. Odoyo: Mr. Deputy Speaker, Sir, it is true that certain international treaties require domestication in terms of the need to prepare subsidiary legislation within the Republic. In the case of NEPAD, there is a possibility in the long-term, but at this stage in time, NEPAD continues to be an evolving part of the OAU, and that---

Prof. Anyang'-Nyong'o: On a point of order, Mr. Deputy Speaker, Sir. I asked the about the Constitutive Act of the African Union and not NEPAD. If the Assistant Minister has read the relevant section of the Constitutive Act, to what extent could he accede to this Act without this Act becoming municipal law in the Republic of Kenya, and to what extent can the Government do that without bringing the Act to the National Assembly of the Republic of Kenya?

Mr. Odoyo: Mr. Deputy Speaker, Sir, the Government of Kenya continues to meet all the requirements of the laws of Kenya. In this regard, for example, we tabled the East African Community Act, but the African Union is still evolving. At this time, it has not yet become the fully fledged African Union that we hoped it would be. The OAU and the African Economic Union are still in existence, and the African Union is a vision which we are working or moving forward to. Until it is finalised, we shall not burden this House by bringing premature Bills that may be subject to change in the future, because it is still an evolving situation.

Mr. Imanyara: Mr. Deputy Speaker, Sir, my supplementary question arises directly from part "c" of the Question. Is it not true that His Excellency the President, over two weeks ago, left this country for a four-day State visit to South Africa on matters connected to NEPAD, only for him to come barely 24 hours later because he had been snubbed? Is it not true that our President was humiliated and snubbed because you have failed to fulfil the conditions that Prof. Anyang'-Nyong'o has read out to this House?

Mr. Odoyo: Mr. Deputy Speaker, Sir, the hon. Member was not in South Africa to know what took place. The clear position is that, our President was not snubbed in South Africa. He undertook his duties as required of his position in South Africa and came back early to Kenya to undertake further duties on behalf of Kenyans.

Mr. Wamae: Mr. Deputy Speaker, Sir, this is, indeed, a serious matter. Our President has invited the President of Uganda, Tanzania and Rwanda to a meeting in Kenya because this region has been excluded from NEPAD. Could the Assistant Minister be frank and tell this House the truth?

Mr. Odoyo: Mr. Deputy Speaker, Sir, let me take a step back and say that the issue of inclusion or exclusion is not an issue at the moment. If you look at the people who are in the Executive Committee--- First of all, we had Mr. Mbeki who was the Chairman of the Non-Aligned Movement. Then, we had Mr. Wade, who was the Chairman of Organisation of African Unity (OAU). Then, we had Mr. Obasanjo, who was the Chairman of G-77. Those people, who were heading those international bodies, came together to assist us. The issue of inclusion or exclusion is not an issue because it is an evolving situation. I can guarantee the hon. Member that the Government takes NEPAD very seriously. We will continue to propagate our Government policy of transparency and openness by bringing issues to this House.

Prof. Anyang'-Nyong'o: Mr. Deputy Speaker, Sir, if you allow me, I would request the Chair to ask the Assistant Minister to go and study this matter further, and bring a competent answer to this House. As you realise, the Assistant Minister does not understand the difference between NEPAD and the Constitutive Act of the African Union (AU). It is an Act which is going to be passed and assented to in a meeting in Pretoria or Durban, of the OAU Heads of States.

Mr. Deputy Speaker, Sir, if the Assistant Minister was aware of the provisions, he could have explained to this House the transitional arrangements from the OAU to AU. Then, we would understand why the Act has not become municipal law in this country. So, I would request the Chair to give the Assistant Minister more time, to go and study this matter and bring a competent answer to this House. He should also bring the relevant documents to this House. That is because he is talking about the Government position Paper on NEPAD and this House has not even seen that Government position Paper. So, the House does not want to be treated as a rubber stamp. I request that the Minister himself comes to the House! He should not send an Assistant Minister to this House who is not a Minister! He is actually reading what he does not understand!

Mr. Deputy Speaker: Order, Prof. Anyang'-Nyong'o! That is a very bad lecture this afternoon! Could you respond, Mr. Assistant Minister!

Mr. Odoyo: Thank you, Prof. Anyang'-Nyong'o, for your very noble words! The Professor asked some questions relating to the AU and also the NEPAD. We have competently given him information. I also dare say that we have a Committee in this House that is dealing with those issues at the moment. In fact, the relevant Committee has

already met to discuss the issues of NEPAD and AU. We, as the Ministry of Foreign Affairs and International Co-operation, are at the disposal of the House. We are willing to come and discuss any more details that the House may wish us to discuss. The Committee is at liberty to call upon our Ministry, the Head of Government and even the Leader of Government Business. We are at liberty to give all the information that is available.

As to the issue whether we know the difference between the AU and NEPAD, yes we do! The AU is the vision after the OAU. NEPAD is a further vision of the AU. NEPAD means New Partnership for Africa's Development, which is part and parcel of the new vision that we have for AU. It is evolving and I would urge the House not to rush the Government to bring Bills to this House on an evolving situation. Be patient! We shall satisfy all and sundry, as the country continues to have confidence in the Government!

Question No.296

INTERDICTION OF MR. PANAITO OCHIENG

Mr. Achola asked the Minister for Education:-

- (a) whether he is aware that Mr. Moses Panaito Ochieng, TSC No.193291, had his interdiction revoked on 28th October, 1998 vide letter ref.DISC.CASE No.800/94/13; and,
- (b) why he has not been paid for the period during which he was under interdiction as required by the TSC Act L.N.137/1967, Fourth Schedule.

The Assistant Minister for Education, Science and Technology (Mr. Ojode): Mr. Deputy Speaker, Sir, we have agreed with the hon. Member who has asked this Question for a deferment because I am still waiting for some details which are required for this particular Question.

Mr. Deputy Speaker: Mr. Ojode, you cannot be waiting for information to reply to that Question because you should have submitted your written reply how many days ago? Anyway, what does Mr. Achola say?

The Assistant Minister for Education, Science and Technology (Mr. Ojode): Mr. Deputy Speaker, Sir, he has agreed until Thursday.

Mr. Deputy Speaker: Let me hear it from him!

Mr. Achola: Mr. Deputy Speaker, Sir, I have no objection if he can produce the answer on Thursday.

Mr. Deputy Speaker: I will give you time on Tuesday next week!

Mr. Achola: I will not be here next week!

Mr. Deputy Speaker: Then, it has to be Thursday next week!

(Question deferred)

Next Question!

Question No.231

OPERATION OF BUSES WITHOUT
EMERGENCY DOORS

Mr. Mwakiringo asked the Minister for Transport and Communications:-

- (a) whether he is aware that long distance passenger buses like Coast Bus, Buscar, Busclass, Akamba, Interstate 2000, e.t.c, have no emergency exit doors;
- (b) what action he is taking to ensure that the said buses have emergency exit doors; and,
- (c) why the buses were allowed on the road without the said doors.

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

(a) Yes, I am aware of the fact that some buses being operated have no adequate emergency exit doors, as stipulated in the Public Transport Act Cap.403.

(b) The following measures have been taken to ensure that the said buses have emergency exit doors:-

(i) The Ministry has written to the Traffic Commandant, Director of Motor Vehicles Inspection Branch and the Registrar of Motor Vehicles on that anomaly. It has instructed them to ensure that the law is followed and implemented.

(ii) In turn, the Traffic Commandant and the Director of Motor Vehicles Inspection Branch, have written to all stakeholders with Public Service Vehicles (PSV) vehicles to comply with the Traffic Act. They should make sure that vehicles, while being presented for inspection, should not be sent back to the body builders for them to do other modifications, which alter the state of the vehicle from the initial state.

(c) The police have taken action and, up to date, have arrested 139 operators and taken them to court. Of those, 75 cases have been fined, 49 issued with warrants of arrest and another 15 pending before court.

In addition, the Traffic (Amendment) Bill, 2000 is before the House for discussion and stiffer penalties are proposed. It also calls for a continuous sensitisation of the stakeholders through workshops on the importance and adherence to the laid down legal requirements. The proposed Kenya Roads Safety Authority in the Traffic (Amendment) Bill is expected to address those issues, as part of our responsibility towards road safety. The omissions in respect of some vehicles have been noted. There will be no modification of vehicles after the inspection by the Director of Motor Vehicles Inspection Branch. On the failure to comply with the emergency exit doors as stipulated in the Traffic Act, the Traffic Commandant and the Director of Motor Vehicles Inspection Branch, have addressed that lapse in the law by a circular to all the stakeholders to operate within the existing traffic rules and regulations.

Mr. Mwakiringo: Mr. Deputy Speaker, Sir, the Assistant Minister has accepted that there were flaws in implementing the law. The law, Cap.403, has been in existence for a long time. What action has the Assistant Minister taken to ensure that the buses, which are currently operating without emergency exit doors, are grounded until they have emergency doors? We cannot play with the lives of Kenyans.

Mr. Lengees: Mr. Deputy Speaker, Sir, the Minister has instructed the Director of Motor Vehicles, Inspection Branch, to write letters to all stakeholders to see that emergency doors are fixed within a very short time.

Mr. Mwalulu: Mr. Deputy Speaker, Sir, although the Government has a fully-funded Disaster Management Department, this Question has been asked in this House three times. This is a case of clear and present danger. We are dealing with merchants of death. Could the Assistant Minister give directions to the effect that those buses, first and foremost, must stop operating until they are fixed with emergency doors?

Mr. Lengees: Mr. Deputy Speaker, Sir, as from last week, the exercise has been going on and many buses have been fixed with emergency exit doors.

Mr. Deputy Speaker: Order, Mr. Assistant Minister! I saw one bus on the road without an emergency exit door on Sunday!

Mr. Lengees: Mr. Deputy Speaker, Sir, I said "some of them" and the hon. Members should give the Ministry time to implement the laws. I can even table the letters written to the stakeholders.

*(Mr. Lengees laid the documents
on the Table)*

Mr. Omingo: Mr. Deputy Speaker, Sir, I heard the Assistant Minister say that some buses have been acted upon while some have not been acted upon. This is selective application of the law. I actually saw two buses without emergency exit doors today.

Mr. Deputy Speaker, Sir, could the Assistant Minister put the lives of Kenyans in safety by grounding those vehicles? It is a sensitive issue and it is not fair to have selective application of the law. Could he do something about these buses without emergency doors?

Mr. Lengees: Mr. Deputy Speaker, Sir, the Ministry has taken action whereby 139 cases of bus operators have been arrested and charged in courts of law. This operation will be finalised very soon and the Ministry has taken very serious actions on this issue.

Mr. Ngure: Mr. Deputy Speaker, Sir, could the Assistant Minister tell the House whether the buses which are plying our roads without emergency exit doors are breaking the law and what steps the Government is taking to arrest this situation? This is because we see so many road blocks on the roads and these buses pass through them.

Mr. Lengees: Mr. Deputy Speaker, Sir, I said earlier here that there is a Bill pending before the House. I am sure stiffer penalties will be taken and very soon you will see each bus with an emergency exit door.

Mr. Deputy Speaker: Mr. Assistant Minister, we are asking you what the law says about buses having or not having emergency doors. What does the law say?

Mr. Lengees: Mr. Deputy Speaker, Sir, I think in Cap.403---

Hon. Members: Read it!

Mr. Lengees: I am not able to read it because I do not have a copy with me here. In Cap.403, it is provided that each passenger bus must have an emergency exit door on its rear side. However, these were omissions by the Ministry earlier but we are now taking action.

Mr. Deputy Speaker: How many months or days have you given them to rectify the situation?

Mr. Lengees: Mr. Deputy Speaker, Sir, we have given them a week from 21st June, 2002.

Mr. Deputy Speaker: Well, we shall raise this Question again after one week because it is important that the law is enforced.

Mr. Mwakiringo: Mr. Deputy Speaker, Sir, in part "c" of the Assistant Minister's reply, he states: "The police have taken action and have to date arrested 139 operators and taken them to court. Of these, 75 operators have been fined." This is a blanket answer. Could the Assistant Minister table how many bus operators from Coast Bus,

Buscar, Akamba and all those which ply the Mombasa and Kisumu routes have been arrested? Secondly, if they paid the fine, how many buses were detained until the emergency doors were fixed?

Mr. Lengees: Mr. Deputy Speaker, Sir, I cannot be able to give a breakdown of the figures from the respective company buses. However, among the 139 cases, buses from the respective commissioned companies are also included.

(Question deferred)

Mr. Deputy Speaker: Next Question, Mr. Ochilo-Ayacko!

Question No.331

LACK OF CREDIT FACILITIES
FOR SUGAR COMPANIES

Mr. Ochilo-Ayacko asked the Minister for Agriculture:-

- (a) whether he is aware that because of the poor balance sheet position of Sony, Nzoia, Muhoroni and Miwani sugar companies, no lending institution is willing to give them credit;
- (b) whether he is further aware that lack of credit hampers their operation; and,
- (c) what the Government is doing to restructure the balance sheet of these sugar companies.

The Assistant Minister for Agriculture and Rural Development (Mr. J.D. Lotodo): Mr. Deputy Speaker, Sir, I beg to reply.

- (a) Mr. Deputy Speaker, Sir, I am aware.
- (b) Mr. Deputy Speaker, Sir, I am aware.

(c) Mr. Deputy Speaker, Sir, the Government is taking the following actions in order to restructure the balance sheet of these sugar factories:

(i) The Government is considering winding up and liquidating Muhoroni and Miwani sugar assets and converting the factories into trans-loading stations where cane from the two zones will be delivered for onward transportation by rail to Chemelil for crushing. Chemelil's crushing capacity will require to be expanded to cope with this additional short and long-term cane supply.

(ii) Cabinet approval has been sought for writing off and conversion of Government of Kenya (GOK) loans, including guaranteed ones, into equity in respect of Nzoia and Sony Sugar companies. As soon as the approval has been obtained, expansion of the processing capacity of Nzoia and Sony sugar factories to commercially viable level will be instituted.

(iii) Cabinet approval has been sought to write off accumulated debts against existing share capital and conversion of loans and accrued interest into equity.

(iv) Aggressive cane development will be instituted to attain, in the short term, the optimum cane surface. In the medium-term, the cane surface should be expanded in tandem with factory expansion to benefit on economies of scale.

(v) Chief executives of Kenya sugar companies, where the Government has controlling shareholding, will be recruited through an open and competitive process to assure professional management of the sugar industry.

Mr. Ochilo-Ayacko: Mr. Deputy Speaker, Sir, this idea that Cabinet approval is being waited for has been the story for the last four years. What is wrong with this Cabinet and why is it not approving things in good time?

Mr. J.D. Lotodo: Mr. Deputy Speaker, Sir, as you are aware, we passed the Sugar Bill recently here. Therefore, after the approval of the Sugar Bill, other measures had to be taken. Consequently, that is why the Cabinet is supposed to act now; on considering the approval of the Sugar Bill. That is why it has delayed for that long.

Mr. Anyona: Mr. Deputy Speaker, Sir, but these are not just ordinary Cabinet matters. These are serious economic issues of our people in the sugar belt. Why is the Cabinet or Government not giving the sugar industry the priority it deserves? I think the Assistant Minister is using the Cabinet as an excuse!

Mr. J.D. Lotodo: Mr. Deputy Speaker, Sir, I am not using the Cabinet as an excuse. However, you are aware that before we went on recess we passed the Sugar Bill. After the recess, the requirements of the Sugar Act are being looked into.

Mr. Deputy Speaker: Mr. Assistant Minister, how many times does the Cabinet meet in a week?

Mr. J.D. Lotodo: Mr. Deputy Speaker, Sir, it meets once a week.

Mr. Deputy Speaker: And yet these Muhoroni, Miwani Sony and Nzoia sugar factories have been in trouble for over two years!

Mr. J.D. Lotodo: Mr. Deputy Speaker, the issues raised in the Cabinet meeting depends on what has been tabled. So, I am sure this issue is about to be looked into.

Mr. Ochilo-Ayacko: Mr. Deputy Speaker, Sir, we know very well that the sugar industry is under threat from other sugar producers within COMESA and currently Sony and Nzoia are producing at the mercy of Mumias because it can lower its sugar prices.

Mr. Deputy Speaker, Sir, could the Assistant Minister tell us when is this long-awaited Cabinet approval coming because if it takes more than a year from now, the sugar industry is going to go to the dogs?

Mr. J.D. Lotodo: Mr. Deputy Speaker, Sir, I agree with the hon. Member that we have sugar from the COMESA regions which is about 200,000 metric tonnes to assist Kenyan farmers. I would like to inform the hon. Member that, that issue is about to be tabled before the Cabinet and approved. I do not want to inform him of the duration, but I know what is in the pipeline. Everything will be under control.

Mr. Deputy Speaker: Next Question, Mr. N. Nyagah!

Question No.289

REHABILITATION OF SHAURI MOYO ROADS

Mr. Deputy Speaker: Unfortunately, Mr. N. Nyagah is feeling unwell and he is away from the House for sometime. I will reinstate this Question as soon as he comes back to the House.

(Question deferred)

QUESTIONS BY PRIVATE NOTICE

MEASURES TO ENSURE ACCOUNTABILITY
AMONG NGOS

Dr. Anangwe: Mr. Deputy Speaker, Sir, I beg to ask the Vice-President and Minister for Home Affairs the following Question by Private Notice.

(a) Is the Minister aware that when the American Embassy in Nairobi was bombed on 7th August, 1998, some Non-Governmental Organizations (NGOs) were implicated in the heinous crime?

(b) Could he table a list of local NGOs which have received large sums of money from overseas in the recent past and state for what purposes the money was given?

(c) What measures is he taking to ensure that NGOs operate in a transparent and accountable manner, consistent with national interests?

The Assistant Minister, Office of the Vice-President and Ministry of Home Affairs, Heritage and Sports (Mr. Osundwa): Mr. Deputy Speaker, Sir, I beg to reply.

(a) Yes, I am aware that some NGOs were implicated in the heinous act. Indeed, some were deregistered as a result of this. They include Mercy International Relief Agency and Help Africa People.

(b) I would like to table a list of local and international NGOs that have received large sums of money from overseas in the recent past.

*(Mr. Osundwa laid the document
on the Table)*

(c) An Act of Parliament; that is, The NGO Coordination Act of 1999, is in place.

Dr. Anangwe: Mr. Deputy Speaker, Sir, I thank the Assistant Minister for that answer, but I am not satisfied that he addressed the issue particularly in respect of the list that he has laid on the Table.

Mr. Deputy Speaker, Sir, I do not see big names that are known to be active in the political field and their prominent NGOs, for instance, Ufungamano Initiative, the NGO Council, Supkem, Naveko(?), Clarion, 4Cs, NCEC, NCCCK and the Kenya Human Rights Commission. This list is not exhaustive. I am just wondering why the Assistant Minister has been very selective. In addition, in respect of the measures taken to ensure accountability, notwithstanding the fact that the NGO Coordination Act exists, indeed, money has been flowing into the country in an untransparent manner. Does he envisage improving on the current legal framework that exists?

Mr. Imanyara: On a point of order, Mr. Deputy Speaker, Sir. We are dealing with a very serious issue of a bomb blast that killed thousands of Kenyans. Is it in order for the Member to drag in NGOs that are not related to the bomb blast by mentioning them specifically in a supplementary question?

Mr. Deputy Speaker: He filed this Question and it was approved by the Speaker. It is, therefore, legitimately before the House.

Proceed!

Mr. Osundwa: Mr. Deputy Speaker, Sir---

Mr. Kombo: On a point of order, Mr. Deputy Speaker, Sir. The issue raised by Mr. Imanyara is pertinent---

Mr. Deputy Speaker: I heard him!

Mr. Kombo: Yes, but he did not question whether the Question was in order or not. It is the issue of dragging in organizations which had nothing to do with the bomb blast.

Mr. Deputy Speaker: Order! Order! A Member is entitled to ask a Question and if the Assistant Minister feels that he should not answer it, he should explain why. But another Member should not stand as an advocate, on behalf of the Assistant Minister.

Proceed!

Mr. Osundwa: Mr. Deputy Speaker, Sir, the list I have tabled contains all NGOs operating here and if there are others that have not been registered, then we will deal with them.

Mr. Muite: Mr. Deputy Speaker, Sir, the KANU Government is permanently on its knees on begging missions abroad from donors. The KANU party itself is a major beneficiary of funds from a German foundation.

Could the Assistant Minister tell this House what is wrong with other NGOs being funded by donors?

Mr. Osundwa: Mr. Deputy Speaker, Sir, I am not aware of any funds coming from German to KANU. But I am aware of funds coming to the Opposition from various NGOs.

(Applause)

Mr. Kihoro: Thank you, Mr. Deputy Speaker, Sir. In the light of the Question that has come from the Government side and the answer that has been given, could there be plans to ban some organizations that have been mentioned by the hon. Member? If that is the case, then he is using the Floor to set the Government to ban organizations that had nothing to do with the bomb blast. Could this be yet another attempt to oppose the constitution-making process?

Mr. Osundwa: Mr. Deputy Speaker, Sir, I have tabled a list here and if the Government was to ban any NGOs, then we would start with Abantu For Development International which is associated with the hon. Member. This NGO has spent Kshs43 million in two years.

Dr. Anangwe: Mr. Deputy Speaker, Sir, I think the answer the Assistant Minister has given is not exhaustive. I have additional information. I have a list here of the NGOs that I will mention and the amount of money they have been able to obtain from donors but it has not gone into useful purposes. For instance, one such NGO is Abantu For Development, whose leader and coordinator is Dr. Wanjiru Kihoro, wife of hon. Wanyiri Kihoro. From 1998 to 2000, it received Kshs50.7 million. I am willing to table this particular list.

Mr. Deputy Speaker: Order! Order! Dr. Anangwe, if you know the answer to your question, do not ask it. I, therefore, direct the Assistant Minister not answer that question.

Mr. Anyona: On a point of order, Mr. Deputy Speaker, Sir. A Member may ask a question and he may give a few examples just to see how truthful and comprehensive the answer is. If the answer is not comprehensive, the Member is at liberty to adduce extra information.

Mr. Deputy Speaker: Order! Order, Mr. Anyona! A question must be genuinely inquisitive. You cannot argue successfully that by holding back information which he could have given to the Assistant Minister, he is, therefore, exercising his right to be inquisitive. I cannot accept that!

Next Question, Mr. Anyona!

Mr. Anyona: Mr. Deputy Speaker, Sir, I have less than half a minute. I really think it will not be fair. Can I beg that this Question be deferred?

DESTRUCTION OF MANGA ESCARPMENT FOREST

(Mr. Anyona) to ask the Minister for Environment the following Question by Private Notice.

(a) Is the Minister aware that the Clerk of Nyamira County Council has cut down trees and destroyed Manga Escarpment Forest in Kitutu Masaba?

(b) Who authorised the Clerk to destroy the forest and for what purpose?

(c) What legal measures will the Minister take against the Clerk and all those involved in the destruction of the forest?

Mr. Deputy Speaker: Order! Order! I will defer this Question to Thursday afternoon.

Next order!

(Question deferred)

COMMITTEE OF WAYS AND MEANS

(Order for Committee read)

MOTION

THAT MR. SPEAKER DO NOW LEAVE THE CHAIR

(The Minister for Finance on 13.6.2002)

(Resumption of Debate interrupted on 19.6.2002)

(Fourth Day of Budget Debate)

Mr. Keriri: Thank you, Mr. Deputy Speaker, Sir, for giving me this opportunity to make one or two points about the Budget. The Minister's Budget Statement had very pious hopes and, to me, it looked like wishful thinking. He made very many useful proposals which, if implemented, could change the pattern of this economy.

[Mr. Deputy Speaker left the Chair]

[The Temporary Deputy Speaker

(Mr. Manyara) took the Chair]

Mr. Temporary Deputy Speaker, Sir, the question that has always been asked in the past years is this: Are these proposals likely to be effectively implemented? I think the answer to this question is that it is very doubtful that even 20 per cent of these proposals will be implemented. One can substantiate this by looking at the promises that have been made in the past years. As my colleague, the Shadow Minister for Finance said the other day, numerous proposals were made in respect of this financial year and which are also repeated, meaning that there is no chance of them being implemented and yet they are contained in the Budget Speech.

Mr. Temporary Deputy Speaker, Sir, the trouble is that as soon as the Minister starts implementing some of the proposals he has made, he meets a bottleneck somewhere within his colleagues in the Cabinet, some of whom will not want these proposals implemented. In the past, implementation of some proposals has been delayed because of lack of transparency. This is serious.

One is bound to appreciate the Minister's openness in his statement. For once the Minister did admit that corruption in the system is the cause of the decline in economic growth.

Mr. Temporary Deputy Speaker, Sir, the Minister went on to give drought, down-turn of the world economy and withholding of budgetary support from the IMF and the World Bank as the causes of the poor performance of the economy. The question is this: Are these causes independent of lack of action by the Government? No. We agree that there has been drought which occurs now and then, but can we go on singing that we are not developing because there is drought? Can we not check it? I am sure we can check it. We have a lot of untapped resources from our rivers and fresh water lakes which we can use for irrigation to fight drought. There is a lot of water underground. What else is done other than *ad hoc* digging of boreholes? Nothing happens.

Mr. Temporary Deputy Speaker, Sir, nothing has been done to tap the resources from fresh lakes which could turn the shape of agriculture in this country. Whose fault is it that the IMF is withholding budgetary support? We have been told that it is the IMF and the World Bank's fault because they keep on changing goal posts. I think it is the other way round. It is the Kenyan Government which has been changing the goal posts. They have signed agreements with the IMF. These agreements have been discussed for months on end before they are signed. These agreements include conditionalities which the Government of Kenya has agreed to fulfil, but at the end of the day this Government retracts its agreement of fulfilling those conditionalities. Then it must be the Government's fault and it must be blamed for that lack of support. If you blame the IMF for this type of thing, then you are making a mistake. You must blame the Government.

In his Budget Speech, the Minister for Finance referred to the restoration of infrastructure, investor confidence, security and the rule of law, the image of Kenya and the tourism sector. He also promised to restore the IMF and World Bank budgetary support and stable macro-economic conditions. He talked of restoring all these factors and not improving them. This means that they have all been destroyed by the same Government that is why he is trying to restore them. How can a destroyer restore what he has deliberately destroyed? He has no capability of restoring what he has destroyed. It is very easy to demolish a house, but very difficult to rebuild it. A demolisher will not rebuild that house. It must be built by somebody else. This Government has gone broke of ideas of restoring the economy and there

is no need of them pretending that they can do it when they cannot. It is time they gave way to other people to do it.

This is probably the reason why the Minister is proposing only 1.8 per cent economic growth while the average growth rate for the rest of Africa is 3.4 per cent. I would like to thank the Minister for being so honest when he said that he is unable to do what the rest of Africa is doing. On infrastructure, the Minister for Finance stood here to tell us - only a week earlier the Minister for Roads and Public Works told us the same story - that the money that was voted to be used from the petroleum levy has been disbursed for road maintenance and building. This is not true. Twenty-four per cent of that amount was supposed to go to the districts, but this has not been done. Sixty per cent of this amount was supposed to remain with the Kenya Roads Authority for construction work on major roads in this country in order to connect us with other countries, but this money has not been used for that purpose. The only money, part of which the Government has released, is the Kshs5 million for each constituency. This means that that money has been used for roads classified as E, D, C and A instead of being used on the small roads in the constituencies. As a result, small roads in the constituencies are inaccessible.

The rural access roads cannot be maintained because we are using the little money available to maintain roads that should be maintained with 24 per cent and 60 per cent of the fuel levy. The money has not been properly utilised. The question I would like to ask the Minister is: Where did that money go? Why is the Minister asking us for more money when he cannot tell us where that money disappeared to? It must have disappeared somewhere because we have not seen it. I would like to be told if there is any Member of Parliament whose district was developed using this money. This is a very serious matter.

Thank you, Mr. Temporary Deputy Speaker, Sir.

Mr. Angwenyi: Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me an opportunity to contribute to the Budget Speech. This Budget has been presented at a time when our country is at crossroads. You will recall that our country used to grow economically at a rate of between 7 and 10 per cent. But we are now talking about a growth rate - if it is achieved - of 1.2 per cent in a country where the population growth rate is about 3 per cent. Our economy has been performing very poorly simply because our economic managers have not done their homework properly.

If you look at the Budget Speech, the Minister says that he is going to execute efficient revenue collection, targeting expenditures in higher priority areas and eliminating wasteful expenditures. He stresses those three areas without saying exactly where he is going to get the revenue that he is going to collect, where he is going to spend the income that he is going to collect - whether on priorities - and whether he will have a proper source of revenue that he will make sure is not wasted. Time has come when our Minister for Finance stressed and focused on creation of wealth for this country, because if you create wealth, that is the only way you can have funds that you can spend in a prudent manner and collect.

Our country's economic mainstay is agriculture. Eighty per cent of our people live on agriculture, but you can see that agriculture has already not been highlighted. The investments that we are making in agriculture is a small portion of the investments we are making on the Provincial Administration. As you know, the Provincial Administration is not a productive activity for this country, and yet we are increasingly spending money on that wasteful activity. I thought the Minister would channel a lot of resources to agriculture so that he can create wealth.

We should channel a lot of resources to tourism. The fastest growing industry in the world today is tourism. Recently, I had an opportunity - courtesy of our National Assembly - to travel to the Far East, China, Korea and Japan. We were told in China that 180 million people go out of that country as tourists. But how many of those came to Kenya? We were told that less than 20 people travel to Kenya as tourists. The reason is that the Ministry of Tourism and Information and the Kenya Government have not signed a protocol with the Chinese Government in order for them to visit this country. I think we should deploy a lot of resources to tourism, establish relationship and protocols with those countries, in order to get tourists from the Far East and promote that industry.

The Minister says that the Budget has been drawn on the basis of the Poverty Reduction Strategy Paper (PRSP), but there is nowhere in the PRSP where the Provincial Administration and the Office of the President takes priority over agriculture, or education. Yet this Budget has focused increasingly on that unproductive office. This Budget blames nature. It says something about *El Nino* rains and drought, instead of praising nature. Nature has given this country good soils, a good climate, good tourist attractions and waterways. But are we exploiting these resources which we have been given abundantly by the good God? We are not! Instead of praising God for giving us these resources, we are blaming nature.

The Minister talked about capital outflow, but he does not say how he is going to stop it. The capital outflow from this country has come about because of uncertainty in the governance of this country; no confidence in our economy. So, for the Minister to stop the capital outflow from this country, he should make sure that we have got good governance and we create confidence in our economy and nation. But how do we create confidence in our nation when we want to postpone elections? We were given a mandate for five years, and now we want to extend it to six years! Maybe - God forbid - for another five years! We are increasing uncertainty in the working of our nation.

So, I call upon my colleagues in this House who want to support the Motion which has been brought by a rogue party to the extent that they want to extend the life of this Parliament to vote against it so that they can create

certainty and confidence in our nation. Fortunately, the major players in our politics - the Chairman of the ruling party KANU, the Chairman of National Alliance for Change (NAC) and Chairman of the People's Coalition - are all against the Motion that seeks to extend the life of this Parliament. I hope those hon. Members who are in KANU will follow the footsteps - the *Nyayo of Nyayo* - so that we do not extend the life of this Parliament. I may even ask Mr. Kiunjuri to take the list of those hon. Members who have signed against the Motion seeking to extend the life of Parliament and take it to State House so that President Moi can also sign it because he has said it proudly that he does not support the extension of the life of this House.

Mr. Gatabaki: On a point of information, Mr. Temporary Deputy Speaker, Sir, May I inform the hon. Member that the Nominated Member of Parliament and Cabinet Minister, Mr. J.J. Kamotho, is against the extension of Parliament. We hope that there will be many Ministers on the Front Bench who will also support Mr. Kamotho.

Mr. Angwenyi: Mr. Temporary Deputy Speaker, Sir, Mr. Kamotho seems to be knowing well the direction this country is moving to. I am sure that we will consider that when we form the next Government.

(Laughter)

There is a problem of high interest rates, which the Minister acknowledged. What we pay when we borrow money is very high, but what we are paid when we save is very little. But the Minister does not say how he is going to tackle that problem. The way to tackle that problem is for the Minister to reduce local indebtedness. The way to reduce interest rates in the country is for the Minister not to rely on a cartel of five or so banks.

Regarding infrastructure, we passed an Act here two years ago as to how funds for infrastructure will be used, and yet to date that Act is being followed to the letter, but you will still find DCs, DOs and supplies officers putting their dirty hands into these funds. Therefore, we cannot achieve the aims of that Act.

On health, 63 per cent of our people live below the poverty line, and yet we want them to cost-share on their healthcare. No wonder, there are too many deaths in the country right now. And, finally, I would like to ask the *Daily Nation* to address itself to the problems facing this country rather than the salaries of hon. Members.

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

Mr. Michuki: Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me this opportunity to contribute to this Motion which reads, "That, Mr. Speaker do now leave the Chair."

The Temporary Deputy Speaker (Mr. Imanyara): Mr. Michuki, have you spoken before? I am told that you have spoken!

Mr. Michuki: Mr. Temporary Deputy Speaker, Sir, I contributed to the Financial Statement, and I am now contributing to the Motion which reads, "That, Mr. Speaker do now leave the Chair."

The Temporary Deputy Speaker (Mr. Imanyara): That is what I thought!

You can proceed, Mr. Michuki!

Mr. Michuki: Mr. Temporary Deputy Speaker, Sir, therefore, it should be known that I have another chance to contribute when we come to the Committee of Ways and Means.

The theme of the Budget, which was read by the Minister is contained in page three. It reads:-

"The theme of the Budget is efficient resource mobilization and utilization for accelerated economic recovery."

I would like to point out that efficient mobilization of resources is the theme of this Budget. These resources are scattered to an extent that today, our savings are actually 8 per cent instead of the normal 25 per cent.

The Temporary Deputy Speaker (Mr. Imanyara): Order, Mr. Michuki! I have just been given a list of the hon. Members who have spoken. This is the Fourth Day of Budget Debate, and you spoke second on the First Allotted Day!

Hon. Members: Yes!

Mr. Michuki: Mr. Temporary Deputy Speaker, Sir, the Motion which is before us, and the Motion which we passed on the proposal by the Leader of Government Business covered three aspects. The first one is the Financial Statement, where every hon. Member is accorded ten minutes to contribute. Again, every hon. Member is given ten minutes to contribute to the Motion, which reads, "That, Mr. Speaker do now leave the Chair."

The Temporary Deputy Speaker (Mr. Imanyara): You are right, Mr. Michuki!

Go on!

Mr. Michuki: Mr. Temporary Deputy Speaker, Sir, every hon. Member is further given ten minutes to contribute during the Committee of Ways and Means. Therefore, I am contributing to this Motion, which says that, "That, Mr. Speaker do now leave the Chair" because I contributed to the Financial Statement on the First Day.

Therefore, where are the resources to support the theme of this Budget? This is because we do not have enough resources. I would like to inform this House that our savings are so low that the resources which we should mobilize are non-existent. In fact, they are not identified. If you revisit this Financial Statement, where the Minister tells us that he has a deficit of almost Kshs70 billion, you will find that, in the financial year which is just about to end,

the Minister has over Kshs38 billion, which will be rolled over; he will roll over monies which will become part of the Budget.

Whenever a person goes to a bank to have the loan which he has rolled over, it follows that he is declaring his inability to repay it. This is exactly what the Minister has done. He has been unable to repay the Treasury Bills amounting to Kshs38 billion, which he had borrowed. This is the wonder of wonders! In fact, it ought to go into the Guinness Book of Records. On top of that, he has borrowed Kshs32 billion, so that the debt increases every year. If he has been unable to repay Kshs38 billion, how will he repay Kshs69 billion? Next year, and the year after, he will continue to put this country into debts, to an extent where we shall be more or less in the same position as Argentina, whose economy is now in disarray.

On page 24 of his Budget Speech, the Minister says:

"The current strategy draws from the experience of implementing the Medium-Term Expenditure Framework in the past two years, and has the following key objectives:-

(i) to reduce the share of public expenditure to Gross Domestic Product (GDP)---"

There is nothing like that in this Budget. The total debt, as at the end of this year, will be 71.5 per cent of the GDP. Add Kshs32 billion to the total debt, and the national debt comes to Kshs640 billion, and then we will be talking about 75.3 per cent of the GDP. Therefore, the objectives which the Minister intends to achieve cannot be achieved. Indeed, it is the reverse of what he has said. The Minister further says on page 24:-

"(ii) to achieve a sustainable level of domestic debt relative to the GDP---"

Again, here the Minister goes astray. In fact, these are just words, because the total domestic debt, as at the end of this year, will be about Kshs226 billion. Instead of reducing that amount of debt, he will add another Kshs32 billion. Whereas the domestic debt is 26.9 per cent of the GDP now, it will go up to 30 per cent. Therefore, these objectives cannot be achieved. There are many other examples one can give. Therefore, this is the reason why, when I spoke on the Financial Statement, I said that I could not understand what the Minister was trying to do. This is because what he said is completely opposite of what his figures disclose. From the economic point of view, the danger is that we do not know where we are going. This is because in these papers, and in many other statistics which we have, for example, the Economic Survey, the Central Bank of Kenya (CBK) annual reports and the Minister's Financial Statement, there are contradictions. Therefore, we are being taken for a ride!

Mr. Temporary Deputy Speaker, Sir, on page 25 of the Budget, the Minister has projected a Budget deficit of 4 per cent. This is again not true. If you take what the Minister has been unable to repay and what he has then borrowed on top of that, you will find that it will add up to 8.2 per cent and not 4 per cent as stated in the Budget. So, where is the truth? The Minister, in his Budget, goes on to say---

The Vice-President and Minister for Home Affairs (Prof. Saitoti): On a point of order, Mr. Temporary Deputy Speaker, Sir. Is the hon. Member in order to mislead the House that the deficit in the Budget is 8 per cent when, in actual fact, it is 4 per cent? The hon. Member has not demonstrated how the Budget deficit adds up to 8 per cent.

Mr. Michuki: Mr. Temporary Deputy Speaker, Sir, the 4 per cent Budget deficit that the Minister has calculated ignores what he has been unable to repay and he has rolled over. So, he has calculated his debt on the basis of a Kshs32 billion debt instead of a Kshs69 billion debt.

The Vice-President and Minister for Home Affairs (Prof. Saitoti): On a point of order, Mr. Temporary Deputy Speaker, Sir.

The Temporary Deputy Speaker (Mr. Imanyara): Mr. Vice-President, the Minister will respond to that.

Mr. Michuki: Mr. Temporary Deputy Speaker, Sir, with those few remarks, I beg to oppose.

Mr. Muite: Mr. Temporary Deputy Speaker, Sir, the whole purpose of a Budget is to be informative. The Minister should very clearly tell the House and the public how he intends to raise revenue and spend it. That should be done with great accuracy.

At the very outset, I would like to inform the Minister, through the Chair, that *ugali* which used to be the staple diet of a majority of Kenyans has become a very expensive dish. By the time a person has bought a packet of jogoo, onions, *sukuma wiki* and fuel, he will realise how expensive *ugali* has become. *Ugali* is no longer what it used to be and it has been replaced by a loaf of bread. The staple diet of very many Kenyans is actually bread. Is the Minister aware that, that, in fact, is the position? The majority of Kenyans who used to have *ugali* as the staple diet, today rely on bread. If truly the Minister is aware of that, how could he afford to increase Value Added Tax (VAT) of Kshs5 on the price of a loaf of bread? Mr. Temporary Deputy Speaker, Sir, I would like to appeal to you to prevail on the Minister for Finance to stop listening to the presidential candidate from Embu and listen to the contribution from the hon. Member for Kabete Constituency.

Is the Minister aware that bread means a lot these days? Could he immediately remove the VAT increase of Kshs5 on the price of a loaf of bread? This will enable ordinary Kenyans to afford what has quickly become the staple diet. That price increase was gross unfairness to the most vulnerable group of people. I trust that the Minister will seriously consider removing VAT from the price of bread. In fact, the Budget should come up with proposals of how

the price of bread can be reduced.

In other countries, one sees food riots. I do not know what is wrong with Kenyans. The Government of the day can impose a tax of Kshs5 on a loaf of bread and they just complain as they pay that tax instead of going to picket the Treasury, or rioting until the VAT increase is removed. When VAT is being increased on the price of bread, wheat importers make a kill. Could the Minister look into these disparities? Why should those big fish, who import wheat, be the ones to be protected in the budgetary provisions while the ordinary Kenyans, who depend on bread, are required to pay higher prices for bread?

The second point that I would like to make is that a Budget is supposed to be informative. When I was going through the Budget, I came across the budget of the Parliamentary Service Commission (PSC) where provisions are made for things such as research for hon. Members of Parliament and their offices. I did not get any information about any money that has been set aside in order to increase the emoluments of the hon. Members of Parliament. If there was any such intention, then the Minister for Finance owes it to this House and the Kenyan public to come out very clearly on this issue. I wonder whether the Speaker does not owe a duty to us, as hon. Members of this august House, to make a clarification from the Chair as to whether, indeed, there is any budgetary provision for the increment of emoluments and allowances of hon. Members of Parliament. We do not want to have a situation where an issue such as this one is whipped up against popular feelings towards the hon. Members of Parliament. Both the Minister for Finance and the Speaker have a duty to clarify this matter. They should not leave it to the media to speculate in order to incite our voters against us.

The Minister for Finance (Mr. Obure): On a point of order, Mr. Temporary Deputy Speaker, Sir. I do not want any insinuation to be made that the Minister for Finance has made any suggestion to increase the personal emoluments of hon. Members. That is certainly not part of our Budget as was presented in this House.

Mr. Muite: Mr. Temporary Deputy Speaker, Sir, I do not want to table before the House some of these reports from the media. I believe that what the Minister has said is the correct position. He should issue a correct statement to this effect. In addition, the Speaker himself should protect hon. Members of Parliament by issuing a clarification.

The Temporary Deputy Speaker (Mr. Imanyara): Mr. Muite, I can assure you that there will be some communication from the Chair in due course.

Mr. Muite: Mr. Temporary Deputy Speaker, Sir, the sooner this is done, the better.

The other issue that I would like to touch on is that we are aware that statements have been made in this House that the Government is negotiating with the teachers. There have been indications that after those negotiations, the Government will pay some money to the teachers, being the arrears of their salary increment. If you go through this Budget, you will find that there is no provision for that. As I said, a Budget is supposed to inform the House and the public how the Government will disburse the money which it will raise. If, truly, the Government intends to honour the teachers' salary increment, where is the budgetary provision for this? In the past, we have seen the Government paying money without the authority of the House. So, I am saying that it is the duty of the Minister to make provisions, even when the Government has not agreed with the teachers on how much it will pay them, so that this House can give sanction to any proposed expenditure. How can the Government promise teachers that it is likely to honour the pay package once an agreement is reached, without making the budgetary provision? This is a serious omission.

Also, the Electoral Commission of Kenya (ECK) has made it clear that it will require Kshs9 billion, if it will conduct the general election in December, this year, as we hope it will, and yet the amount that has been allocated to it is not adequate. The ECK said that the minimum amount of money that it will require in order to conduct the general election is Kshs9 billion. If we will have the general election this year, where will the extra money come from? A Budget should address these serious issues of the day, and failure of the Budget to address these issues is a failure to achieve the objectives it ought to.

Mr. Temporary Deputy Speaker, Sir, there is the issue of pending bills and the Minister for Finance knows that during the last financial year, they paid over Kshs6 billion. I would like to ask the Minister to carry out intensive investigations on this issue of pending bills. After those investigations, he should come back to this House and tell us the extent to which that is a loophole that is being abused. Could he carry out those investigations and establish how much of those bills are being inflated through interest rates? We hear that some of them are as high as 90 per cent and are being loaded onto the original contract sum together with the resultant penalties. Due to that fact, the resultant bill that is being paid by the Government is way above what the original sum was. What percentage is represented by the inflation of bills? Could he also carry out investigations as to whether, in fact, there is some form of collusion between his officers and contractors? How much of that money has been paid as a result of judgement in court, where the office of the Attorney-General does not seriously contest proceedings when they are filed? Is there a conspiracy for a contractor to in-build penalties and interests, and then file proceedings in court which are not strenuously defended, only for the Government to turn around and say a judgement has been obtained against them? That is an abuse of the court process! I would like the Minister to find out whether there are any officers in the Treasury or the office of the Attorney-General who are involved in those conspiracies. He should close the loopholes with regard to pending bills.

The 26 per cent which is allocated to districts goes towards the payment of pending bills. It does not go into serious development projects in the districts!

With those remarks, I beg to oppose.

Dr. Anangwe: Thank you very much, Mr. Temporary Deputy Speaker, Sir, for giving me the opportunity to contribute to this Motion.

Mr. Temporary Deputy Speaker, Sir, let me begin by saying that I congratulate the Minister for Finance for presenting a focused Budget, which is properly analyzed and with the proper target. The strength of this Budget lies in the fact that for once, it is mainstreaming the Poverty Reduction Strategy agenda. This is unlike last year, when the Minister for Finance made his Budget Speech on the one hand and there was the Poverty Reduction Strategy Paper on the other. There was no harmony between those two realities. But for once, at least an attempt has been made, and we hope that this particular attempt would bear fruits.

Mr. Temporary Deputy Speaker, Sir, the other strength of the Budget Speech hinges on reality and realism. It recognizes the fact that both the international and the domestic environments have generated constraints. So, it seeks to respond directly to the challenges created by the domestic environment. It is also realistic in the sense that it has not factored in donor assistance. Last year, we prepared our Budget on the hope that donor money would be forthcoming. As a matter of fact, we built castles in the air because the money never came. For a change, the Minister has taken cognisance of this particular reality and has ignored donor assistance.

Mr. Temporary Deputy Speaker, Sir, looking at the analysis of the problems as presented by the Minister for Finance and the solutions he is offering, I see no difficulties with the presentation. I have gone through my own check list on the things which the Minister for Finance ought to have considered in his Budget Speech and I see no discrepancy between what the Minister for Finance has said and what I thought he ought to have said, and the measures that he should have directly put in place, in order to address the problem. So, at the theoretical level, this is a sound Budget and, with commitment to implementation, it will make fundamental difference in the growth of the economy.

Mr. Temporary Deputy Speaker, Sir, many times, documents of this nature are presented to us. But the Budget is one part of the story because it is a plan. The critical part of any Budget is the implementation stage. That is where the real litmus test of a Budget or any plan lies. I would like to call upon the Minister for Finance to put more emphasis on implementation. Without implementation, he may be telling us a nice story but at the end of the financial year, when he is writing the out-turn for the year 2002/2003, it may be a very disappointing picture. The litmus test of any effective implementation is not so much about what fiscal and monetary measures were put in place during the previous year. It should be how those measures have contributed towards increased economic growth and how they have impacted on poverty reduction. The Budget Speech may be consistent but unless the measures this Budget is proposing are translated into implementation, nothing will impact on the level of poverty.

Mr. Temporary Deputy Speaker, Sir, I know that the Minister is well-meaning and focused and is committed to the welfare of Kenyans because he is patriotic. He also has a very intelligent Permanent Secretary who is a reform-minded person. With those two in the Treasury, it should be possible to make a fundamental difference. But may I emphasise that implementation is key in relation to the long-term goal of any Budget and that is, to increase economic growth and reduce the level of poverty.

Last year, the story was not very pleasant. Indeed, the aim was to realise 2.3 per cent in economic growth. But we only registered 1.2 per cent. By the time the Minister was reading his Speech, he said that 53 per cent of the population is under the poverty line. But the latest figures show that those living below the poverty line may have increased to 56 per cent. This is not the kind of story we would like to hear continuously.

Mr. Temporary Deputy Speaker, Sir, notwithstanding what the Minister has said, and the goals he has set for himself, the real constraint which the Minister faces is that the bulk of the resources, nearly 88.25 per cent are going towards paying personal emoluments and only 30 per cent is left for operations and maintenance in that particular regard. It is also a fact that the Development Budget has been allocated about 11.75 per cent. So, the development objectives which he has earmarked for himself may not be realised. Where is he going to get the money to be able to do those kinds of things, however desirable they may be? So, he has to take cognisance of that particular reality. I know that some people have been arguing that we are allocating so much money in Parliament but nobody knows where that money is going to. That question can be readily answered when you look at the distribution of resources between what goes to personal emoluments and Recurrent Budget versus what goes to the Development Budget. One will realise that nearly 90 per cent of all the revenue from taxpayers goes towards the payment of salaries and leaving very little to finance development projects.

Mr. Temporary Deputy Speaker, Sir, I know without proper analysis one cannot know that a phenomenon like this has been decided there before. But I think, sometimes, the level of wastage and pilferage in terms of corruption in this country may be overestimated, in spite of corruption perception index as reported by Transparency International (TI). When I carry out my own analysis of the figures, the distribution and the estimation level of pilferage and wastage, I come to a conclusion that probably, only 5 per cent is being wasted in a manner that has been

suggested. But over 95 per cent of the resources are being well-spent. The only difficulty is that, out of this, nearly 90 per cent is going to pay salaries and no more to the extent that nobody has ever complained that the civil servants have missed their salaries. One can easily argue that, that money has rightly been given to those who deserve to be paid the salaries. The only remaining portion is probably between 95 per cent and 100 per cent; that is 11.5 per cent and that is where pilferage may arise.

One issue that I would like to highlight here, and which the Minister should respond to as he replies, is on what basis are these resources being allocated across the sectors, regions, income groups, and so forth? I have not seen anywhere in his Budget Speech where the Minister is very explicit about the criteria used in the allocation of resources. My worry is that without an explicit criteria and the focus on equity, the Minister may be promising Kenyans - he may be saying very nice things - but at the end of the day, what the civil servants are doing in the actual allocation of resources, is at discrepancy with what the Minister is saying. Indeed, without a criteria, which particularly highlights, for example, equity, what may be happening is that, whereas the Ministers may be telling us what the sectors are planning to do, civil servants are sitting somewhere in their offices; Accounting Officers, Deputy Secretaries in charge of administration and finance, finance officers and departmental heads and sharing out this money, first to their own home districts and provinces. Then there after, they start sharing it to their cronies and friends. For instance, a Permanent Secretary who is in charge of roads, in his mind and without a criteria, his first priority is to ensure that the road to his home area is tarmacked. Other Permanent Secretaries and Accounting Officers may be doing the same. So, we need to have a criteria used in the allocation of resources and this particular criteria must hinge on two aspects: One, our resources should focus more on the poor and low-income group areas. Two, our resources must go to where the population is. We may be speaking in the name of Kenyans, yet some Kenyans may be "eating" more of the same than others! So, until and unless we have a particular criteria put in place somewhere--- I would propose that, one of the key issues which the Constitution of Kenya Review Commission should focus on is the formula of allocating public resources so that when resources are collected, now and in the future, we know what our stake is.

Thank you.

Mr. Wanjala: Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me this opportunity to contribute to the Motion on the Budget Speech. I was in the House when the Budget Speech was read. Budget Speeches have always been read and a lot of money has been allocated to the department in charge of security. There is too much insecurity in this country in spite of the fact that a lot of money has been allocated to the department in charge of security.

As I speak here now, people of Budalangi and the residents of Lake Victoria region rely on the lake for their daily incomes. That source of income is under threat these days! The day before yesterday, on 23rd June, 2002, Budalangi people were invaded by Uganda security personnel. During this invasion, Budalangi people lost seven motor boat engines. Out of those seven, there were two marine engines, one of them was of 10 horse power and another one of 25 horse power. There were also four Yamaha engines and two other engines, all costing about Kshs2 million. These security personnel were doing this in Kenyan waters and there was no security from the Kenya side at the lake.

Yesterday, all the fish that were harvested by the people of Budalangi was lost to Ugandan security personnel. They were raided by the Uganda security personnel and all the fish was taken away. So, the amount of money lost by Budalangi people to Ugandan security personnel every day is over Kshs2 million, yet this Government is taking no step! As a representative of Budalangi people, I sit in this House listening to the Minister for Finance reading and allocating money to the security department in this country. Do these people who reside along Lake Victoria also not contribute to this money that is given to the security personnel in this country? When we talk about Kenyans sharing the national cake, why do we not ask ourselves who bakes this cake? If there are any people who bake the national cake, it is Budalangi people.

Mr. Temporary Deputy Speaker, Sir, last year, fishing alone brought more than Kshs4 billion to this country! So it is shameful to see the people who bake the cake always complaining and yet nothing goes to them. We have severally asked for the speed boats which we feel should be provided immediately to the lake region. Last week the Head of State visited Migori District and having been told about the security situation on the lake region and how the people are suffering, he told those who are in charge of security to dispatch security officers to the lake. Up to now, no security officer has been sent to the lake while the fishermen continue to suffer. We are going to organise demonstrations against the Government because it is not protecting the people of the lake region.

Mr. Temporary Deputy Speaker, Sir, I should also touch on the issue of Rural Electrification Programme. The Kenya Power and Lighting Company (KPLC) manages electricity supply in this country, but the KPLC is doing business! Therefore, it does not provide free electricity. I am surprised that we are still managing our resources in a colonial way! Electricity in this country is very expensive because the KPLC is asking the people who want to be supplied with electricity to pay for transformers. Kenyans buy transformers from the KPLC, and after buying those transformers which are very expensive, still consumers pay monthly bills, yet those transformers do not belong to them at the end of the day. After they have bought the transformers, anybody could come and get supplied with electricity the way he wants.

Now that the KPLC is in business, it should provide free transformers and supply electricity to each and every home, so that people who will fail to pay the bills, their electricity supply be disconnected. Kenyans are being denied electricity these days, yet electricity poles are right in their farms, but they cannot tap that electricity because they cannot afford transformers. The electricity sector should be liberalised so that each market can set its own prices for the transformers. This will enable other companies to join the business and offer alternative supply of electrical equipment as well as electricity. Otherwise, this KPLC monopoly denies Kenyans accessibility to electricity.

Mr. Temporary Deputy Speaker, Sir, in the road sub-sector the situation is so bad that there are some districts which do not have a tarmac road to date. People in the lake region, for example, have always said that they want to see the national cake shared equally among Kenyans. We are actually among Kenyans who bake the national cake. We produce fish from Lake Victoria, worth a lot of money, but roads in that region are not tarmacked. Residents from around Lake Victoria deal in fish, which is highly perishable. We face problems while transporting our fish to the market. We lose fish worth a lot of money when trucks transporting fish to factories get stuck in mud. Fish processing plants are located at distant places from the fishing areas. So, the Government must consider providing roads to the people who live along Lake Victoria.

We are pleased that this time round, the Minister has waived duty on fishing nets. However, the increase in Value Added Tax (VAT) from 18 per cent to 25 per cent neutralises this concession. So, fishermen can still not afford the nets.

The Minister said that he has set aside Kshs600 million for secondary school bursaries. Every year a certain amount of money is set aside for bursaries. However, these funds are handled by the Ministry of Education, Science and Technology and do not reach our people. So, I request that this time round, we adopt the formula we applied on the distribution of the Kenya Roads Board funds. Every constituency should be allocated a fair share of the bursary kitty, so that the money can reach the beneficiaries. If the Kshs600 million is shared out fairly, each constituency should get not less than Kshs2.8 million.

Although a similar amount of money was set aside for bursaries last year, Budalang'i Constituency got less than Kshs200,000. I wonder which constituencies have more needy cases than Budalang'i. This time round, therefore, hon. Members should be very tough and ensure that the Minister shares out the money amongst all the constituencies, so that leaders in each constituency can sit down and allocate its share to needy cases. The bursary kitty should be shared equally amongst all the constituencies. We are aware of the fact that some constituencies have very few people. However, we should not consider that fact in the sharing out of the bursary funds. We want each constituency to have an equal share of the bursary funds.

Mr. Temporary Deputy Speaker, Sir, a lot of money has been allocated to the Department of Natural Resources, particularly to Lake Victoria Environmental Management Programme. However, the Programme has an---

The Temporary Deputy Speaker (Mr. Imanyara): Order! Order! Your time is up, Mr. Wanjala!

Could you proceed, Prof. Anyan'g-Nyong'o?

Prof. Anyan'g-Nyong'o: Mr. Temporary Deputy Speaker, Sir, when I listened to Mr. Obure present this year's Budget, I got very disappointed. I was, indeed, very sad. Forty years after Independence, our Budget is not better than that of a banana republic, or that of a God-forsaken country somewhere in the Third World, torn apart by war and internal conflicts. It is even sad that the total Budget, which amounts to about Kshs185 billion, you will notice that it is, perhaps, only enough to pay our debt and service it. That means we are not really saying much about raising money that can be channelled into domestic capital formation and development of this country.

Mr. Temporary Deputy Speaker, Sir, the Quarterly Budget Review indicates that the Second Quarter of Year 2001/2002, March 2002 Edition, from page 13 onwards, talks about our domestic and external debts. If you look at July, 2001 to December, 2001, one thing will really strike you. We paid Kshs32 billion in debts and paid another Kshs38 billion in interest. These two figures add up to Kshs70 billion. If you extrapolate debt repayment and servicing of Kshs70 billion within six months, to the total amount of money the Government is looking forward to raising in terms of revenue, so that it meets its expenditure---

Dr. Anangwe said, in a rather proud manner, that he is happy that the Government has said it is not going to rely on external aid and grants for its Budget. Conservatively speaking, this means that half of the amount of money we are going to raise through revenue collection will go into debt repayment and servicing. It also means that the Government will borrow very heavily from the domestic market so as to finance the external debts. So, our economy is being run down by what I call "externalised" expenditure that could have been avoided.

This debt could have been avoided because, if you look at some of the reasons as to why we have incurred so much debt, you will realise that the Treasury borrowed money from abroad and handed it over to parastatals, which neither paid back their debts nor serviced them. Why has this been the case? It has been because somewhere between each parastatal and the Treasury, there has been a collusion for the parastatals not to sign on-lending agreements between them and the Government of Kenya. Precisely because parastatals did not sign the on-lending agreements, the Government would wake up after five years and realise that the money which was sent to, say, the Agricultural Finance Corporation (AFC), had not been paid.

Since the State guarantees monies borrowed by parastatals from external sources, it must repay such loans. Since the State does not have the money, it prints Treasury Bills and Bonds and floats them on the market to raise money, so that it can service such debts. So, the price of Treasury Bills and Bonds goes up. The multinational banks such as the Barclays Bank of Kenya and the Standard Chartered Bank buy the Treasury Bills and Bonds in a heavy way. These banks are paid interest from taxpayers' money, so that the Government can service its debts, and the vicious circle continues.

Mr. Temporary Deputy Speaker, Sir, the Minister said that he is not going to get grants and credit from outside, which I think he should not. However, at the same time, if the Government is not brave enough to stand on its feet and say: "We have paid more than enough of these debts; it is high time they were written off, so that we can use the revenue we raise in the Republic of Kenya to finance our own expenditure, and not to externalise this expenditure" then, of course, we are not serious.

If you look at this Quarterly Report, probably you will understand what I am talking about. Section 2.3 says:- "External debt stock stood at approximately US\$5.1 billion at the end of December 2001 showing a slight increase of 1.8 per cent from June 2000 position. Loans from multilateral agencies constituted a big portion of Kenya's external debt due to their favourable lending terms of low interest rates and long-term repayment period. But overall external debt consisted of 58 per cent from multilaterals, 34 per cent from bilaterals, 7 per cent from commercial banks and the remainder being export or supplier credit."

Mr. Temporary Deputy Speaker, Sir, you can imagine 34 per cent of our external debt is from bilaterals. This means that if these bilaterals or the so-called foreign governments are serious about supporting a country like Kenya in its development, they should be able to write off 34 per cent of the debt. That will mean that our debt servicing in every six months will be reduced almost by half and then we do not have to borrow so heavily in the domestic market to service these debts. I would like hon. Members to have a special session of this House which will concentrate on discussing nothing other than debts, debt servicing and domestic borrowing. One of the reasons why Mr. Donde brought the Central Bank of Kenya (Amendment) Bill to this House was because of this and nothing else! If there had not been any problem of messing up our money market and our economy through domestic borrowing, this Bill would not have become necessary. But year in, year out, the Government comes with a Budget that has little new proposals about dealing with debts. This Government now bamboozles this House that they will not depend on external financing for the debts. But we know that if they do not turn to the bilaterals and multilaterals for Budget support system; they will resort to heavy domestic borrowing in this country which stifles our industrialisation, takes money away from the income earners and runs down our domestic savings, and in the final analysis, wipes out the basis of domestic capital formation in this country.

Mr. Temporary Deputy Speaker, Sir, one other thing that I want to say is that were this Government brave enough to come up with a Budget that can make a difference, they would have come to this House with a Budget that says: "For the next five years, we will concentrate on a major capital expenditure project that will have an impact on this economy." This could be a project like building the road from Mombasa to Busia as a dual carriage way. That kind of project will stimulate industrialisation in this country. But this *kalongolongo* Budget where the Minister says that he will get Kshs800 million, allocate Kshs200 million to jua kali and Kshs200 million to women projects is nothing. This is what we call a *kalongolongo* Budget. It is a useless Budget. When we were small children and we wanted to cook, we imagined we had oil, milk and flour here and there. We made a kitchen. We imagined we were cooking, but we were not. We were just impressing ourselves that we could cook. In like manner, this Government is just impressing Kenyans that they can put up a Budget. But when you examine it, this Budget has nothing to offer about stimulating domestic capital formation in this country. It has nothing to offer about coming up with a brave industrialisation project for the next five years. Let us pool our resources in one major project that will make a difference in this nation. The Poverty Reduction Strategic Paper was tailored to please developing countries. Even the World Bank admits that this programme is going to nowhere. Let us, indeed, come up with a regional budget that will address our own condition.

Mr. Temporary Deputy Speaker, Sir, in the 1960s and early 1970s, there used to be serious Budgets in this House. Those Budgets never relied on multilaterals for financial support. Kenya did not start turning to the World Bank, and particularly the IMF, for Budget support systems until 1983. That was 20 years after Independence. That means there was something at least happening in Government in terms of serious planing and raising revenue to finance expenditure. But when hon. Obure is given such narrow parameters to draw a Budget, I am quite sure they were at pains to balance this Budget. They spent nights and nights trying to get cents and dollars to balance things, but it really never worked. In the end, they came up with simple monies here and there, trying to satisfy simple constituencies here and there.

Mr. Temporary Deputy Speaker, Sir, a great government is one that can put its foot down and say: "I will not satisfy all constituencies or interested groups, but I will take certain priorities where we shall put our money and ensure that it will have a significant impact and effect on this economy". As it stands, I wonder whether this Government will

have any significant effect on our economy.

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

Mr. Koske: Mr. Temporary Deputy Speaker, Sir, thank you very much for giving me this chance to contribute to this Budget Speech.

I listened very keenly to the Minister when he was presenting the Budget, but the Budget left a lot to be desired. It was the first Budget by the Minister. He is a good friend of mine, but he could have presented a much better Budget than what he did. All of us who listened keenly and those of us who have analysed this Budget, find that in an effort to balance it, the Minister was actually giving with the right hand and taking away with the left hand. It really does not make any sense if this Budget will not make a difference in the lives of Kenyans.

Mr. Temporary Deputy Speaker, Sir, the Minister proposed that he would use some sufficient measures in order to generate some money that will be channelled to macro-projects. I think, way back in 1992, there was a rural development fund. About Kshs400 million was set aside to finance macro-projects in this country. Unfortunately, this money was given to DCs, DOs and chiefs to determine who were to be the beneficiaries of this fund. This money was never recovered by the Government. It went like that. Therefore, I do not know whether the sort of money the Minister proposed to use to finance macro-projects will assist our people. Not unless we put in place mechanisms that will ensure that this money is used to create a revolving fund so that it will benefit those who need it. I really do not see how our people will benefit from this money.

Mr. Temporary Deputy Speaker, Sir, two weeks ago, the Minister for Water Development brought the Water Bill to this House to establish the Water Authority. At the same time, when the Minister for Finance was reading the Budget Speech, he proposed that the extra Kshs1 per litre tax that he was to raise from water will be used to harvest water in this country. I do not know whether the Minister for Water Development knew in advance that the money was to be set aside before he brought the Bill to create an authority. I think this is a very wrong precedent. This money proposed by the Minister in the Budget should be given to the National Water and Pipeline Corporation (NWPC) because they will use it in a better way.

Mr. Temporary Deputy Speaker, Sir, the Kenyan economy is based on agriculture. Previously, the Agricultural Finance Corporation (AFC) used to give loans to farmers. However, this is no longer the case. I think along the way, they had very poor lending practices. Farmers were given money in terms of loans to actually improve their farming methods. Unfortunately, because of the low levels of lending and the interest rates charged by AFC, a lot of small scale farmers are stuck with loans that they are unable to pay. At the same time, the AFC is not performing its primary duty, which is to finance the farmers. I thought that the interest rate that had accumulated on this money was actually going to be deducted or be waived so that farmers could only pay the principal. I thought the Minister would actually come to this House to tell us the way forward on how the Ministry of Finance intends to actually implement the waiver on the interest rates on the loans that the farmer had been given, so that the farmers are able to pay the principal, and hence, enable this Corporation to lend out money. As I speak right now, the Corporation is not able to lend out money to farmers. What the Corporation is actually doing, is harassing farmers who were given loans which they are not able to service. If the Minister, in his subsequent pronouncement, can look for ways and means of actually regularising this issue of high interest rates that have accumulated and the inability of the farmers to pay, I think the Kenyan farmer is actually going to benefit from this Budget.

Mr. Temporary Deputy Speaker, Sir, the other issue that I wanted to zero in on, is the issue of the Kshs1 billion the Minister said he was going to set aside to buy strategic reserves. Some of us were educated through the sale of milk that was delivered to KCC and maize that was delivered to the NCPB. During those days, the NCPB was an urban-run company. The NCPB has been run down to the extent that it cannot actually buy any maize and yet the Government never used to set aside money to buy maize from the NCPB. Where is the money that had been put into the NCPB in form of equity to enable us buy maize? The money is not there and the maize is also not there in the stores.

Last year, the Government was unable to buy maize from farmers, and hardly two months down the line, there was a very big famine in the Southern part of Africa. Here the Government is not able to buy maize from the farmer and yet if the maize was bought from the farmer and exported to South Africa, farmers would have got a better price, and at the same time, they would have been motivated to pay. But because of poor planning by this Government and the inability to take the interests of these farmers at heart, the maize farmers in the Rift Valley and those areas that grow maize, were not actually able to be helped despite the fact that there was market for this maize. I hope the Minister will set aside money for this strategic reserve. This money will end up with the NCPB, and I hope this time round, the NCPB will purchase the maize at market prices, so that the Board is unable to sell the maize which is in stores as strategic reserve, because the prices are very high. I hope this time round, the Minister for Finance will ensure that the money that is being given to the NCPB is going to be used to purchase maize for the strategic reserve which will be bought at the market price, so that if there is need to sell off the old crop of maize, it can be sold and a new crop be bought. If maize, which has a sell-by date, is kept for a long time in the silos the maize will be useless and cannot be sold anywhere.

Mr. Temporary Deputy Speaker, Sir, when the present Minister for Finance was in the Ministry of Agriculture, being a friend of mine, we had taken keen interest in the Pyrethrum Board. I approached him - it is good he is here to bear me witness - and told him that the man they were proposing for the chairmanship of the Pyrethrum Board was not fit to be Chairman. But because of other considerations, we agreed to let that person be the Chairman of the Board. It is very sad that two years down the line, for the last three months, the Pyrethrum Board has been unable to pay farmers for the crops that they have delivered to the Board. It is time the Government considered, first and foremost, the interest of the farmer while appointing anybody to the Board. I have always said - and it is a fact - that 70 per cent of pyrethrum is grown in Kuresoi Constituency, and yet the constituency does not have a Board representative, whereas we have said, time and again, that there is need for the farmer to be represented in this Board. This is a very good example of mismanagement of our companies.

With those few remarks, I beg to support.

Mr. Mwakiringo: Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me this opportunity to contribute to this Motion. I would like to thank the Minister for this Budget. At least, this time, he tried to prepare a homegrown Budget. I am happy that he also took a lot of ideas when he called hon. Members of Parliament to a workshop in Mombasa, in conjunction with the World Bank and IMF officials.

Mr. Temporary Deputy Speaker, Sir, I represent a constituency which is semi-arid, and what touched me most was the Minister's presentation that more emphasis will be put on harvesting of water. That to me is an already delayed process. Now that it has been mentioned, I think it should be fully funded and implemented. Currently, I have a war with the KWS officers. This is because, as a result of lack of water in the national parks and for the communities surrounding the national parks, wildlife normally invade farms around the national parks in search of water. One time I threatened the KWS officers that I would mobilise my people to kill the animals, but I was dared by a KWS officer that if I did that, I would face the consequences. I would like to tell the Chairman of KWS that under Wildlife Conservation and Management Act, Cap.376, Section 30, Subsection 1, human life is protected, while Section 31 protects property. Subsection 1 states:-

"Nothing in this Act shall make it an offence for any person to kill or injure by any means, any animal in defence of human life---". Section 31 states:-

"Notwithstanding anything to the contrary in this Act, any occupier of land or his servant or any owner of crop or stock or his servant, may if necessary, for the protection of his land, crops or stock kill any game animal which is causing material damage or loss to his land, crop or stock".

Mr. Temporary Deputy Speaker, Sir, I would like to put that to the Chairman of KWS, Mr. Charles Njonjo, who seems not to be aware because he is too old and is somehow becoming senile. The first exercise in terms of water harvesting should take place in the Coast Province. We have so many permanent and seasonal rivers along the coast, of course, one of which is the famous River Athi which flows into River Tana. Though it is within the national park, it can still be fully utilised to satisfy the people from the Coast Province and even the animals in the national parks. I would like to urge the Minister to encourage companies and individuals to harvest water using their own finances, which should be tax-deductable. That is because it is the Government's responsibility to supply water to the people. If it cannot do it, let companies and individuals be encouraged to do that, and whatever they spend be tax-deductable. I think, in that way, we will encourage many people to invest in water harvesting.

Mr. Temporary Deputy Speaker, Sir, in line with water harvesting, our forests must be protected. I wish to see the Government issuing title deeds to the Ministry of Environment and Natural Resources on all forests in this country, so that we could stop the excision of those forests by a few individuals in this country. When we destroy our forests and water catchment areas, it is a sign of drought. We are calling for reduced water flow from the source and, therefore, spending more money on what we have planned in terms of water harvesting. So, let the Government come up with a clear policy on forests, environment and water catchment areas. I am happy that the Minister for Water Development is here to hear what we are saying!

Mr. Temporary Deputy Speaker, Sir, in Coast Province, especially where I come from, we are livestock farmers. I am happy that the Government brought in a Sessional Paper to waive Agricultural Finance Corporation (AFC) and the Kenya Meat Commission (KMC) loans. While that is being done, and hoping that we will pass it, we would like to see the AFC funded heavily, so that we can revamp livestock farming in dormant ranches. With good water harvesting and heavy funding in those ranches, I am sure they can come up again. We can have more animals which we can use both locally and for export. So, I am appealing that more funds should be given to the AFC for funding of dormant ranches.

I am not asking for individual ranches to be funded! For individual ranches which failed, they should have a different clause. I know what delayed the writing off of the AFC loans. It was because some failed individual ranches wanted their loans to be waived, together with other group ranches in other areas of the Republic. I think a clear policy should be made on that.

Mr. Temporary Deputy Speaker, Sir, we want to eradicate poverty in this country. We cannot eradicate poverty when we have not addressed some of the fundamental issues. Going through the Poverty Reduction Strategy

Paper (PRSP), it does not address the issue of equitable distribution of available places in national schools. If we do not do that, then it is only certain areas or provinces within this country which will benefit from those national school places. Let us have equitable distribution of available places in national schools. There is no way you can put the same grades for pupils from Coast, North Eastern and Eastern Provinces with those in Nairobi and Central Provinces. Schools in Central and Nairobi Provinces are fully-equipped and have very good teachers. The environment is good and the parents are very rich. You cannot compare marks from such schools with those in remote areas. So, we should be given our fair share of the available places in national schools. That is part of poverty eradication because, once we have equal distribution, whatever chances are available, of going to the universities, will equally be distributed. We talk of equal distribution of the national cake because everybody is baking it. Therefore, it should be shared equally.

Likewise, the same should apply to the training of nurses. It should be done when the need arises. It must be done after an assessment, per district, of how many nurses are required. That has worked very well in Tanzania. I see no reason why it should not work in Kenya. Once you train nurses from a particular region in this country, there is no way they can accept to be posted to other areas outside their province, because they will not find it comfortable. They will say that the weather is not good and, some time after the posting, they will say: "Because of health problems, I am unable to work in this place! I want to be transferred!" Therefore, we cannot have proper dispensation of medical services when we are being served by people from one ethnic group in this country. So, we should have fair distribution. That should have been included in the PRSP.

Mr. Temporary Deputy Speaker, Sir, as the Minister put it very well, on how he is going to generate money and spend it, he should also tighten where there are loopholes; where money is being siphoned. On that, I am urging him to put strict measures on procurement and supplies officers. That is where the whole Budget gets lost, when it comes to spending. A deal is normally made between the supplier and the purchasing officer in each Ministry. Strict measures must be put in place, so that we could operate in our home-grown Budget.

With those few remarks, I beg to support.

The Assistant Minister for Local Government (Mr. Hashim): Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me this opportunity to contribute. First and foremost, I would like to take this opportunity to congratulate the Minister for Finance, Mr. Obure, who brought to this House a very focused Budget. It is a very good Budget. The theme of the Budget is home-grown, which is meant to depend on our own resources. There will be some problems here and there but, in the long run, the Budget will benefit the whole country.

Mr. Temporary Deputy Speaker, Sir, the reason why our economy has been declining for the last 11 years is because of too much dependency on the World Bank and the International Monetary Fund (IMF). That has caused a lot of problems in this country. It is high time the Minister considered bringing such a Budget, so that we can depend on our own resources. The biggest obstacle, as I said earlier, which has hampered our economy, is too much dependency on the IMF and World Bank. Those institutions have shown unwillingness to give aid to this country for no apparent reason. All the requirements have been fulfilled by the Government but still, they have been shifting goal posts time and again. I do not think it would be fair for any individual to criticise the Government for all that. It is high time we came together as a nation and faced those conditions. I would like to commend all Members of Parliament who assembled in Mombasa together and told the IMF and World Bank the problems facing this country. Without that, we cannot go further. There are times when we should come together and leave partisan politics. It is the only way forward that can make this country strong enough to do without foreign aid. Kenya is blessed with the best resources compared to the other countries in the region. I believe it is high time the Minister considered lowering our tariffs especially on imports. He should also consider lowering the tariffs on electricity and also try to open a duty-free port like Dubai. I believe if he embarked on these measures, our economy would be better than that of Dubai. The biggest income earner of Dubai is trade and its economy has flourished because it has created a conducive environment for investment. Kenya can also have the best economy in the region if we could embark on these strategies.

Mr. Temporary Deputy Speaker, Sir, there is no way we can stop urbanisation in this country. In fact, it is a worldwide trend and we have to see what we can do to our cities. In 1950, the urban population was 750 million. In 2000, it was estimated at 2.8 billion and by the year 2015, it is estimated to be 4 billion. Kenya is not an exception to this trend. How are we prepared to contain this urbanisation in towns like Mombasa, Kisumu and Eldoret? I think we are not prepared to accommodate this huge population without proper planning. Humanity is decided in urban areas and there is no way we can go back on this. So, we must equip our towns with amenities and create employment for our people so that we are not faced with problems. If we do not do so, time will bypass us and we shall not have planned anything for our urban cities.

Mr. Temporary Deputy Speaker, Sir, there have been economic problems in this country because of the IMF and the World Bank. Marginalised areas have suffered most. Places like Lamu have suffered tremendously. There are no roads leading to Lamu. In fact, at the moment, Lamu is completely cut off from the rest of the country. Everything sells at exorbitant prices there. There is a Budget allocation of Kshs1.2 billion and I do not see the reason why Lamu roads should not be tarmacked. Kiunga Road, which is a security road, has not been tarmacked. Fair distribution of

resources is the only solution to the problems facing this country because there are areas that benefit more than others. In fact, I suggest that those areas which have benefited from Government projects should be the ones responsible to pay the loans because we are all taxpayers. However, we all pay taxes which service our loans, but when it comes to development, some areas do not receive those development projects. This is very unfair. Therefore, it is high time areas which have benefitted from these loans were forced to pay them and those which have not benefited from these loans should be left alone. We all pay the fuel levy and there is no single project in my constituency from the rural electrification programme. This is very sad.

Mr Temporary Deputy Speaker, Sir, we are approaching a very serious stage and it is high time we united. The question of reviewing the Constitution is very crucial and people should face it soberly. Whether there is an extension of the life of Parliament or not, there is no way we can go to the elections with the current Constitution. We must have a new Constitution in place so that each and every Kenyan is protected fully. What those lawyers and professors are saying, that Parliament should not be extended for no other reason other than war, is unbelievable. In 1976, there was an outcry in this country. People from other places were trying to bar the then Vice-President from ascending to the presidency and this matter was also unconstitutional. However, we never saw those people then coming up in the open and defending the Constitution.

Mr. Kihoro: On a point of order, Mr. Temporary Deputy Speaker, Sir. Could the hon. Member on the Floor clarify the statement he has recalled from history, going back to 1976, because it is not clear to some of us? Could he be called upon to substantiate what he means by the former Vice-President? Could that be Prof. Saitoti?

The Assistant Minister for Trade and Industry (Mr. Hashim): Mr. Temporary Deputy Speaker, Sir, if he does not know history, then I do not need to substantiate my remarks because in 1976, hon. Prof. Saitoti was not in the House and, in fact, he was not the Vice-President of the nation.

Mr. Temporary Deputy Speaker, Sir, these people are not realistic and there are times when national matters should be put first. America recently introduced the Patriot Act. This Act entrenches the civil liberties of Americans, but because of the good security of the nation, there is no single American who has opposed this Act. If the current hon. Members find it necessary to extend the life of Parliament, then there should be no objection to that. This is because we are not extending Parliament for the sake of the sitting hon. Members, but we are extending Parliament just because the Constitution is not ready. This Constitution could have been ready a long time ago, but because of the wrangles among ourselves it has not been ready.

Mr Temporary Deputy Speaker, Sir, the President showed a lot of willingness and agreed that Parliament should appoint a Select Committee which came up with a proposal. Instead, we even accommodated even Ufungamano people who are not even stakeholders in that matter. They are not mandated people to speak on behalf of Kenyans. We are elected people and we have got all those powers to speak on behalf of Kenyans. Ufungamano people do not represent anyone in this country and they have no right to be in the Select Committee. It is very clear in the Constitution that the President is mandated to appoint the Commissioners, but because of the willingness of the President, he agreed to have a Parliamentary Select Committee to oversee the making of the Constitution. There is no way that this Commission can finish its work within the stipulated time. Therefore, we should not politicise this issue. People should not be allowed to seek cheap publicity. Whenever we are addressing issues we should be realistic. We should, first and foremost, look at the interests of Kenyans.

With those few remarks, I beg to support.

Mr. Thirikwa: Thank you, Mr. Temporary Deputy Speaker, Sir. It is good to hear an hon. Member talk of 1976 and remind us of that history. However, I think it is good to remind the hon. Member that we do not need to be reminded of the sweet memories because, from 1976 to 1990, Kenya was the best country one could visit. That was when one could project the economy to grow by 7 per cent and it did. So, it would be wrong actually for somebody to try and remind us of those years.

Mr. Kamolleh: On a point of order, Mr. Temporary Deputy Speaker, Sir. Is the hon. Member in order to say that from 1976 to 1990 Kenya was the best country when, in fact, it was only best in Central Province?

(Laughter)

The Temporary Deputy Speaker (Mr. Imanyara): Order! That is not a point of order. Proceed!

Mr. Thirikwa: That might be his opinion, but the fact still stands that Kenya was one of the best countries in Africa during those years. I think we need to put much more effort towards attaining what we used to attain those years.

The Assistant Minister for Local Government (Mr. Hashim): On a point of order, Mr. Temporary Deputy Speaker, Sir. In the region, Kenya has the best economy---

The Temporary Deputy Speaker (Mr. Imanyara): What is the point of order?

The Assistant Minister for Local Government (Mr. Hashim): Mr. Temporary Deputy Speaker, Sir, the hon. Member is misleading the House that Kenya was the best in 1973. Is he in order and yet, we have the best

economy in the region?

The Temporary Deputy Speaker (Mr. Imanyara): Order! Order! The hon. Member is airing his opinion. Your opinion may be different from his, but it does not make his lesser of an opinion.

Mr. Thirikwa: Mr. Temporary Deputy Speaker, Sir, one of the reasons why the Budget is read in Parliament is because we are the representatives of the people. Over the years, and particularly having been here for four years, I have heard Budgets being read in this House for four years. One question that always comes to my mind is: Of what benefit really is this Budget to my people of Ndaragwa? Are we only good at paying taxes or are we also good at receiving services for what we pay as taxes? I am not a believer in equal distribution of wealth. But I think it will be good to encourage fair distribution of the taxes we pay to this Government and not equal distribution. In that kind of scenario, I do not think that this Government has been fair to the people of Ndaragwa whom I represent in Parliament. Could we urge that the Government be fair in distributing the amount of resources we have because we are all taxpayers? The people of Ndaragwa are not just good at paying taxes, they are also good at receiving services.

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

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

Mr. Temporary Deputy Speaker, Sir, I come from a place where forests are a major issue and I want to thank the Minister for the action he has taken on wood products so that we can go across the borders and import wood products. But that is not enough. I thought the Minister, through the relevant Ministries, would have provided the necessary funds for reforestation. But if we only zero-rate wood products without providing for funds for reforestation, that will not be enough.

Mr. Temporary Deputy Speaker, Sir, in his own wisdom, the Minister removed all taxes on raw materials in order to encourage growth. I think that was something wise and it indicates the direction we need to take in certain sectors of our economy. The Minister did remove all taxes on raw materials to manufacturers, but he ought to have gone further and come up with a provision for funding through the Government. Most of the industries are already closed and I do not think that these industries are going to reopen because some of them have collapsed. Even if we zero-rate raw materials, I really wonder whether these industries are going to be revived. So, we need to think of what we can do to revive these industries so that they can provide jobs for our people. It will be good to think in terms of removing taxes, especially on tourism. The Minister should come up with ideas on how he can remove all taxes so that Kenya becomes a cheap tourist destination. But today, we have airport taxes, hotel levies and immigration taxes. I think it will be a good idea to remove all those taxes so that Kenya can become a cheap destination for tourists.

(Mr. Ngala consulted loudly with other Members)

Mr. Temporary Deputy Speaker, Sir, could you protect me?

The Temporary Deputy Speaker (Mr. Kamolleh): Order! Order, hon. Members! Mr. Ngala, if you want to consult, please, do so quietly!

Mr. Thirikwa: Mr. Temporary Deputy Speaker, Sir, it was good to hear the Minister talk about the removal of taxes on fertilizer. But I think it will be good to be honest to our own farmers so that we do not give them false hopes. The truth of the matter is that fertilizer prices will remain where they are because fertilizers have never vatable. So, the Minister knows that there is no tax that he has removed from fertilizer. The only fertilizers that are sometimes vatable are those that are not used in farming. These include fertilizers like ammonia which is used in other industries like explosives. It is important that we tell farmers not to continue waiting for fertilizer prices to go down because they will not go down. At no time were fertilizers vatable and, therefore, there were no taxes removed from them. It is important to pass this information to our farmers and the Minister knows that to be the truth. The truth is that there have never been tax on fertilizer.

Mr. Temporary Deputy Speaker, Sir, on the issue of Transport Licensing Board (TLB), the Minister should come out clearly and spell out the implications of his new measures. Yesterday, there was some contradicting information from the Ministry about TLB. What does the Minister have to say as far as the TLB is concerned? The TLB can only afford to work as a regulatory body to regulate the transport industry. But it cannot be converted into a unit that collects taxes for the Government. Any transporter in this country pays road licence fees, inspection fees and so forth. Why do we continue subjecting transporters to more taxes? I thought I understood the Minister to say, during the Budget, that the TLB had been removed, but yesterday, I heard something different. So, I would like to hear what the Minister has to say about the TLB. Will transporters continue to pay TLB tax or not? This is a clarification that should come from the Minister.

The Minister for Finance (Mr. Obure): On a point of order, Mr. Temporary Deputy Speaker, Sir. I did not want to interrupt my hon. colleague, but what we talked about during the Budget Speech is the removal of all taxes levied by the Transport Licensing Board. It was necessary to clarify that the Board and its functions are in place, but the fee they charge has been removed. I thought that I was making it lighter for transport operators.

Mr. Thirikwa: Mr. Temporary Deputy Speaker, Sir, that is a very good clarification because, as we speak today here, police officers are harassing transporters because they have not paid for their TLB. I hope, today, they have heard from the horse's mouth that the TLB fee has been removed. This was a very good move.

Mr. Temporary Deputy Speaker, Sir, there was a certain requirement in the Minister's Speech which states that if any company goes under without remitting taxes to the Government, the managing director of such kind of a company is held responsible. I think we have the Companies Act. This requirement contravenes the Companies Act. Who in the Minister's mind will be so interested in putting up a company which will go under? No company can go down without a reason. The company can only go under because it cannot perform for various reasons and, therefore, I find it strange that any managing director will be held responsible for taxes not paid to the Government. What pleasure does a managing director draw if a company goes under? In any case, you can only put up a company because you want it to go on. But if it goes under, then the Government should not follow the managing directors for not remitting taxes. I think that requirement contravenes the Companies Act.

Mr. Kihara: Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me an opportunity to contribute to the Budget Speech. I come from a farming constituency, so my interest is very much in that line of agriculture. I believe that eradication of poverty is a major policy objective. I fear that I see nothing in this Budget that is empowering farmers to be more productive. I would say about 90 per cent of my constituents are peasant farmers. They are small-scale farmers who produce horticultural crops and pyrethrum. During last weekend, I was touring my constituency and, yesterday, I saw many children on the roads. On inquiring where the children were going, because they were not going towards school, I was told most of them were going home because they had been sent away for lack of school fees. On inquiring from the parents why school fees had not been paid, I was told that the pyrethrum farmers - and the Minister comes from a pyrethrum growing area - have not been paid for the last five months. Pyrethrum farmers are usually paid a bonus of between Kshs30 and Kshs40 for pyrethrin content, but this year they were paid Kshs3. Is this how we plan to reduce poverty? When we inquired as to why pyrethrum farmers have not been paid, we were told that it is because of the September 11, 2001, terrorist attacks in America. We wondered what those terrorist attacks had to do with pyrethrum farming in Kenya. Our farmers have been reduced to paupers in this country. If this same Government, which is responsible for bringing poverty upon our people, is the same one that intends to reduce poverty, I regret this will not be possible.

The same peasant farmers produce milk. However, a lot of powder milk has been brought into this country and it is now being re-constituted locally. As a result, the KCC has gone down the drain. Now, milk farmers have nowhere to market their milk. The hawkers who go round collecting milk on their bicycles are being harassed. We have fed our milk to the dogs until they do not want to drink milk any more. This is because there is surplus milk and there is nowhere to sell it if hawkers are harassed. I would like to beg that milk hawkers be left alone to do their business. Our peasant farmers also produce vegetables. They transport these vegetables on bicycles because there is a poor transport network from the hills to the towns, down to the basement of the Rift Valley. They cannot take these vegetables back if they do not find a market. Therefore, they have to sell their produce at the price that is offered, no matter how low. They cannot cycle back up the hills with their produce. This is the plight of the farmers.

We are members of COMESA. Onions are being transported into this country in semi-trailers from Tanzania. These are some of the crops that sustain our farmers, but they cannot market their crops. Our people have been reduced to paupers because of the failure of this Government to empower farmers to be paid for their products on time. The other problem which I would like the Minister to address is the plight of flower farmers. Floriculture is now about the second highest foreign exchange earner in this country. A lot of the workers that are employed in this industry are not benefiting from this industry. Out of the 36 flower farms around Lake Naivasha, only 11 pay wages above the gazetted wage levels. The others are either paying them at the gazetted levels or lower. I appealed to the Minister for Finance, when he was the Minister for Agriculture, to allow us to charge some cess on these flower farms so that at least some of this money can go towards the development of the area. I never got any approval from the Ministers of Local Government, Agriculture or even Finance.

About 80 per cent of these workers are casual labourers. This means that they cannot join the NSSF, a trade union or enjoy medical facilities. Those facilities are only available to permanent workers. Couples cannot live together unless they are both employed on the same farm. In some farms they are allowed seven days within which to leave their husbands or they will be accused of trespassing. The labour laws need to be looked into because floricultural workers are really suffering despite the fact that this industry generates a lot of money for this country. We need to review those laws so that those workers are properly compensated. Women are the majority workers in those flower farms. When a woman gets pregnant she is given the option of either one week maternity leave or to be sacked. Child labour is also prevalent particularly on the North Lake. I would like the Ministry of Labour and Human Resource

Development to show support for the farmer and review these labour laws because they appear to be compromised.

I would also like to raise the question of teachers. I do not see any provision in the Budget for teachers salaries. I would like to talk about the Parents Teachers Associations (PTAs). There are so many teachers who are now employed by parents. Parents are expected to provide all services like building classrooms, providing chalk and even paying for inspection by school inspectors. At the same time they are expected to employ teachers. I expected the Budget to contain a provision for recruitment of teachers in order to ease the parents' burden of paying teachers. On Lake Naivasha where fishing is a major industry, there is need to carry out investigations to find out whether there is any connection between the chemicals flowing from the farms, water extraction and the depletion of fish stocks in the lake. Fishing was suspended for six months for fish to regenerate and build up to their previous population, but this has still not happened. Another six months was given but this did not happen. Those people who depend on fishing for their income do not have money now. We need to investigate and see whether there is a connection between water extraction and the chemicals which flow into the lake. We should find out why, all of a sudden, fish stocks in the lake have become depleted.

On poverty eradication, do we really think that we should be proud of the fact that we are demolishing kiosks which have been put up by poor people using their meagre savings so that they can eke out an honest livelihood? It has happened in Nairobi, Mombasa and everywhere and yet these people are trying to make an honest living. We know that these kiosks pose such problems as littering of the environment, but if we do not give these people an alternative, how do we expect them to earn a living? A lot of them have now turned into petty thieves. Let us review that situation and know that these people are forced into that kind of situation.

Those of us who are opposed to the extension of Parliament say that Prof. Ghai has said time and time again that he will complete the new Constitution before the end of the year. We would like to urge Prof. Ghai and his Commission to complete the Constitution before the end of the year so that we can have our elections this year because we need to change this Government. There is no way the same Government that destroyed this economy can tell us they will reduce poverty in the country.

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

The Assistant Minister for Tourism and Information (Dr. Wamukoya): Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me an opportunity to contribute to the Budget Speech. First, I want to thank the Minister for giving us a home-grown Budget, where we are not going to depend on monies that come from outside. The only thing that I would like to request the Minister and his team is that, one of these days, they should try to reform the Budget - as far as the Budget lines are concerned - and also reorganising the priorities of the sectors that they work with.

For a very long time, having worked in the Government, I have realised that the Budget lines have remained the same for the last 39 years. Because the Budget lines are many, the trickle down effect of the money that the sectors and the Ministries are given is so small that if you find a DC is getting Kshs20,000 for maintenance and travelling costs, and he or she has a Land Rover and may be a Hyundai, then, it means that if he or she cannot buy the tyres for the Land Rover, it is as good as not having given him or her anything. This same thing applies to other sectors like agriculture and health.

I thought that with the shrinking money, the sectors and the people that formulate the forward Budgets - instead of bringing them to the Ministry of Finance and Planning - should work out a way of concentrating more funds in the sectors on fewer Budget lines, so that when the money goes out to the departments and districts, then, the amount of money can be focused in fewer programmes. Then, these fewer programmes can alternate one year after another so that the money can do something the year that they have focused on a sector .

Mr. Temporary Deputy Speaker, Sir, for the first time, the Minister has focused his priority on an important aspect of an area that we say is the backbone of our economy. I think many times in my contributions here, I have stated that if we do not go for irrigation in this country, we are going to be lost. I have said that we should have started irrigation 30 years ago. Many people are complaining that we are taxing a shilling on kerosene. But I think the benefits of this taxation on irrigation and on economy of this country will be great. The Ministry of Finance and Planning should advise the relevant sector - agriculture - to formulate specific programmes on how they are going to use this money; what type of irrigation are they going to have and where are they going to start their irrigation projects.

Many people may not have realised that a year is very short. This Budget is for the year 2002/2003 and, before we realise, we shall be in June, 2003. I do not know what will happen; if there is no programme on how to utilise this money on irrigation, it is going to be one of the haphazard programmes like many others that we have seen. So, I am asking the Minister for Finance to work with the direct sectors and work out on programmes as early as possible.

I also want to state to this august House that the importance of irrigation today is that it is going to take the place of a rain-fed agriculture. Water is shrinking in this country, and that is why the rivers are also disappearing. Many excuses are being given - like cutting of trees. But we forget that there is also global warming and pollution. So, today, we should be thinking about irrigation for every part of this country because even areas where coffee is grown,

they do need irrigation. We shall require to do irrigation there. If we had irrigation in areas where sugarcane is grown, then, we would grow crops that are of similar weight, size and which could be harvested at the time that is required.

The other thing that we need to talk about is marketing of our agricultural produce. This is where our country has may be not considered very much. The reason why we are having problems with our produce is that we do not know how to market it although it can be marketed locally.

On education, it is now high time we made very bold decisions on how to go about developing education in this country. Teachers require a lot of money as salaries, and we support that teachers' salaries should be increased. But how do you do it on a squeezed Budget like this one? At one time, we recommended that education should slowly be liberalised so that it comes off the hands of the Government. I am surprised that when people make an effort to start academies outside there, you will hear pronouncements from education officers and others that those academies are going to be deregistered or be removed, instead of encouraging them because they are supporting the efforts of the Government. The efforts of the Government must be supported following the enactment of the Children Act which we passed recently. We really require a way of educating our children in a more liberalised way, like they do it in Uganda; they give education to children in Mosques and churches in the afternoons and evenings, instead of the rigid system that we have in Kenya today.

Regarding environment, I am sorry to say that when you look at its budget, not much money has been given. Then, it means that the people of Kenya are not going to be taught and made aware about the importance of keeping our environment in a state that we found it. We now have an Act; it speaks of very many things, but there is very little being done to help the farmer to know about terracing, not digging along the rivers and the people to be taught how to look after their forests. Therefore, I would request that more money is given to the Ministry of Environment and Natural Resources so that, to begin with - even in the first five and ten years - we spend money on making our people aware about maintaining our environment. If we do not make our people aware about the environment, then, it means that they will continue destroying this environment. At the end of the day, we are not going to have anything to protect at all.

We have seen roads deteriorating and railway lines in bad shape, and yet we still give money. When you look at the Budget, we give money for construction of communication systems, but I do not think that, that money is enough. If you do not give enough money to any sector, it is like not giving them money at all. So, it means that somebody is going to repair potholes very roughly, and when the rains come, the road would still be the same as it was. I do not know what we are doing today with the railway lines, but it was a good system of transport of goods and human beings.

With those few remarks, I beg to support.

Mr. Kihoro: Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me this opportunity to contribute to the Financial Statement. First of all, I would like to say that the amount of money which the Government has proposed to allocate to the Ministry of Agriculture and Rural Development is very little. The proposed Recurrent Expenditure for this Ministry is Kshs6.6 billion, while the Development Expenditure is only Ksh1.5 billion. This amount of money is very little for development. I would like to point out that Recurrent Expenditure is just consumption. So, we are saying that there is no money for the agricultural sector in this country. When we talk about this country really being an agricultural country, or where 80 per cent of the population lives on agriculture, then you wonder whether the Government is not paying lip service to the agricultural sector and the people in this country, who day, by day have become poorer.

I have taken the trouble to look at the five Financial Statements, which have been issued during the Eighth Parliament by this Government. I have read all of them to refresh my memory because I have sat in this House every time a Financial Statement has been delivered. I have found that from the Budget which was read by Mr. Mudavadi for the 1997/98 Financial Year, Mr. Nyachae, Dr. Masakhalia, Mr. Okemo and now, Mr. Obure, are all identical. All these Budgets have ignored agriculture and have taken the country where it is. The only thing I can assure this House, after having listened to five Financial Statements, each one of them being issued by a different Minister, is that the next Financial Statement will not come from the present Minister for Finance. That is how it appears to me. When I did some arithmetic, I knew what to expect. Being a man who is capable of seeing what is ahead of me, I can see the only certainty there is - if five different Ministers for Finance have issued Financial Statements over five years, on the sixth year, we can expect a new Minister for Finance to issue a Financial Statement.

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

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

There is one Ministry which one must comment about. This is because I can see that the Government has proposed to spend Kshs168 billion on the Recurrent Expenditure, and only Kshs19 billion on Development

Expenditure. I find one Ministry here that is worthy of comment because of its size. The Minister has proposed to allocate the Ministry of Energy only Kshs35 million over six months. I wonder the kind of work which will be done, by a Ministry with two Ministers, with Kshs35 million. Again, is it lip service which is being paid to Kenyans? Is this tokenism using public funds in the Budget to have a Ministry whose Recurrent Expenditure is only Kshs35 million, which translates to almost Kshs6 million per month? We live in hard times. The people of this country live in difficult conditions; poverty is everywhere. Time has come for us to accept that when we have a Ministry with two Ministers, which has been allocated Kshs35 million for six months, what is being done here is avoiding the issue. We should look at the whole structure of the Government. The Ministry of Energy can be consolidated with the Ministry of Transport and Communications. There is no need of it remaining as a separate Ministry. Even if there might be some political fall-out, let it be so. There could be political fall-out, but I think the people of this country come before whatever alliances or pacts which may have been signed elsewhere.

Mr. Temporary Deputy Speaker, Sir, from my arithmetic, I also find that, after spending Kshs168 billion on Recurrent Expenditure and Kshs19 billion on Development Expenditure, we are only talking about Kshs187 billion. Last year's Budget spent Kshs273 billion, and I can see there is a difference of about Kshs100 billion. I would like to comment on that aspect, because I accept that the Government is in a position where it has no flexibility in preparing the Budget for this country. It appears to me as if the Government of this country spends Kshs100 billion on Consolidated Fund Services, and is then left with very few other options. Last year, the Government spent Kshs97 billion on Consolidated Fund Services, and the Minister had no other option. That is money which has to be paid and he cannot include it in the Budget. That is the reason why the Minister will spend Kshs168 billion on Recurrent Expenditure, Kshs19 billion on Development Expenditure and will need Kshs100 billion to be spent on Consolidated Fund Services.

I am saying that, in the last six months, this Government has increased the amount of borrowing from the domestic market by Kshs35 billion. When you have a situation like that one, where you pay Kshs32 billion, as Prof. Anyang'-Nyong'o said here when he made his contribution--- He said that in six months, the Government spends nearly Kshs32 billion on domestic borrowing. When this is the case, you end up having a Government which will spend nearly Kshs40 billion on domestic borrowing, spend just as much on external borrowing, and under the Consolidated Fund Services, the Minister has no say in how the Kshs100 billion will be spent. That leaves the Minister with only 65 per cent of tax money, and I know he can confirm that. The Minister for Finance can only talk about 65 per cent of tax money which is collected in this country when it comes to Budget time.

This is an unfortunate situation. It is time for me, the Minister and every good Kenyan, to mourn it. We have brought our country a lot of misery, and our posterity will have nothing to inherit. If we cannot invest in development, what will be left for them to inherit will be debts, which they will not get out of because capital formation in this country is a thing of the past. The Minister knows that we no longer save. I would like to inform this House that if you do not save, you do not invest; you just eat.

Mr. Temporary Deputy Speaker, Sir, this year, we have proposed that Kshs168 billion should go towards Recurrent Expenditure, which is composed of salaries and wages, cost of stationery in offices and other costs of running the Government. We have also proposed that Kshs52 billion should be used by the Ministry of Education to pay teachers salaries.

I am saying that we should have a conference which will discuss change of direction in the economic management in this country, and deal with the domestic debt. In 1998, we went to Mombasa, and at that time the economy was in the intensive care unit (ICU), and I believe that it is still there. The economy is still in the ICU because the Minister has no say over the expenditure of Kshs100 billion. That is the reason why we should have a national conference where we will deal with the question of the domestic debt. This year, the Government will spend more than Kshs40 billion on the domestic debt. We can clear that amount of money from external borrowing; if anybody can lend us money to---

The Minister for Finance (Mr. Obure): On a point of order, Mr. Temporary Deputy Speaker, Sir. We cannot allow this to go on any longer! The hon. Member is misleading the House and the general public; that the Government will spend over Kshs40 billion to service interest on loans. That is not correct.

The Temporary Deputy Speaker (Mr. Imanyara): Mr. Minister, you will have time to respond to that.

Mr. Kihoro: Mr. Temporary Deputy Speaker, Sir, I can be corrected because my area of specialisation is law. But I am a concerned Kenyan. I am told by Mr. Michuki that the Government will spend Kshs29.9 billion and I know that he is a reliable mathematician. I will accept that. That is a good figure and it does not give the hon. Minister room for manoeuvre. He still has Kshs30 billion to spend on the domestic debt. I am suggesting how we can substitute external borrowing for the domestic debt, so that we pay less interest. We would also want to know who these holders of the Treasury Bills are. I know that some of the Front Bench hon. Members have invested in Treasury Bills, for example, hon. Ng'eny, who is wearing dark glasses.

With those few remarks, I beg to support.

Mr. Kamolleh: Ahsante sana, Bw. Naibu Spika wa Muda. Ningependa kuchangia kwa ufupi mjadala huu.

Kwanza kabisa, ningependa kutoa hongera zangu kwa Waziri wa Fedha kwa jinsi alivyoweza kuweka fikira zake pamoja katika hali ya kutengeneza Bajeti ya mwaka huu.

Kwanza kabisa, kama tunavyojua, masharti ambayo Kenya imewekewa na wadhamini wetu, ambao wanatusaidia kwa mikopo, yamekuwa magumu sana. Kwa hivyo, haingewezekana hata kidogo kwa Kenya kupata mikopo au ruzuku fulani kwa sababu hayo masharti hatungeweza kuyamudu. Hata hivyo, ningependa kusema kwamba masharti mengi ambayo wafadhili wetu walitaka tutimize, tumeyatimiza. Masharti mengi tumeyatimiza lakini inaonekana kwamba wafadhili wanayabadilisha badilisha na Serikali haiwezi kutimiza masharti mengine. Hata hivyo, wafadhili walisema kwamba wanataka kuona haki na uwazi zikitendeka hapa Kenya.

Pia, walisema wanataka kuona demokrasia ikikua katika Kenya. Mimi ninaona kwamba tumefanya mambo mengi, hasa katika kukuza demokrasia yetu. Mambo mengi yamebadilika na yamekuwa mazuri zaidi katika kuboresha hali ya demokrasia yetu. Hata hivyo, bado tumeambiwa kwamba kuna masharti mengine kuhusu demokrasia ambayo tunafaa kuyatimiza. Tumepitisha Mishwada mbali mbali kama vile Mswada kuhusu ufinisadi na Mswada kuhusu watu kutangaza mali yao, vile wameipata na waliipata lini. Tumepitisha Mishwada mingi hapa ili kuweza kuboresha hali yetu ya demokrasia. Lakini kila tukitimiza masharti fulani, tunawekewa mengine.

Waziri wa Fedha aliweza kutengeneza Bajeti hii bila kutegemea fedha zozote kutoka kwa wafadhili. Tunafaa tumpongeza sana Waziri kwa jambo hili. Pia, Waziri ameonyesha mapato tunayopata kutokana na kilimo. Ameipatia sekta ya kilimo manufaa mbali mbali. Pia amepatia sekta ya kilimo fedha za kuiinua. Hayo ni mambo mazuri sana. Waziri amesema kwamba ametenga pesa ambazo zitawezesha maji kupatikana kwa wingi na kutumika bila madhara makubwa. Ningependa kusema kwamba, inafaa Serikali iongeze juhudi zake mara dufu ili maji yapatikane kwa wingi, hasa katika sehemu ambazo zinatimia maji katika kilimo, kwa mfano ukulima wa sukari, mboga na maua. Ningependa kusema kwamba maji hayajapewa umuhimu kama vile inavyotakikana. Pia, utengenezaji bidhaa ili kuongeza faida, haujafaidika. Ingawaje tumesema kwamba bei ya vifaa ambavyo vinatumiwa katika viwanda ipunguzwe, jambo hili halijafanyika.

Kama walivyosema wenzangu ambao wameongea mbele yangu, bidhaa kama vile vitunguu, machungwa na mboga zinaingizwa hapa nchini kutoka nchi jirani na hali sisi wenyewe tunaweza kukuza mazao haya. Tunaponunua hayo mazao, tunawasaidia wakulima kutoka nchi nyingine lakini si wakulima wetu. Ingekuwa vyema kama tungewapatia usaidizi wakulima wetu, hasa kwa kuongeza kodi inayolipiwa bidhaa kutoka nje. Jambo la kusikitisha kabisa ni kwamba sisi tunataka kupunguza umaskini lakini Serikali imefanya mazao mengine kuwa mazao maalum. Ajabu ni kwamba hayo mazao maalum ni mengi sana. Kwa nini hayo mazao maalum yasiwe machache? Sisi watu wa Pwani tunakuza korosho, bixa na mananasi. Tumewekewa kizuizi eti kwamba mazao haya ni maalum na kuna mtu maalum ambaye amepewa idhini kununua na kuuza mazao haya. Jambo hili halitatusaidia kupunguza umaskini katika jimbo letu. Ningetaka kuuliza Serikali iondoe mpango wa kuwa na mazao maalum ili wakulima wengine waweze kufaidika.

Bw. Naibu Spika Wa Muda, inaonekana kwamba Idara ya Kilimo imekataa kushughulikia wakulima. Wafanyikazi kutoka Idara hii wanakaa ofisini wakifikiri kwamba wakulima wanajua kila kitu. Hayo ni mawazo mapotovu, na ningependa Serikali ifikirie tena na ianze kuwatumia wafanyikazi wa Idara ya Kilimo mashambani ili waweze kushauriana na wakulima kuhusu uwekaji wa mbolea na ukuzaji wa mimea. Wakulima wengine hawajajua jinsi ya kuzalisha mazao sawasawa.

Ningetaka pia kuingilia sekta ya elimu. Sekta ya elimu imezungumziwa kwa urefu. Waziri amesema kwamba ametenga pesa kiasi fulani za kusaidia watu ambao hawana karo. Ametenga pesa kiasi fulani za kununua vitabu vya watoto wa shule za upili na shule za msingi. Kuna mtindo mpya pia ambapo mpangilio wa masomo umebadilishwa, na masomo yamepunguzwa katika shule za msingi na hata pia katika shule za upili. Lakini hata baada ya kufanya hivyo, tumeambiwa kwamba hakuna usawa wa shule katika mikoa yote. Kuna shule nyingine ambazo zimeendelea sana. Shule hizi zimejengwa na pesa kutoka kwa kodi ambayo imelipwa na Wakenya wote. Kuna mikoa mingine ambayo shule zake ni duni kabisa, na hali watu wa mikoa hiyo wanatoa kodi ambayo husaidia baadhi ya shule za Jamhuri hii. Ingekuwa vyema kama tungewatahini wanafunzi kulingana na viwango vya vifaa vilivyoko katika shule hizo, kuliko kuwatahini wanafunzi wote pamoja, hali wengine wana mahabara yaliyo na vifaa na wengine hawana. Inawezekanaje kuwatahini hawa wanafunzi pamoja na wale Serikali imewapatia vifaa kwenye mahabara yao? Wakati umefika wa sisi kuangalia viwango mbalimbali, ili wanafunzi waweze kutahiniwa kimikoa. Tukifanya hivyo, wanafunzi kutoka mikoa mbalimbali watapata nafasi za kujiunga na vyuo vikuu, kuliko kuona wanafunzi watano kutoka sehemu ya Pwani wakijiunga na vyuo vikuu na hali sehemu nyingine kama Mkoa wa Kati wanatumia wanafunzi 150 kwenye vyuo vikuu. Hapo, tutakuwa tukitekeleza umaskini katika mikoa mingine na utajiri katika mikoa fulani. Hayo hayatakuwa mambo ya usawa. Kwa hivyo, katika Bajeti ijayo, ni lazima Waziri wa Fedha aangalie ya kwamba mikoa maskini inapata fedha za kutosha.

Kwa hayo machache, naunga mkono.

The Assistant Minister for Environment and Natural Resources (Mr. Nooru): Thank you very much, Mr. Temporary Deputy Speaker, Sir, for giving me the opportunity to join my colleagues in contributing to debate on the Financial Statement.

I thank the Minister for his elaborate Budget Speech. Under the present economic hardships, it is a hard task to come up with such a focused Budget, and the Minister needs to be commended. I would also like to thank Kenyans for their understanding for the last twelve years. They have been bearing with the Government under very difficult economic circumstances because our development partners have not been disbursing funds. Hopefully, the situation will change sooner or later. However, we should focus on priority areas, using the minimal resources available. We should aim at addressing the basic needs of Kenyans. Development in this country has not been even and some areas are lagging behind. Sometimes some of us advocate for *Majimbo* system of Government and our colleagues wonder whether we are crazy. There are some people in this country who travel for over 100 kilometres to fetch water, while others travel for one kilometre to fetch water and still find it difficult and yet, we live in the same country.

Mr. Temporary Deputy Speaker, Sir, time has come for us to distribute the little resources that we have in this country according to needs but not according to the provinces. I am saying so because we are focusing on poverty reduction. However, the Budget, still focuses on security. The Armed Forces, Provincial Administration and the Office of the President are taking large sums of money. But at the same time, we should also focus on food security!

Mr. Temporary Deputy Speaker, Sir, the persistent drought experienced in the northern parts of this country has caused a lot of suffering to our people. People do not have water, food and medicine. Provision of infrastructure and electricity in those areas is just but a dream. We need good roads in those areas in order to save the lives of many people in remote areas of North Eastern Province. It beats logic to see the Government provide relief food to the people of North Eastern Province and then expect them to build schools, pay school fees and buy textbooks for their children. When the bursary funds are distributed by the Government, they are distributed as per the number of students per class. Those bursaries should be distributed according to the level of poverty in a certain area. This trend should change and monies for bursaries should be distributed according to the needs of certain areas but not according to the number of students in a class. It is true that certain areas in this country may not send even one student to the university in a particular year, while other areas could send as many as 5,000. It is ironical that such disparities exist in this country! How can we be treated equally, given such great disparities? Time has come when the Government should address the problems of Kenyans according to their needs but not according to political considerations. The same story goes for infrastructure. We do not have an inch of tarmac road in the entire North Eastern Province. The last tarmac road ends at the border between Coast and North Eastern provinces, at the Tana River. It is now 40 years after Independence and some people are thinking in terms of tea estates, coffee estates, having tarmac roads in the estates and yet, we do not have a single kilometre of road in the entire North Eastern Province. We, therefore, remain cut off from the rest of Kenya for even one year during rainy seasons.

Mr. Temporary Deputy Speaker, Sir, I have heard my colleagues talk about allocating more funds to the Ministry of Agriculture and Rural Development. How can agriculture be improved when we have not improved water provision? Agriculture depends on water in terms of irrigation, horticulture and so on. When my colleagues talk of agriculture, they only have farm produce in mind. The livestock sector has been forgotten completely! The Ministry of Agriculture has got the livestock component in it but does not think about the provision of veterinary medicine, water and the market for livestock products. It appears that the Ministry does not take into consideration meat production in this country. Many of our livestock die during droughts. We are really facing a difficult scenario in that region.

Mr. Temporary Deputy Speaker, Sir, on the political scenario which is unfolding today, we need a lot of patience. We are going through a major political metamorphosis. We are out to overhaul our Constitution, undertake economic reforms and, eventually, the General Elections. This is a painful exercise because it needs a lot of patience and resources. Kenyans should take a united stand in these issues. They should not allow tribal, political or other inclinations to control them. It does not matter whether one is in the Opposition or in the ruling party.

Therefore, we have to think very soberly and tell Kenyans what programmes we have, at what time, and when we should do what at a particular time. These are very difficult times and we should not just give any panicking statements and try to confuse Kenyans more, but we should try to think very broadly and try to lead this country through this difficult time of transition.

Than you very much.

The Assistant Minister for Health (Dr. B. Galgalo):

Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me this opportunity to contribute to the Motion on the Budget Speech. I would like to start by joining ranks with my colleagues and congratulate the Minister for having given us a Budget that Kenyans are happy about. As hon. Members, we feel proud to be associated with the Minister's good work.

There are many reasons why I personally feel proud about this Budget. The most important one being that our Minister and his officers were able to prepare and give us a balanced Budget without relying on foreign assistance. That is the biggest strength in this year's Budget. It is encouraging and it is something which I have believed all along. Donor funds have been used by our friends to impose their will on us in most times. They have used funds to demean us and also to cause chaos in most countries of the developing world. The fact that we are now able to say that; with or

without donor funds, this country will continue to develop, we are able to sustain our systems, maintain our facilities, and develop new facilities. I think that is something which we really feel proud about. We wholeheartedly congratulate the Minister and his officers for having done us proud.

Mr. Temporary Deputy Speaker, Sir, the other strength in this year's Budget is that, it will encourage local industries to develop. We have had industries closing down in this country, for example, the leather and textiles industries, *et cetera*, due to unfair competition and because of allowing second-hand materials into this country. We have all sorts of *mitumba* clothes, vehicles, name it! That has over the years destroyed our local industries. I am not an economist, but I understand that the strength of any economy is what happens locally. If you have nothing to build on locally, then you have nothing to market outside, you cannot earn foreign exchange if you have no local industries or if your industries are closing down.

Over the years, we have seen industries close down and that has reflected negatively on manpower due to many industries which have had to retrench or sometimes summarily dismiss their workers and, therefore, causing a lot of suffering to Kenyans. We again congratulate the Minister for Finance and his officers for having given our local industries a fresh start because they have been on the downward trend. These initiatives by the Minister will help them pick up the pieces and rebuild a new.

Mr. Temporary Deputy Speaker, Sir, I would also like to thank the Minister for giving special consideration this time round to the livestock industry. Marginal areas in northern Kenya whose economies depend on livestock have continued to suffer over the years. Previous Budgets had never factored in anything that would encourage livestock development. But this time round, we have seen a deliberate effort made by the Minister for Finance to help the livestock industry join the ranks of other industries and sectors in this country such that the benefits would now be to the pastoral communities of this country. We want the Minister to continue in that spirit and especially to take serious steps towards rehabilitating the Kenya Meat Commission (KMC), such that livestock farmers will have a market for their livestock. The KMC used to do very well but, of course, like many institutions in this country, it went down because of mismanagement. Fortunately, the potential is there and with these kind of efforts, as we have read in this year's Budget, I am sure it will be back on its feet and that will benefit people from marginal areas of northern Kenya.

Another problem that has been facing livestock development is lack of water in most places and insecurity. Those two factors have caused a lot of suffering to our people. We have vast areas of grassland where we do not have water. What the Minister has done and promised in his Budget Speech, is to provide boreholes in those strategic areas. In my view, the provision of water for livestock will be the biggest gift this Government will have given to the people of northern Kenya.

Mr. Temporary Deputy Speaker, Sir, I would also like to talk about the constitutional review process. The constitutional review process is something which has come to endear itself to Kenyans and, therefore, Kenyans are now asking for a comprehensive review of the Constitution. Our brothers in the Opposition who had initially taken the driving seats in pushing for a comprehensive constitutional review are now more or less making an about-turn. I was having a discussion with one of my colleagues from the Opposition this afternoon, and he was saying that they do not want the review of the Constitution any more. Now, you show the public the logic of having a new Constitution and when the public is ready and when the Government has committed so much time and money to make that process a success, you are now making an about-turn, and you do not desire to have the constitutional review process any more. What is the logic behind this? It is as if we are taking Kenyans for granted. We are taking Kenyans for a ride!

Mr. Temporary Deputy Speaker, Sir, with or without the extension of the life of Parliament, Kenyans want a comprehensive review of the Constitution. By whatever means, we must give that Constitution to Kenyans. This Parliament owes Kenyans a new Constitution. We must come together and give it to them instead of giving all manner of excuses as to why we cannot have it, we are instead bickering about who will be the President of this country after President Moi leaves office.

Thank you.

ADJOURNMENT

The Temporary Deputy Speaker (Mr. Imanyara): Hon. Members, it is now time for the interruption of the Business of the House. The House, therefore, stands adjourned until tomorrow, Wednesday, 26th June, at 9.00 a.m.

The House rose at 6.30 p.m.