

NATIONAL ASSEMBLY

OFFICIAL REPORT

Tuesday, 14th June, 2005

The House met at 2.30 p.m.

[Mr. Deputy Speaker in the Chair]

PRAYERS

QUESTIONS BY PRIVATE NOTICE

CLOSURE OF PRIVATE SCHOOLS IN MOMBASA DISTRICT

Dr. Ojiambo: Mr. Deputy Speaker, Sir, I beg to ask the Minister for Education, Science and Technology the following Question by Private Notice.

(a) Is the Minister aware that over 60 private schools in Mombasa District were closed leaving over 5,000 children without a place to report to for the second term?

(b) What is the Ministry doing to ensure that the students continue with their education?

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

(a) I am aware that 76 illegally operating private primary schools were closed down in Mombasa District in April, 2005. The total number of pupils affected were 10,405. However, the Ministry is not aware that these pupils had no place to report to during the second term.

(b) The Ministry has put in place a machinery to ensure that the affected pupils have a school to go to during the second term.

(i) During the closure exercise, parents and pupils including the general public, were advised to relocate to nearby schools.

(ii) The 90 public primary schools and 98 private legally operating schools, some of which were under-enrolled, were opened up for the affected pupils.

(iii) All the affected pupils have been accommodated and there is no single pupil who is out of school as a result of the closure of illegal schools.

(iv) The Government is continuously monitoring to ensure that all school-age going children access free and compulsory primary education in Mombasa District as well as in the rest of the country.

Dr. Ojiambo: Thank you, Mr. Deputy Speaker, Sir. While I thank the Assistant Minister for his reply, could he assure this House that his Ministry has put in place a machinery to continuously assess schools so that incidences of closing them do not arise? This puts the parents and pupils in awkward position. Could he also ensure that the closure of the schools does not take place in this country?

Dr. Mwiria: Mr. Deputy Speaker, Sir, we only close schools which are not registered. The schools which operate illegally will be closed. However, we will continue to assess schools which have been started and do not merit to enrol students. I agree that it is important for my Ministry to continuously assess the schools which have been started.

Prof. Oniang'o: Mr. Deputy Speaker, Sir, it does not make sense for the Assistant Minister to say that his Ministry has closed illegally operating primary schools and thus affecting the children negatively. Could he tell us how the Ministry allowed 96 primary schools to continue operating illegally when, in fact, it has a mapping of all the primary schools in the country under the Free Primary School Education Programme?

Dr. Mwiria: Mr. Deputy Speaker, Sir, the question the hon. Member has asked is valid. Many of those illegal primary schools operated long before we came into power when the rules pertaining to the setting up of schools were not followed. However, we have been cracking down on illegal primary schools from April, 2004, when we discovered their existence.

Mr. C. Kilonzo: Thank you, Mr. Deputy Speaker, Sir. There must have been civil servants in the Ministry of Education, Science and Technology who allowed those primary schools to operate illegally. What action will the Government take against them?

Dr. Mwiria: Mr. Deputy Speaker, Sir, disciplinary action will be taken against the Ministry officials who will be found to have registered illegal schools.

Dr. Galgalo: Mr. Deputy Speaker, Sir, it is not only the civil servants who were involved in the registration of those illegal schools who should be disciplined. The proprietors of the illegal primary schools established them against the law and have wasted the lives of many children. What action will the Assistant Minister take against the proprietors of those schools who received money from unsuspecting Kenyans and as a result wasted the lives of many children?

Dr. Mwiria: Mr. Deputy Speaker, Sir, we will seek the necessary legal advice and take appropriate action against those proprietors according to the law.

Mr. Ethuro: Thank you, Mr. Deputy Speaker, Sir. This is a nationwide problem. I have one school which is known as Trans Africa in Lodwar Town, Turkana District. This school has been operating illegally for the last three years, and yet the Assistant Minister has not taken any action to close it. How many other schools operate illegally in this country and when will he close them?

Dr. Mwiria: Mr. Deputy Speaker, Sir, it is very difficult for me to give the number of schools which operate illegally because they would not be operating in the first place if we knew them. However, if there are such institutions and hon. Members know them, they should help us to identify them as we do our audit. I agree that illegally operating schools are all over the country and we cannot take action against them until we know them. However, we will take action against such schools once we know them.

Dr. Ojiambo: Mr. Deputy Speaker, Sir, as you can see, this Question is of great interest to us. In the first place, there would be no need to open schools if there were no children who would go there. It is the Ministry of Education, Science and Technology which can assist us to ensure that all the children go to school. It appears as if even the individuals who open up schools help this Ministry by taking children who have nowhere to go, and yet it is not thankful for that service. Could the Assistant Minister assure us that they will count all the children who have not gone to school and provide them with education?

Mr. Deputy Speaker: Indeed, this is a very important Question and that is why I have allocated it a lot of time. Mr. Assistant Minister, could you answer the hon. Member's question?

Dr. Mwiria: Mr. Deputy Speaker, Sir, we are doing an inventory of the youth who are not in school. However, I would like to assure the hon. Member that the Ministry appreciates greatly the role the private providers of education play in terms of expanding learning opportunity where the Government is unable to provide that service to all the children who seek for school places. Having said that, we must differentiate between two types of private education providers. There are others who are unscrupulous or who go for money and are not interested in providing quality education. We do not need to be thankful to this kind of education providers. There are also others who provide quality education and we need to support them. The Sessional Paper we passed recently will put

some mechanisms in place to support the genuine partners in education.

RELEASE OF LOAN BALANCE TO MUSOCO

Prof. Olweny: Mr. Deputy Speaker, Sir, I beg to ask the Minister for Agriculture the following Question by Private Notice.

(a) Is the Minister aware that the Kenya Sugar Board (KSB) and the Minister for Agriculture last year approved sugar development loan for Muhoroni Sugar-cane Outgrowers Company (MUSOCO) to the tune of Kshs100 million and that Kshs67.5 million of this has been released for land preparation and planting of cane?

(b) Is he further aware that the Treasury has refused to release the balance of Kshs32.5 million to be used by farmers to weed the sugar-cane fields which are currently being smothered by heavy weed infestation?

(c) What efforts is the Minister making to ensure that the loan balance of Kshs32.5 million is released immediately to MUSOCO so that the farmers can embark on weeding their sugar-cane fields?

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

(a) I am aware that the KSB and the Ministry of Agriculture last year approved a sugar development loan for MUSOCO to the tune of Kshs100 million, and that Kshs67.5 million of this money has been released to the company for land preparation and planting of cane.

(b) I am not aware that the Treasury has refused to release the balance of Kshs32.5 million to be used by the farmers to weed their sugar-cane fields, which are currently being smothered by heavy weed infestation. However, I am aware that the Treasury has given approval for the release of the funds subject to certain lending conditions being met.

(c) The Ministry of Agriculture has also given approval to the KSB to release the funds to MUSOCO subject to those conditions being met.

Prof. Olweny: Mr. Deputy Speaker, Sir, could the Assistant Minister tell us the conditions which are supposed to be met midstream?

Mr. Kaindi: Mr. Deputy Speaker, Sir, principal among the conditions was for the association to demonstrate the ability to service its past debt obligations, which are today in excess of Kshs211,242,400.

Mr. Sungu: Thank you, Mr. Deputy Speaker, Sir. The Chair is aware that I come from the same area, and I thank Prof. Olweny for asking this Question. What is the rationale for the Government to give money for ploughing, land preparation and planting but fail to give money for weeding? Is the Assistant Minister aware that the sugar-cane will be choked by weeds and, therefore, the Government might not even recover its money? On the same point, why is the Government treating the farmers of Muhoroni Sugar Company differently from those who grow other crops, for example, coffee, whose debts have been written off?

Mr. Kaindi: Mr. Deputy Speaker, Sir, the Sugar Development Fund belongs to all the sugar companies in this country. Therefore, prudence must be exercised when disbursing the monies. Indeed, the hon. Member is aware that the Ministry of Agriculture went an extra mile and provided Kshs67.5 million of the money and only about Kshs32 million is remaining. I would like to say that the Ministry is not being discriminatory. It handles the case the way it is. When a company has a debt in excess of its securities, which today stand at Kshs194 million, and the Ministry has given it money in excess of Kshs211 million, it is only fair that it demonstrates that it can offer a sufficient financial programme or show that it can redeem its debts.

Prof. Olweny: Mr. Deputy Speaker, Sir, could the Assistant Minister tell us why these conditions were not given to the company at the time when the loan was approved?

Mr. Kaindi: Mr. Deputy Speaker, Sir, these conditions were brought to the attention of the chairman of that growers association. Immediately the Treasury raised these issues, we communicated to them through the Kenya Sugar Board (KSB). Indeed, the chairman has indicated that once he is able to structure his organisation and be able to offer a sufficient redemption plan, then he will come back to us and we will reconsider that loan.

ORAL ANSWERS TO QUESTIONS

Question No.109

RECRUITMENT OF POLICE OFFICERS IN 2003

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

(a) how many officers were recruited into the police force during the recruitment of 2003; and,

(b) whether he could enumerate the number of officers recruited from each district, indicating their gender.

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

(a) A total of 2,092 officers were enlisted in the police force during 2003. Among them, 1,392 joined the Kenya Police College while 700 joined the General Service Unit (GSU).

(b) I have a list from each of the recruiting stations and the breakdown is for the 1,392 officers who joined the police force. Out of this, 1,147 were men while 245 were women. Of the 700 officers who joined the GSU, 680 were men while only 20 were women.

Mr. Wanjala: On a point of order, Mr. Deputy Speaker, Sir. I am seeking your indulgence. This Question is very important and I am requesting that we get copies of that list. Could we, therefore, defer this Question to tomorrow to give us time to study that list?

(Applause)

Mr. Deputy Speaker: What is that point of order for? Mr. Korir, it is your turn to ask a question!

Mr. Korir: Mr. Deputy Speaker, Sir, it is unfortunate that the Assistant Minister did not give me a copy of the written answer.

(Loud consultations)

Mr. Deputy Speaker: Order, hon. Members! Let us hear Mr. Korir!

Mr. Korir: Mr. Deputy Speaker, Sir, I would have preferred a written answer before the Assistant Minister answered the Question.

Mr. Deputy Speaker: Mr. M. Kariuki, did you provide a written reply?

Mr. Korir: Mr. Deputy Speaker, Sir, I also seek the indulgence of the Chair to defer this Question to tomorrow so that the Assistant Minister can prepare himself.

Mr. Deputy Speaker: Order, Mr. Korir! We cannot speak at the same time! I am speaking and so are you. Could you sit down?

Mr. Assistant Minister, what is the position? Where is the list?

Mr. M. Kariuki: Mr. Deputy Speaker, Sir, this Question was listed on the Order Paper before we went for recess. We provided six copies of the answer. This morning we have provided four

copies. I am prepared to table this list for any person who wishes to know how we went about the recruitment.

Mr. Deputy Speaker: Very well! It is reasonable to defer the Question to tomorrow afternoon.

(Applause)

(Question deferred)

Question No.300

APPROVAL OF ID APPLICATIONS
IN IJARA CONSTITUENCY

Mr. M.Y. Haji asked the Minister for Immigration and Registration of Persons:-

- (a) whether she is aware that all applications for Identification Cards (IDs) in Ijara Constituency are sent to Nairobi for approval after going through the vetting committee at the local level;
- (b) whether she could inform the House the rationale for this procedure; and,
- (c) whether she could also indicate which individual or committee is undertaking that responsibility in Nairobi.

The Minister for Immigration and Registration of Persons (Mrs. Kilimo): Mr. Deputy Speaker, Sir, I beg to reply.

- (a) Yes, I am aware.
- (b) All applications for registration countrywide are normally forwarded to Nairobi for a centralised processing and production of IDs.
- (c) The Department has established a National Vetting Committee to validate all the applications sent to the headquarters in order to:-
 - (i) ensure that only Kenyan citizens are issued with IDs;
 - (ii) ensure that we check against the use of counterfeit documents;
 - (iii) check against double registration; and,
 - (iv) ensure consistency of information and quality of data in the application forms and supportive documents.

Mr. M.Y. Haji: Mr. Deputy Speaker, Sir, I highly respect the hon. Minister. Therefore, I am a bit tongue-tied in asking my question.

She has said that processing of IDs is done centrally in Nairobi yet I know that if I go to Kibera right now - I have taken my own children there - IDs are issued on the spot. It is only in North Eastern Province where a second processing is done. The question again is: Who are these people in Nairobi who know the applicants better than the elders in Ijara who screen them? Who are these people who know every Kenyan in the country?

Mrs. Kilimo: Mr. Deputy Speaker, Sir, with regard to border districts like Ijara, Malaba and even Moyale in the North Eastern Province---

An hon. Member: Not all are on the border!

Mrs. Kilimo: Mr. Deputy Speaker, Sir, well, these people are subjected to a vetting committee in the district chaired by the Provincial Administration. An immigration officer and elders from that community form part of the committee so that they can identify the applicants. It is only in Nairobi where all these forms are sent and we process the issuance of the IDs. Moreover, Nairobi is the only place where we have the equipment to counter-check double registration.

For example, before we issue IDs from these districts, we run their [Mrs. Kilimo] fingerprints scan to avoid double registration because of our porous borders.

Mr. Owino: Mr. Deputy Speaker, Sir, the issuance of IDs is a national problem. In my own constituency, every time I have a rally or when I meet people, the first question I am always asked is: "Why are we not getting IDs yet we are being told to register as voters?" Could the Minister tell us where the problem is? The vetted forms are sent to Nairobi and then they are sent back on the pretext that they have not been vetted properly. The applicants are vetted by people who know them well. Where is the problem?

Mrs. Kilimo: Mr. Deputy Speaker, Sir, one thing that can help to solve this problem forever is to ensure that people are registered at birth. You will find that this is a perennial problem with people with late birth registration.

Dr. Ali: Mr. Deputy Speaker, Sir, could the Minister tell me how to register my constituents when three-quarters are pastoralists?

Mrs. Kilimo: Mr. Deputy Speaker, Sir, there is no constituency without a district headquarters. Registration is done through the Provincial Administration. They are supposed to give their notification to the chiefs who will then take returns to the district. However, this is not done. It is the duty of parents to ensure that their children are registered. It is also the duty of hon. Members to assist their constituents, whom they want votes from in the future, to be registered at birth or registered in the district so that they can get IDs.

Mr. Deputy Speaker: I am sorry, hon. Members! We have to move on. I know this is a serious matter. If I was seated where you are, I would also ask a question. However, be that as it may, I will allow the last question on this issue.

Dr. Ali: On a point of order, Mr. Deputy Speaker, Sir. I asked the Minister how I would register pastoralists. She told me to go the DC who is in Wajir, 600 kilometres away. That is why we have late registration and it is because of that, that we are penalised. What are we supposed to do?

Mr. Deputy Speaker: Mr. M.Y. Haji, that was supposed to be a point of order but the Minister will respond to that later.

Mr. M.Y. Haji: Mr. Deputy Speaker, Sir, notwithstanding that people should register at birth, the Minister said that the problem is in the border. Only yesterday His Excellency the President bade farewell to the President of Somalia. Therefore, Somali people were relocated yesterday. Could we now have our IDs issued on the ground instead of processing them in Nairobi?

Mrs. Kilimo: Mr. Deputy Speaker, Sir, I would like to start with the first question about registration of pastoralists. The issue of the registration of pastoralists has been addressed. We have elders from these communities to identify applicants for us. But the Government has only one piece of equipment that is used to issue identity cards, and it is located in Nairobi. It is only application forms that are sent from constituencies or districts to Nairobi. It is in Nairobi where we counter-check the information we have against new applications to ensure that there is no double registration.

Archbishop Ondiek: On a point of order, Mr. Deputy Speaker, Sir. Is the Minister in order to say that the forms are available in the constituencies, when she knows very well that there are no forms or cameras in the constituencies?

Mr. Deputy Speaker: Madam Minister, what is your response to that point of order?

Mrs. Kilimo: Mr. Speaker, Sir, it is at the district level where we have registration centres, and that is where sometimes we experience lack of cameras. We have registration offices in every district.

Question No.441

STREET FAMILIES MENACE IN

URBAN CENTRES

Mr. Angwenyi asked the Vice-President and Minister for Home Affairs:-

- (a) whether he is aware that street families have returned to the streets of Nairobi and other major towns in the country;
- (b) whether he is further aware that these people are a menace to the other users of the streets;
- (c) what immediate action he is taking to remove these people from the streets; and
- (d) what long-term plans he has to rid the city and other major towns of this menace.

The Vice-President and Minister for Home Affairs (Mr. Awori): Mr. Deputy Speaker, Sir, I beg to reply.

(a) Yes, I am aware that street families have returned to the streets of Nairobi and other major towns in the country. Their numbers fluctuate depending on the prevailing circumstances in the country.

(b) I am also aware that they beg, direct motor vehicles, litter the streets, scavenge, engage in petty crime, and some are known to pose a security risk. They are also exposed to physical danger and habits that are hazardous to their health.

(c) The Government initiated a rehabilitation programme in February, 2004 targeting street families. The programme is still on-going despite many obstacles and constraints. My Ministry is currently chairing an inter-ministerial committee on street children and families, and will come up with strategies for a sustainable solution to the problem.

(d) Finally, the inter-ministerial committee has developed a concept Paper, which details a strategic response to the problem facing the children, youth and families living and working in the streets. The document is due for presentation before the Cabinet for deliberation and further direction.

Mr. Angwenyi: Thank you, Mr. Deputy Speaker, Sir. Could His Excellency the Vice-President and Minister for Home Affairs tell the House the main elements of the rehabilitation programme and the major hindrances to achieving the objectives of that programme?

Mr. Awori: Mr. Deputy Speaker, Sir, I beg to answer the last question by the hon. Member first. The constraints of the programme are financial. The first thing we would need to do is remove the families from the streets and take them to rehabilitation centres, after which the first job we have to do is to "clean" them up. When I talk of "cleaning" them up, I am not talking of giving them a bath, but of cleaning them of sniffing glue and similar habits.

Mr. Maore: Mr. Deputy Speaker, Sir, the problem is not money. It is lack of courage. It is about maintaining law and order. Now, in his response to part (c), the Vice-President and Minister for Home Affairs says that the immediate action needed is to rehabilitate street families. My question is, what is his immediate plan to remove them from the streets? When he takes them to where he wants them to be, he could then do rehabilitation and perform all those other sociological and religious rituals on them. Could we have them out of the streets?

Mr. Awori: Mr. Deputy Speaker, Sir, in order to remove the children from the streets, we must have a place to settle them. The centres where we have been settling them are now over-stretched. It is not possible for us to take more there. The ultimate solution to this problem is to improve our economic situation. It is a question of dealing with health problems, so that many people do not continue being infected with HIV/AIDS, which results in deaths and orphans, who move to the streets. This is a big and complex problem. It is not just a question of children and other people coming to the streets. We have to look at the causes of the problem.

Dr. Khalwale: Mr. Deputy Speaker, Sir, last year the Leader of Government Business decided to give preference and opportunity to street children joining the National Youth Service (NYS). Could he tell us whether it is the policy of the Government to reward juvenile criminals with a

lucrative opportunity of joining the NYS and denying law-abiding children like the ones we see in our schools?

(Laughter)

Mr. Awori: Mr. Deputy Speaker, Sir, not all street children are criminals. I have enumerated some of the vices they engage in but not all of them are that way. Last year, I was given money to recruit 3,500 youths. Out of these 3,500 youths, I took 500 of them into the NYS. I am happy to say that out of those 500, we only lost three; one died, the other one ran away and the last one who was a young woman got pregnant. The remaining 497 have qualified. Some are heavy machine operators, others are tailors and others work in hotels. We have transformed these children into very good Kenyan citizens.

Mr. Angwenyi: Mr. Deputy Speaker, Sir, the Vice-President and Minister for Home Affairs shows seriousness in tackling this problem. Could he tell us today how much money he has sought in the current Budget for addressing this problem?

Mr. Awori: Mr. Deputy Speaker, Sir, I have not got the breakdown of figures but this year the amount of money that I was given can only allow me to recruit 2,200 youths into the NYS. Out of that, I will have to give a small portion to those children on the streets.

Mr. Deputy Speaker: Next Question by Mrs. Kihara!

Question No.443

REPAIR OF KONGONI-MAELLA ROAD

Mr. Deputy Speaker: Mrs. Kihara is not here and, therefore, the Question is dropped.

(Question dropped)

Next Question by Mr. Ndile!

Question No.085

IMPLEMENTATION OF SCHOOL
FEEDING PROGRAMME IN MAKUENI

Bw. Ndile alimuuliza Waziri wa Elimu, Sayansi na Teknolojia:-

(a) kama anaelewa kuwa ni shule 333 kati ya shule 843 wilayani Makueni zinazopokea chakula chini ya mpango wa "School Feeding Programme"; na

(b) ana mipango gani ya kuhakikisha kuwa shule zote Makueni zinajumuishwa katika mpango huo.

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

(a) I am aware that 333 primary schools out of 843 schools in Makueni are on the School Feeding Programme.

Mr. Ndile: Jambo la nidhamu, Bw. Naibu Spika. Unakumbuka niliuliza Swali langu kwa Kiingereza na ukanikataza. Sasa ingefaa Waziri Msaidizi ajibu Swali langu kwa Kiswahili.

(Applause)

Mr. Deputy Speaker: Bw. Ndile, unasema nini?

Mr. Ndile: Bw. Naibu Spika, unajua tulisema kama Wabunge ni muhimu tujifunze kukuza lugha ya taifa. Nimeuliza Swali langu kwa Kiswahili na ninamuomba Waziri Msaidizi alijibu kwa Kiswahili ndio aweze kuelewa zaidi.

(Laughter)

Mr. Deputy Speaker: Mr. Ndile, you are absolutely right but, as you know, we have been allowing Questions asked in Kiswahili to be answered in English. However, for now we will go on like that until we change the rules in future. So, if the Assistant Minister does not have a written answer in Kiswahili, I will allow him to proceed in English.

The Assistant Minister for Education, Science and Technology (Dr. Mwiria): Thank you, Mr. Deputy Speaker, Sir. I will continue.

(b) Because of limited resources, the Ministry has no plans to include all the schools in Makueni District in the School Feeding Programme. However, with the assistance from the World Food Programme (WFP) the Ministry launched a six month emergency operation programme, beginning on the third term of 2004, to provide midday meals to most school children in areas that are adversely affected by the prolonged drought. In fact, 285 schools in Makueni District have been put on the emergency operation programme.

Mr. Ndile: Bw. Naibu Spika, isipokuwa umemwambia Waziri Msaidizi anijibu kwa Kiingereza---

Hon. Members: Umeelewa?

Mr. Ndile: Nimeelewa lakini---

(Laughter)

Mr. Ndile: Bw. Naibu Spika, juzi uliniuliza ni kwa nini nataka kuendelea kwa Kiswahili wakati nimejibiwa kwa Kiingereza.

Mr. Deputy Speaker: Bw. Ndile, pengine alikuwa mwingine lakini si mimi. Hilo si jambo la kujadiliana sana. Ikiwa hukuelewa kwa Kiingereza, tutakutafsiria.

(Laughter)

Mr. Ndile: Bw. Naibu Spika, wewe ndiye unajaribu kuwafunza lugha la taifa. Hawajui hiyo lugha. Pia, sijui kama walipita mtihani. Unajua ni lazima upite mtihani wa Kiingereza na Kiswahili.

Mr. Deputy Speaker: Bw. Ndile, uliza swali lako!

Mr. Ndile: Bw. Naibu Spika, katika Wilaya ya Makueni kati ya shule 843 zile ambazo zinapata chakula ni 285. Wakati huu watoto hawaendi shule. Ukimwambia mtoto aende shule analia kwa sababu ya njaa Ukambani. Hata wazee wameacha mabibi zao; wakijifanya wanaenda kutafuta kazi na hawajarudi tena. Njaa iko nyingi sana Ukambani. Unajua nikingea hapa watu wanaona kama mchezo. Akina mama wameachwa peke yao kwa sababu ya njaa!

(Laughter)

Mr. Deputy Speaker: Bw. Ndile, uliza swali!

Mr. Ndile: Bw. Naibu Spika, swali langu ni hili: Katika shule 800, 200 peke yake ndizo

zinapata chakula. Waziri Msaidizi atafanya nini ili ahakikishe kwamba watoto wote wamepata chakula ili wafaidike na masomo ya bure kwa sababu itakuwa haina maana kwao kuenda shule?

Dr. Mwiria: Mr. Deputy Speaker, Sir, we do appreciate that there is no point having free primary education if we cannot retain the children that go to school because they cannot afford food or because they have other problems. However, it is not true that it is only 285 schools that are benefitting. In fact, 285 schools are in addition to the 333 schools. Let me also say that a survey was done and it was found that only 10 per cent of the population in Makeni District deserved food support and we are doing this through the emergency programme. I wish we had more resources to cover all the children, but I would also like to recommend that in addition to what is happening through the WFP and Ministries, I think parents and communities can do their bit to supplement the Ministry's efforts by providing some food for their students.

Mr. Deputy Speaker, Sir, lastly, I think in order to be a Member of Parliament you have to pass both English and Kiswahili. I wonder whether hon. Ndile passed the English exam.

(Laughter)

Mr. Kombe: Bw. Naibu Spika hata afadhali hali ilivyo kule Makeni. Huko Wilaya ya Malindi, hakuna hata shule moja inayonufaika kutokana na mradi huo wa kuwapa wanafunzi wa shule za msingi chakula. Ni lini Wizara itafanya mpango ili kuendeleza mradi huo katika Wilaya ya Malindi na sehemu zingine zote hapa nchini?

Dr. Mwiria: Mr. Deputy Speaker, Sir, I have already said that we created more schools in the areas under hardship conditions in this country. I also indicated that it is not possible to have enough resources to provide food to all the schools.

I think the question we should be asking is how come 40 years after Independence, we are still begging for food. We should also be asking questions like what measures the Government is taking to ensure that this kind of situation does not recur.

Prof. Oniang'o: Mr. Deputy Speaker, Sir, the Assistant Minister is asking a question instead of giving an answer. We are aware that food is more than just maize. During the aflatoxin crisis, we all saw on television children eating boiled maize. Could the Assistant Minister tell us what foods are under this School Feeding Programme and what the Ministry will do to ensure that it provides better food than just boiled maize?

Dr. Mwiria: Mr. Deputy Speaker, Sir, the Government is making every effort to give them a balanced diet. Perhaps, this incident of students being given boiled maize occurred in that particular school. Otherwise, we normally make every effort to give the school children a balanced diet.

Mr. Kembi-Gitura: Mr. Deputy Speaker, Sir, this is a very important Question, because it concerns policy. It is also a question of statistics. The Government, or the Ministry, has not been able to tell us what criteria they use to determine ASAL areas and which schools should benefit. Does the Government have a national policy on the School Feeding Programme, because even in the areas that are perceived to be reasonably well-to-do, we see children who need to be fed in order to go to school?

Dr. Mwiria: Mr. Deputy Speaker, Sir, the decision as to which schools would fall under the School Feeding Programme were made based on which districts fall under hardship areas in this country. There are many questions about the definitions of those districts. We do appreciate that there are pockets of poverty even in districts that are supposed to be well off economically. Therefore, we hope that the survey that has been conducted through the Office of the President, in partnership with other organisations, will come up with a clear objective criteria that will determine which parts of the country deserve to benefit from such a programme.

More importantly, we need also to appreciate the fact that, as a Ministry, we have a

responsibility to ensure that in order to really educate children in school, we have to do more than just getting them to school, including ensuring that they are healthy and have eaten before going to school.

Mr. J.M. Mutiso: Mr. Speaker, Sir, the Minister has just told us that both the School Feeding Programme and the emergency programme are catering for 285 schools besides the 333 schools. Information has it that, already, the supplies have run out in these schools. Could the Assistant Minister give an undertaking to replenish the stocks in these schools?

Dr. Mwiria: Mr. Deputy Speaker, Sir, of course, we will look into it. We will do our best in terms of addressing the problem depending on the circumstances, including availability of resources and the support we will get from other partners.

Mr. Ndile: Bw. Naibu Spika, hili ni Swali la maana sana, isipokuwa, kwa sababu Waziri Msaidizi anatoka sehemu ya Meru ambako kuna majani chai, kahawa, na nimesikia kwamba watoto wa kutoka sehemu hiyo wanakula *miraa*, na kwa hivyo hawana shida ya chakula kama sisi, hawezi kujua shida tunayopata, kwa sababu hatoki sehemu ninakotoka.

Bw. Naibu Spika, jana nilikuwa katika shule moja kule Masongaleni inayoitwa Ulilanzi na mwalimu mkuu aliniambia kwamba, aliwafukuza wanafunzi lakini wakamwambia kwamba awe anawafukuza baada ya kula chakula cha mchana. Nilipomuuliza mwalimu pahali wanakotoa chakula, aliniambia kuwa kile chakula kinachotolewa---

Mr. Deputy Speaker: Bw. Ndile, ni wakati wa Maswali! Uliza swali lako.

Mr. Ndile: Bw. Naibu Spika, watoto wetu huko Ukambani hawana chakula; wana njaa. Ningependa Waziri Msaidizi atuambie watakula nini, ama ikiwa atatupatia *miraa*.

Dr. Mwiria: Mr. Deputy Speaker, Sir, it seems like Mr. Ndile does not know that *miraa* is a drug. We cannot supplement food resources to the people of Ukambani with *miraa*. Secondly, I do not represent a *miraa* growing area. We will have to refer such an issue to Mr. Muriungi or Mr. Maore. In fact, part of my constituency is also semi-arid like that of Mr. Ndile, except that I do not benefit from food aid because in those days, my constituency was not one of the politically-correct constituencies. We shall do everything possible to ensure that the children of Makueni District, who deserve food aid so that they can continue with school, are supported.

Mr. Deputy Speaker: The next Question is by the hon. Member for Lugari and---

Question No.161

TITLE DEEDS FOR MAUTUMA
SETTLEMENT SCHEME BENEFICIARIES

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

Mr. Deputy Speaker: Order, Madam! I am speaking!

Dr. Kibunguchy has requested that this Question be deferred. This is the second time the hon. Member has asked this. I will grant this, but it will be the last time. So, this Question is deferred for the last time until tomorrow afternoon. If he will not be here to ask the Question, then I am sorry, it will have to be dropped.

(Question deferred)

Mr. Deputy Speaker: Now, what is your point of order, Dr. Ojiambo?

Dr. Ojiambo: Mr. Deputy Speaker, Sir, is it correct for the hon. Member to insinuate that children in Meru eat *miraa* instead of food?

Mr. Deputy Speaker: We have passed that Question!

*Question No.103*SHORTAGE OF INSTRUCTORS
AT BUNGASI POLYTECHNIC

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

- (a) whether he is aware that there is a serious shortage of instructors at Bungasi Polytechnic in South Wanga Division, Butere/Mumias District; and,
- (b) what action he is taking to alleviate the situation.

Mr. Deputy Speaker: Is there anyone here from the Ministry of Labour and Human Resource Development? Mr. Vice-President, there is no one to answer Question No.103!

The Vice-President and Minister for Home Affairs (Mr. Awori): Mr. Deputy Speaker, Sir, I will have to call the Minister and tell him to come and apologise. I request that this Question be put back on the Order Paper for tomorrow afternoon.

Mr. Deputy Speaker: Mr. Osundwa this Question is deferred until tomorrow.

Mr. Osundwa: Mr. Deputy Speaker, Sir, this Question was filed before we went on recess. It was postponed last week. We know the Minister is in Geneva, but the Assistant Minister is fond of absconding whenever such Questions come before the House.

Mr. Deputy Speaker: Mr. Osundwa, the Vice-President has undertaken to have this Question answered tomorrow and the Chair has concurred. So, this Question will be answered tomorrow afternoon.

(Question deferred)

*Question No.117*FINANCIAL CRISIS IN
MOGOGOSIEK SACCO

Mr. Bett asked the Minister for Co-operative Development and Marketing:-

- (a) if he could name the SACCOs sanctioned to provide front office banking services in Buret, Bomet and Kericho districts;
- (b) if he could table the debt portfolio of these SACCOs;
- (c) whether he is aware that Mogogosiek SACCO is facing a financial crisis; and,
- (b) what steps he is taking to help this ailing institution.

The Assistant Minister for Co-operative Development and Marketing (Mr. Kenneth): Mr. Deputy Speaker, Sir, I beg to reply.

(a) There are four SACCOs sanctioned to provide front office banking services in Kericho, namely; Kipsigis Teachers, Ndege Chai, Kericho Teachers and Komurko. In Buret District there are three, namely; Buret Tea Growers, Chepsol Tea Growers and Konoin Tea Growers. In Bomet District there are two; Sot Tea and Iten Hospital.

(b) The debt portfolio of the SACCOs is as follows: Kipsigis Teachers has borrowed to the tune of Kshs161,573,338; Ndege Chai has borrowed Kshs3.4 million; Buret Tea Growers, Kshs29 million; Konoin Tea Growers, Kshs7.1 million and, Sot Tea, Kshs12.225 million.

(c) I am not aware of a SACCO called Mogogosiek and, as a result, part (d) of the Question does not arise. I am not able to take any action.

Mr. Bett: Mr. Speaker, Sir, the debt portfolio is quite huge. Konoin Tea Growers borrowed Kshs7 million from the members and yet it had misappropriated over Kshs30 million belonging to the same members. Is the Assistant Minister aware of that situation? If he is aware, what steps is he taking

to bring to book those who have misappropriated Kshs30 million belonging to farmers?

Mr. Kenneth: Mr. Deputy Speaker, Sir, I am aware that there is a SACCO called Konoin which is in a town called Mogogosiek. Although part (c) of the Question asked about a SACCO called Mogogosiek, I would like to state that I am not aware of a SACCO going by that name. However, with regard to the SACCO called Konoin, I know that it was started in 2001. Actually, the members' savings stood at Kshs28 million and not Kshs30 million. The society has been experiencing problems because the loaning procedures and insider borrowing have been heavy. However, the Co-operative Bank took action and managed to recover about Kshs41 million of the members' savings by way of repayment of a loan and an overdraft.

Mr. Deputy Speaker, Sir, we have carried out a spot-check and the above mentioned anomalies have been detected. Last year, we ensured that elections in that particular society were held. The members who had misappropriated the money were voted out. The people who were managing the society; that is, the manager and the accountant, were then arrested. They were charged in a court of law on 7th January, 2005. The case was mentioned last month and we expect that appropriate criminal proceedings will take place.

Mr. Muiruri: Mr. Deputy Speaker, Sir, there are a lot of problems in the administration of SACCOs. The Assistant Minister has admitted that quite a good number of people have been arrested and others are still being arrested for misusing funds that belong to SACCOs. The only way out of these problems is to bring a Bill to this House to regulate all SACCOs. When will the Ministry bring to this House such a Bill to ensure that SACCOs are properly managed and members do not continue to lose their money and deposits?

Mr. Kenneth: Mr. Deputy Speaker, Sir, that is a very good question. Indeed, the Ministry has formulated a new SACCO Bill. During the Budget Speech, the Minister for Finance alluded to a new Bill that will be brought before this House later this year. At the moment, the SACCO Bill is actually being drafted at the Attorney-General's Chambers.

(Loud consultations)

Mr. Deputy Speaker: Order, Members! Order!

Mr. Muturi: Mr. Deputy Speaker, Sir, perhaps, we need to know the following from the Assistant Minister: Now that we know that there are several SACCOs operating without any defined legislative legal framework, what is the Ministry's position regarding the goings-on such as insider-lending which is happening in several other SACCOs around the country?

Mr. Kenneth: Mr. Deputy Speaker, Sir, in fact, most front offices of SACCOs that provide banking services operate under the Co-operative Act. One of the first things that will happen, as a result of the new amendments that were passed in this House, is that there are certain regulations that will have to be adhered to. That is why we ordered that all co-operative societies, including SACCOs, hold their elections by 30th April, 2005. This was a way of weeding out the bad crop that existed in the SACCOs. We believe that once we enact the SACCO Bill, the prudential regulations will be in place. However, at the moment, we are tied to the Co-operatives Act.

Mr. Bett: Mr. Deputy Speaker, Sir, noting that there is a lot of mismanagement in SACCOs, what step is the Ministry taking to improve on the management capacity in these institutions?

Mr. Kenneth: Mr. Deputy Speaker, Sir, with regard to Konoin, we have tried to solve the problem by sending an extension officer to the SACCO.

Currently, we are also trying to make members aware of whatever is going on by making the inquiry report open. Members of SACCOs can now easily know what the pitfalls in their SACCOs are and even assess their SACCOs in a much better way than before.

Mr. Deputy Speaker: Very well! That marks the end of Question Time.

Next Order!

WRITTEN REPLY TO QUESTION NO.295

COMPLETION OF ADJUDICATION IN NZAUNI AND MBONDONI

Mr. Musila asked the Minister for Lands and Housing:-

- (a) whether he is aware that on 15th November, 2000 the then Minister for Lands and Settlement in an answer to Question No.565 stated that Nzauni, Kanyaa and Mbondoni Adjudication Section areas were to be completed by June, 2001;
- (b) whether he is further aware that contrary to his statement, the adjudication areas remain uncompleted to date and no title deeds have been issue; and,
- (c) when these adjudication areas will be completed and titles issued.

The Minister for Lands and Housing (Mr. Kimunya): Mr. Speaker, Sir, I beg to reply.

(a) I am aware that on 15th November, 2000 the then Minister for Lands and Settlement promised that Nzauni, Kanyaa and Mbondoni Adjudication Areas would be completed by June, 2001.

(b) As per the then Minister's statement, two of the adjudication sections have been completed. Nzauni was completed on 15th December, 2000 and Mbondoni on 11th July, 2001. Kanyaa Adjudication Section is not yet completed due to a technical problem of the maps with those of registered Nzauni Adjudication Section. This problem is being attended to and it is expected that the area will be completed by the end of next year.

(c) Land owners can collect their titles for Nzauni and Mbondoni areas from the District Land Registry.

COMMITTEE OF WAYS AND MEANS

(Order for Committee read)

MOTION

THAT MR. SPEAKER, DO NOW
LEAVE THE CHAIR

*(The Minister for Finance
on 8.6.2005)*

*(Resumption of Debate
interrupted on 9.6.2005)*

(Second Day of Budget Debate)

Mr. Deputy Speaker: Mr. Kimunya was on the Floor. Is he present? If he is not present then he forfeits the seven minutes that were due to him.

Proceed, Mr. J. Nyagah!

The Assistant Minister for East African and Regional Co-operation (Mr. J. Nyagah): Thank you, Mr. Deputy Speaker, Sir, for giving me this opportunity to talk about the Budget Speech that was very ably presented by the distinguished Minister for Finance, Mr. Mwiraria.

First and foremost, I wish to thank the Minister for Finance who, despite the very difficult circumstances that the economy is going through, was able to almost balance his books. I thank him because, for the first time in the history of Kenya, he was able to prepare a Budget that is not dependent on foreign donors. As we all know, Kenya and, indeed, most African countries are very dependent on foreign donors. The effect is that we have to obey instructions given to us by those external donors. It is not possible to depend financially on donors and then expect not to be given political instructions by them. I really thank the Minister because for the two years he has been in charge of the Ministry of Finance, he has been able to reduce dependence on foreign donors. You will recall that, two years ago, when he was appointed Minister for Finance, he was almost over-dependent on donors. We even told him that, that was not possible.

Mr. Deputy Speaker, Sir, I wish to also thank the Kenya Revenue Authority (KRA). We all know that KRA has done a wonderful job of collecting revenue. This year, it is expected that KRA will be collecting record revenue which is able to meet the bulk of our Recurrent Expenditure. When a country is able to collect from local resources the kind of money that KRA is collecting, that is an indication that we have an organisation that is doing a good job. I wish them success and we need to give them whatever they want so that they can continue collecting revenue on our behalf.

Mr. Deputy Speaker, Sir, revenue sources, such as airports, are very important with regard to collection of revenue. I know that, in the past, a lot of commodities passed through our airports without being taxed. The money used to disappear in the Treasury and yet we expected Kenya to become the hub of airport services. The Kshs2 billion, or more, that the Kenya Airports Authority (KAA) is going to collect and reflect in its books of accounts will, for sure, guarantee that Kenya becomes the hub of airport services in the East Africa region.

As we prepare for the formation of the East African Community (EAC), it is important to ensure that the Kenya Airports Authority (KAA) has enough resources for development of airport facilities. Similarly, we should also channel airport revenue to the Kenya Civil Aviation Authority (KCAA) to allow them to modernise facilities at the airports. For a very long time now, pilots have feared landing at the Jomo Kenyatta International Airport (JKIA), especially when there are poor weather conditions. I believe that the Kshs1.6 billion estimated revenue will be channelled to the KCAA to sort out some of those problems. This revenue will also assist the KCAA to enter into contracts with external funding authorities. This is because they will have a base which will be reliable.

Mr. Deputy Speaker, Sir, in many countries, the betting tax is a major source of income. It is high time we allowed collection of tax from casinos and lotteries. There are national rotaries in various countries such as Britain and Germany. When I look at the Printed Estimates, I see that the tax we expect from this area this year is very negligible. I would urge the Minister to address this issue in next year's Budget and also approve a national lottery. I appreciate the fact that there is competition because there are many Kenyans who would like to own it. I hope that it will be possible for us to come up with a national lottery.

I am happy to note that the Nyayo Tea Zones, KenGen and Kenya Ports Authority (KPA) in this year's Budget are expected to pay debts to the Treasury. This is the first time, for a very long time, that parastatals of this kind will be paying debts. This will give the Government extra revenue.

Mr. Deputy Speaker, Sir, at the very last pages of the Printed Estimates of Recurrent Expenditure is always a schedule which hon. Members do not address. This is on Public Debt. I notice, as I did last year, that this schedule consists of loans that the Government will be repaying. I would like the Minister, when he responds, to tell us the purpose of these loans. One such loan is called Universal Satspace. Last year, the Government paid Kshs674,081,920. This year, the Government will be repaying Kshs355,264,896. What is that loan for? There is another one of about Kshs600,400,000 for a company called Ciarasystems. We also have other loans of Kshs465,586,500 to be paid to First Merchantile. Midland Finance will be paid Kshs2,236,752,000, and yet, we know it

is a subsidiary of Hong Kong Banking Corporation (HKBC). What are all these loans for? It will be important for the Minister to give an explanation on these figures when he responds. This is because, in the past, items printed in this schedule of the Printed Estimates ended up creating problems for us. In fact, they are sometimes the source of commissions and end up wasting a lot of resources when people do not know what they are all about. So, just for ease of mind and to make it very transparent, I hope the Minister will be addressing these particular pages, so that Kenyans know what the Government is repaying and what those debts really consist. As I said, they have been the cause of some of the problems. In fact, they put us in very serious trouble last year.

Mr. Deputy Speaker, Sir, I would like to address the role of the EAC. First of all, I would like to thank the three Ministers of East Africa for the way they are now co-ordinating issues. I know they were doing so before, but this time the co-ordination of the Budgets by the three East African Ministers for Finance is commendable. In the last six months, they have been able to create the Common External Tariff (CET). We had problems with second-hand clothes commonly known as *mitumba*, pharmaceutical products and a few other things. However, these hiccups often arise when a new programme is being put into place. It is my hope, prayer and wish that we will be able to do more under the EAC. I also hope that our three Ministers for Finance will continue working closely for the benefit of our people. Our three central banks should also continue working closely as it was envisaged in the Sessional Paper that was presented before this House on Fast-Tracking of the East African Community. I hope that, in the financial front, we will be able to do more. This is particularly important given the fact that a quarter of all our trade is with Tanzania and Uganda.

Mr. Deputy Speaker, Sir, a very good friend of mine, the Minister for Planning and National Development, told us that the economy grew by 4.3 per cent last year. We have all heard the public debate in our newspapers with regard to this issue. There are question marks as to whether that is, in fact, true. Indeed, it is true. However, the people at the grassroot have not yet noticed the 4.3 per cent growth rate. It is my hope that, with the projects that are coming up, the Constituency Development Fund (CDF), the Kenya Roads Board (KRB) and the money that is being sent to constituencies, we will be keen to see the effect of economic growth at the grassroot level.

I would have gone on to speak about agriculture. However, because my time is up, let me say that we must aim at giving agriculture at least 10 per cent of our national Budget.

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

Mr. Wario: Asante sana, Bw. Naibu Spika, kwa kunipa fursa hii ili niweze kuchangia Hoja hii. Kwanza kabisa, ningependa kumshukuru Mwenyezi Mungu kwa kuiwezesha nchi hii kufikia wakati mwingine ambapo Bajeti ya taifa imeletwa mbele ya Bunge hili.

Ningependa kumuuliza Waziri wa Fedha ni kwa nini anapowasilisha makadirio ya pesa za Serikali asizungumze kwa lugha ya Kiswahili ili Wakenya wajue ni wapi watafaidika au kupata hasara? Ukweli ni kwamba Wakenya hawaiielewi Bajeti inaposomwa hapa Bungeni. Wanaielewa baada ya mwezi mmoja. Ni vizuri waiielewe ili wajue kama ina faida au hasara kwao. Iwapo Bajeti hii itasomwa kwa lugha ya Kiswahili, hata yule Mkenya aliye mashambani ataiielewa siku ya kwanza. Kwa nini ninapendekeza Bajeti isomwe kwa lugha ya Kiswahili? Hii ni kwa sababu katika Bajeti ya mwaka huu, Bw. Waziri alituambia hakuzingatia pesa za wafadhili. Hata hivyo, Kshs23.5 bilioni ambazo ni za kusimamia Bajeti mwaka huu, ni pesa za wafadhili au ni za nani? Ningependa kumkumbusha Waziri kwamba pesa za kutoka KFW, kutoka Ujerumani, ambazo zimetolewa kwa minajili ya barabara, ni pesa za wafadhili. Je, Waziri akisema ukweli, Wakenya watakuwa na shida yoyote naye?

Bw. Naibu Spika, ninajua unafahamu mradi wa Mt. Kenya East Water Project. Pesa hizi zote zitaletwa na wafadhili. Hata hivyo, Bw. Waziri alipokuwa akiisoma Bajeti, alisema hakuzingatia pesa za wafadhili. Shida iwapi ikiwa Bw. Waziri angewaeleza Wakenya ukweli wa mambo? Ningependa Bajeti ijayo isomwe kwa lugha ya Kiswahili ili Wakenya waiielewe na kumkosoa Bw. Waziri.

Bw. Naibu Spika, natoka katika wilaya kame hapa nchini. Nina huzuni kuwa Wilaya ya Tana

River haijawahi kuwa na umeme.

Bw. Naibu Spika, ni miaka 40 tangu tupate Uhuru wetu, lakini watu wetu hawajawahi kuona umeme. Raisi alituambia kwamba ataelekeza nguvu za Serikali katika sehemu za nchi zilizo kavu. Je, hizi ni hekaya za Abunuasi au ni nini? Kutoka Raisi aseme hivyo, Bajeti husomwa na twaambiwa kwamba sehemu kame zitapatiwa pesa. Pesa hizo ziko wapi? Kila mwezi wa sita, Bajeti husomwa hapa, lakini huwa haisaidii maisha ya watu walio mashinani.

Ningependa kumwambia Waziri wa Fedha kwamba sehemu kame zina rasilimali nyingi ambazo zinaweza kuboresha na kufaidi nchi hii. Katika sehemu kame, utapata mawe aina ya jasi, mifugo na rasilimali nyingine mbalimbali ambazo zikichukuliwa, zinaweza kuboresha uchumi wa nchi hii, ili Wakenya wanaoishi kwenye sehemu hizo wafaidike kama Wakenya wengine. Siridhiki na mambo ambayo Waziri hutuambia kila siku kuhusu pesa zilizotengewa sehemu kame.

Hakuna pesa zilizotengewa Wizara ya Mifugo na Ukuzaji wa Samaki, ili kuboresha soko la mifugo. Tumekosa kupata kifungu cha kuuza mifugo katika soko la Uingereza na Ulaya, kwa sababu ya maradhi ya mifugo. Vyuho viwili ambavyo vilikuwa vikisimamia utafiti wa mifugo vimeondolewa chini ya Wizara hiyo kwa sababu ya kukosa pesa na usimamizi mbaya, na kupelekwa chini ya Kenya Agricultural Research Institute (KARI). Ndoto yangu ilikuwa kwamba Waziri atakaposoma Bajeti mwaka huu, angetenga pesa rasmi kwa minajili ya soko la mifugo, ili Wakenya wanaoishi katika sehemu kame wanufaike. Waziri anaposema kwamba ametenga Kshs10 billion za kusaidia sehemu kame, wala hakuna hata sumuni iliyotengwa ya kuinua soko la mifugo, pesa hizo zina maana gani?

Nilifikiri kwamba, Serikali ya NARC, baada ya kutulia na kuleta nyumba yao pamoja, ingefikiria juu ya kuboresha maisha ya Wakenya. Nilifikiri kwamba Bajeti iliyosomwa hapa ingepunguza hali ya umaskini katika sehemu za mashambani.

Waziri alituambia kwamba alipandisha bei ya sigara na pombe. Kufikia leo, bei za bidhaa hizo bado ziko vile zilivyokuwa. Hii ilikuwa hekaya ya Abunuasi. Waziri alituambia kwamba alifanya *zero-rating* kwa chakula cha mwananchi wa kawaida. Hii ilihusisha bei ya bidhaa kama vile unga, sukari na mafuta ya kupikia. Kwa nini Waziri asisimame hapa na kutuambia kwamba kuanzia dakika hii, bei ya unga imeenda chini? Ana uwezo wa kufanya hivyo! Anapotuambia mambo ya *zero-rating*, hatuaidii. Inatuchukua muda gani kwenda kudai pesa za *zero-rating*? Wanachezewa shere Wakenya! Maskini wanachezewa shere. Bei za unga, sukari, mafuta na majani chai hazitapunguka. Nitaunga mkono Serikali itakapoanza kuboresha hali ya watu maskini. Leo, tumeambiwa kwamba bei ya sukari na unga imewekwa katika hali ya *zero-rating*. Kwa nini Waziri asisimame hapa na aseme kwamba amepunguza bei ya bidhaa hizi, nami nimuunge mkono? Maswala ya *zero-rating* ni kama hekaya za Abunuasi na sitayaunga mkono kamwe! Bajeti haijaangalia masilahi ya masikini.

Ushuru unaotozwa wakulima wa bustani wanao uza bidhaa zao katika nchi za nje umepunguzwa. Ni maskini wangapi wanaweza kuuza maua katika nchi za nje? Tumepunguza ushuru katika sekta ya kilimo cha bustani, lakini ni maskini wangapi wanaofaidika na kilimo hiki? Hivi ndivyo Serikali ya NARC inavyojali maslahi ya maskini katika nchi ya Kenya?

Waziri pia alipunguza ushuru unaotozwa magari ya kifahari kutoka asilimia 60 na kuwa asilimia 20. Ningependa kuwaambia Wakenya wafungue macho na kuangalia mbele kwa sababu wanachezewa shere. Ni masikini wangapi wanaoweza kununua magari ya kifahari? Nimetoka sehemu ya Bura, huko Tana River, ambapo watu hawajawahi kuwa na nguvu za umeme kwa miaka 43 tangu tupate Uhuru. Waziri aliipunguza bei ya magari ya kifahari na ile ya bidhaa za kilimo cha bustani. Je, anayajali maslahi ya masikini? Kweli, angetaka nimuunge mkono kwa kuwachezea Wakenya shere?

Bei ya Liquefied Petroleum Gas (LPG) ilipunguzwa. Kwa nini Waziri asitangaze kuwa amepunguza bei ya mitungi ya gesi ambayo maskini hununua, badala ya kupunguza bei ya LPG? Nataka kuwaambia maskini wafungue macho. Wakenya walipewa sifa za Bajeti na kuambiwa kwamba inajali maslahi ya maskini. Yote hayo ni shere. Wakenya wanafaa kukaa macho na kuiangalia Serikali hii. Wakenya wanafaa kumuuliza Waziri: Anapopunguza bei ya magari ya kifahari, ni maskini wangapi

watakaoenda sokono kuyanunua? Hata hivyo, wahenga walisema, *Baniani mbaya, kiatu chake dawa*. Mahali kuna sifa, tutaisifu Serikali hii.

Tunataka senti za Serikali ziwafikie watu walio mashinani. Hapo awali, asilimia 80 ya Bajeti yetu ilifaidi idadi asilimia 20 ya Wakenya. Leo, kuna mbinu mpya ya Consituency Development Fund (CDF), yakugawia wananchi pesa. Huu ndio uhuru! Ninaamini kwamba sasa tuko karibu kupata uhuru. Kwa nini ninasema hivyo? Ninasema hivyo kwa sababu uhuru hauwezi kuwa wa maneno peke yake. Ni lazima tupate uhuru wa uchumi. Ni lazima sisi sote tupate kifungu sawa cha senti ambazo ni fedha za nchi hii.

Kwa hayo machache, naunga mkono.

Mr. Muite: Mr. Deputy Speaker, Sir, while supporting the Budget, it is good to point out both the good points and the areas where improvement could have been done.

I will begin with the issue of the CDF. To make my first point, this principle and concept is very good. It is true that there may be some hon. Members who are doing things which should not be done with the CDF. These are things like appointing our relatives to manage the funds and favouring one location at the expense of others. Those are weaknesses which can be sorted out. They can be improved. I will say that any hon. Member who abuses CDF by appointing their relatives or favouring one location at the expense of another is a double-edge sword. The employer of any particular hon. Member are his voters. Any of us who indulges in that sort of thing will face judgement when election time comes. We should not derail a good concept because of a few hon. Members who may be abusing it. The concept is good because in the past, the situation was that one individual, since he was a chief executive, would take the national resources and decide where to take them. He would decide not to place the resources in some areas because the residents were not supporting the President in power.

The idea of ensuring that each constituency is given money in the form of CDF is a very good beginning. I hope that we will move an amendment of the Act to become law. Where an hon. Member concentrates on developing a particular location, we should know that the location is still within the constituency. The other side of that coin is to remember that there are political opponents of sitting hon. Members, who go fighting individuals against the arrangement of spending the CDF. This needs to be factored in. Majority of the people on the ground are not complaining. Where we have complaints, there are opponents who think that the sitting hon. Member should appoint them to decide on what project should be undertaken, what location should be given priority and how the money should be spent.

Mr. Deputy Speaker, Sir, my proposal is that it is utterly wrong to stop the implementation of the CDF projects money in any constituency in this country because of political quarrels from political opponents of a sitting hon. Member. The courts have also become too trigger-happy in issuing injunctions and orders to block the release of the money from the accounts, even when that money is going to support projects within the constituencies. So, even where people from another location are complaining, it is the people of that constituency who are benefiting. So, that is not enough reason to block the money. Where money has been misappropriated, that is a police case. If any Member of Parliament, any Committee member or any office bearer is misappropriating the money, report to the police so that, action can be taken. My proposal is that we need to amend the law and take out all issues to do with the CDF from the magistrates courts and any other courts. Let us provide in the law that, if there are any people who are dissatisfied with the manner in which the constituency committees have been constituted; the manner in which the money is being disbursed, those complaints should come to the National Committee here, and its decision is final and should not be questioned in any court. That way, we can use that money expeditiously. That is how we will eradicate poverty.

Mr. Deputy Speaker, Sir, when you examine the philosophical foundation or anchorage of this Budget, it is still very conservative. We have used a very conservative mode in the manner in which we

have drawn this Budget. Why do I say so? Recently, you heard Mr. Tony Blair - the British Prime Minister, sits down with think-tanks and comes up with an initiative to write off Third World debts, in order to try and assist the economies of those countries to rejuvenate. It was his initiative. It was an initiative of the developed countries. He went further and held meetings with the President of the United States of America (USA), the President of Russia and the European Union (EU). The point that I am making here is: Where is our initiative as a country? Why do we not sit down and draw our own initiatives, instead of waiting for the Western nations, the World Bank and International Monetary Fund (IMF) to design them for us? Why do we not sit down, draw up our own initiatives and sell them to the developed countries?

Mr. Deputy Speaker, Sir, Kenya spends over Kshs76 billion every year to repay debts. Why can we not sit down and draw a road-map showing our priorities - and that is what I mean by drawing a Budget which is not conservative--- Our priority is the rehabilitation of our infrastructure. Our roads should be rehabilitated across the country. We should extend the railway network and not rely on the one that was built by the British 100 years ago. We should rehabilitate the infrastructure and supply electricity everywhere. The hon. Member from Tana River said that he has never seen electricity. No area in the Republic of Kenya should be without electricity! We must also lower the cost of electricity, so that irrigation and industries could become competitive. That is where our priorities are. We should construct dams in Nairobi and all the arid areas to harvest rain water. That is where money should be allocated. Therefore, we should come up with a package, go to the donors and tell them: "For the next five years, we are suspending repayment of aid to you! We want to spend this money to do "X", "Y" and "Z"!"

Mr. Deputy Speaker, Sir, at the end of the Second World War the USA forgot about balancing the budget. You do not worry about balancing the budget where the economy is nearly dead. You spend the money and allow that budget deficit to widen. When you have good infrastructure, a lot of water harvested from rains, energy in all parts of the country, competitive horticulture, money will start flowing in three to five years. That is when you balance the budget. But when you balance the budget in your books when people are hungry, jobless and cannot feed themselves, of what use will be that balancing of the budget?. That is why I am saying that, we need to come up with a philosophical, radical and innovative approach to our Budget. We should discard the traditional and conservative ways. They will never revive our economy. People have spoken here and said that, if the income increased for only 10 per cent of the people and 90 per cent are poor, and the infrastructure is the way it is, then those statistics do not make sense to anybody. We need to spend money to buy equipment and vehicles for police officers, so that they can restore order in this country. Until we see tangible benefits in terms of the revival of the economy, we cannot "eat" statistics!

With those few remarks, I beg to support.

Mr. Mwandawiro: Bw. Naibu Spika, ahsante sana kwa kunipa nafasi hii kuzungumzia kuhusu Bajeti. Jambo la kwanza ni kwamba, lugha ya Bajeti iwe rahisi na ya kueleweka. Tunategemea kwamba kuanzia Bajeti ya mwaka ujao, tusiwarubuni wananchi wa Kenya. Ikiwa kodi ya gesi, unga na sukari imepungua, tunataka mapendekezo yatoke kutoka kwa Waziri wa Fedha. Inafaa aseme: "Kuanzia kesho, bei ya sukari na gesi itakuwa hii!" Sasa, Serikali inaonekana kama kichekesho mbele ya wananchi wa Kenya. Inaonekana haina meno hata kidogo! Ni kama kwamba hakuna Serikali. Mimi nimesema mara nyingi kwamba katika nchi hii, tumechagua mfumo wa ubepari - uchumi huria. Kwa vile tuko na uchumi huria, tunasema kwamba hatuwezi kudhibiti bei ya bidhaa. Kwa hivyo, tunakuwa chini ya makwapa ya mabepari wa kati wenye viwanda. Kwa hivyo, tunakuwa kama kichekesho kwa sababu tunakuja hapa kutengeneza Bajeti na kesho, wanasema bei haitabadilika. Tukisema kwamba tumepandisha bei ya bia na sigara, wanapandisha bei hizo mara moja. Hao ni mabepari na wanajua vile watachuma faida. Kwa hivyo, mimi naomba kwamba katika Bajeti ya mwaka ujao, Waziri wa Fedha afikirie kwa kirefu na kipana na akija hapa, wakati anasema amepunguza kodi ya kitu fulani,

apendekeze bei ya kitu hicho. Akifanya hivyo, wananchi watamwelewa vyema.

Bw. Naibu wa Spika, tutaendelea kukumbwa na shida kutokana na imani tuliopewa na mataifa ya kibepari ya kuamini kwamba njia pekee ya kuendelea katika nchi hii ni kuhuruisha uchumi na mashindano. Kwa hivyo, hatuna mikakati madhubuti ya kutekeleza Bajeti ya wananchi yenye inayoweza kufufua kilimo, viwanda na biashara kwa wananchi wa Kenya. Bajeti imekuwa ya kukaribisha kiholela ubinafsishaji wa kila kitu. Tumekuwa watu rahisi zaidi, badala ya kufikiria kwa undani na kuangalia hali halisi ya nchi yetu na raslimali zake. Badala ya kuiga mfano wa nchi kama zetu - za Dunia ya Tatu - kama Cuba, tunalinganisha uchumi wetu na ule wa nchi bepari kama Japan. Ndio maana lugha inayozungumzwa ni rahisi sana: "Lazima tubinafsishe Kenya Commercial Bank (KCB), National Bank of Kenya (NBK), sehemu zingine za bandari na kila kitu." Ukichunguza kwa marefu na mapana, na hasa uwaulize waliosoma kwa undani siasa ya kiuchumi na kuangalia Afrika na Dunia ya Tatu katika hali hiyo, hatua hizo hazijawahi kuondoa umaskini. Nashukuru kwamba Waziri wa Fedha alikuwa na nia nzuri ya kutohusisha pesa tunazotarajia kutoka kwa wafadhili katika Bajeti ya mwaka huu. Lakini nia hiyo itaweza kutekelezwa ikiwa tutakuwa na mikakati madhubuti ya kiuchumi na kisiasa ambayo itazingatia raslimali zetu. Je, sisi kama nchi, tunaweza kuwa na mikakati gani ili tuwe na msingi maalum?

Bw. Naibu Spika, katika sehemu yako ya Uwakilishi Bungeni, kuna makaa ya chuma, yaani, *coal*. Sehemu yangu ya Uwakilishi Bungeni ina chuma nyingi sana. Chuma hizo huchimbwa na kutumiwa na watu wetu. Tunajua kwamba tukiunganisha makaa ya chuma na chuma yenyewe tutaweka msingi maalum wa viwanda katika nchi hii. Kuna raslimali ya kutosha katika nchi yetu. Tukianzisha viwanda kama hivi tutaendelea kwa mambo mengi yanayohusu usafiri wa barabara na reli.

Nikiangalia mbele, kama taifa, kuna njama kubwa sana ya mabepari ya kuhakisha kwamba nchi hii haiendelei. Hawataki nchi yetu kukuwa na kuendelea kwa kasi. Ni kweli kuwa ufisadi bado upo katika nchi. Lakini ufisadi upo katika kila nchi. Kwa hivyo, hiyo si sababu tosha ya mataifa yenye uwezo mkubwa wa kiuchumi kukataa kufutulia mbali madeni ya Kenya. Kwa hivyo, tunafaa kufikiria hali halisi na kuweka mikakati madhubuti ambayo itatuwezesha kuendelea mbele.

Nafurahi pia kwamba katika Bajeti, wafanyakazi wa Serikali na walimu wametengewa kiasi fulani cha pesa zitakazoimarisha mishahara yao na kuboresha hali yao ya maisha. Hilo ni jambo nzuri sana. Hata hivyo, naomba shetani asituingilie tuanze kuwapunguza wafanyakazi wa umma. Hatua kama hiyo haitapunguza umaskini hapa nchini. Ni lazima tuhakikishe ya kwamba hali halisi ya wafanyakazi inaboreshwa zaidi ili tuendeleo kuwa maarufu katika nchi. Ni lazima tuimarisha hali ya watu wetu. Watu wetu watatusaidia kuimarisha uchumi wetu.

Nafurahi pia kwamba Kshs500 milioni zimetengwa kwa ajili ya kujenga nyumba katika mitaa ya mabanda. Ni aibu kubwa sana kwamba kila mwaka mitaa ya mabanda inaongezeka. Ni lazima tuwe na sera maalum ya kuhakisha kwamba mitaa ya mabanda imeimarishwa mara moja.

Bw. Naibu Spika, ili tuendeleo kuwa na maendeleo hapa nchini, ni lazima tukitenga pesa za miradi, tuzitumie mara moja. Kuna sheria ngumu zaidi ya kutoa pesa kutoka kwa Wizara ya Fedha. Kuna sahihi nyingi zinazohitajika ili pesa hizo zipatikane. Jambo hili huchelewesha sana utekelezaji wa miradi. Kwa mfano, miradi ya maji na barabara huchelewa sana. Kwa hivyo, ni lazima hiyo sheria ya kutuwezesha kupata pesa kutoka kwa Wizara ya Fedha ifanyiwe marekebisho ili pesa zikitengwa zitumiwe mara moja.

Ni lazima Serikali ifanye kazi yake. Kuna mambo ambayo hayahitaji pesa ndio yafanyike. Kwa mfano, kuna Wizara inayohusika na Serikali za Wilaya. Inashangaza kwamba watu wamejenga nyumba kiholela katika mitaa yetu. Pia kuna uchafu kila pahali. Sheria hazifuatwi kamwe ilhali tuna Serikali. Ili tuitambue Serikali ni lazima ionekane na itekeleze kazi yake. Hatufai kupitisha pesa za Bajeti na ilhali Serikali haifanyi kazi yake. Wageni wakija hapa jijini Nairobi wanashangaa kama kwamba tuna Serikali. Hii ni kutokana na uhalifu wa hali ya juu. Ni lazima Serikali itekeleze sheria ambazo tunatunga hapa Bungeni.

Bw. Naibu Spika, ni lazima Serikali ya NARC ifanye kazi, la sivyo, tutaibadilisha katika uchaguzi ujao. Kwa hayo machache, naunga mkono Hoja hii.

The Minister for Roads and Public Works (Mr. Raila): Asante sana, Bw. Naibu Spika, kwa kunipa fursa hii. Mimi pia nitazungumza kwa lugha ya Kiswahili. Kwanza kabisa, nitazungumza kama Mbunge anayeakilisha sehemu moja ya mji wa Nairobi. Waheshimiwa wengi ambao tayari wamechangia Hoja hii wanaakilisha sehemu za mashambani. Kama Wahenga walivyosema: "Jogoo la shamba haliwiki mjini".

(Laughter)

Bw. Naibu Spika, ufukara wa mjini ni tofauti na ule wa mashambani. Hii ni kwa sababu watu wa mjini hutegemea sana bidhaa za kununua. Kwa mfano, kila mara tunanunua unga wa mahindi na ngano, sukari na kadhalika. Kwa hivyo, bei ya chakula ni muhimu sana kwetu sisi watu wa mjini. Hii ndio sababu sisi tulimpongeza Waziri kwa kuondoa ushuru unaotowza unga wa mahindi ili bei yake irudi chini. Hata hivyo, ajabu ni ya kwamba bei ya unga wa mahindi bado haijarudi chini tangu Waziri atangaze hatua hiyo. Ingefaa Waziri atoe ilani kwa wale ambao wanahusika kwamba wakizidi kuwanyanyasa wananchi kwa bei ya juu, yeye mwenyewe ataweka bei maalum ya bidhaa hizo.

Bw. Naibu Spika, ni kweli kwamba kuna ishara kuonyesha kwamba hali ya uchumi imeanza kuimarika. Kila mmoja wetu anajua kwamba tulipochukua hatamu za uongozi uchumi wetu ulikuwa katika hali mahututi; yaani, *Intensive Care Unit (ICU)*. Hata hivyo, sasa kuna ishara kwamba uchumi wetu umeimarika. Kwa mfano, tumepata mavuno zaidi ya majani chai, ngano na kadhalika. Vile vile, ajira imeanza kwenda juu. Kwa mfano, katika Wizara yangu ya Ujenzi na Barabara, sekta ya ujenzi iliajiri zaidi ya watu 70,000 mwaka uliopita. Vile vile, matumizi ya simiti yamepanda kiasi cha asilimia 20. Hii ni ishara kwamba kuna ujenzi zaidi. Kwa hivyo, tunataka hali hii izidi kuendelea. Tumeleta mipango ya kupeleka pesa mashinani kupitia kwa CDF, kwa mfano, bursary fund, pesa za kupigana na ukimwi na pesa za kugharamia elimu ya bure mashinani. Hii mipango yote inapeleka pesa nyingi zaidi huko mashinani. Ninaweza kusema kwamba hiki ni kiwango cha kwanza cha kupeleka utawala mashinani, yaani, *the first phase of devolution*. Tukimaliza mambo ya Katiba, mambo yatakuwa tofauti zaidi.

Bw. Naibu Spika, wengi wamezungumza juu ya mbinu. Mimi kama Waziri wa Barabara na Ujenzi, ninafurahia ya kwamba tumepata ongezeko la pesa katika sekta hii. Lakini kile kiasi tumepata, mpaka wakati huu ni kama tone la maji katika bahari, maanake mahitaji yetu ni mengi zaidi. Nitazungumzia maneno hayo wakati nitakapoleta Voti ya Wizara yangu hapa Bunge. Lakini pamoja na haya, tutafanya juu chini kuona ya kwamba tumetoa huduma kwa wananchi vile inavyotakikana.

Bw. Naibu Spika, jambo la ubinafsishaji wa mashirika ya Serikali vile vile umezungumziwa. Sisi sote tunajua ya kwamba usimamiaji wa mali ya umma na wananchi wenyewe hauleti manufaa. Jambo hili limejaribiwa nchi nyingi zaidi na kwa mara nyingi, kunakuweco na uhafifu na mashirika hayo yanapata hasara kila mara. Lakini lazima tuwe na sheria kamili; tuone ya kwamba ubinafsishaji wa yale mashirika ya Serikali unatoa manufaa kwa wananchi wenyewe.

Bw. Naibu Spika, kuhusu hali ya deni, deni limekuwa ni mzigo mzito zaidi kwa nchi fukara kama Kenya. Hii ndio sababu kila mmoja wetu anakuwa na husuni kubwa akiona kwamba watu wengine wanakataa kuipatia Kenya nafasi ya kupunguza deni lake. Vile msemu unavyosema, "kibebacho kikivuja, ni nafuu kwa mchukuzi." Uchumi wetu unaweza kuimarika zaidi ikiwa wafadhili wanaweza kupunguza deni ambalo limekuwa mzigo kwa wananchi wa kawaida wa Kenya.

Bw. Naibu Spika, hauwezi kusema kuwa Bajeti hii ilikuwa ya mabepari, makabaila, mabwenyenye ama makabwela. Hii Bajeti ni ya hao wote; mabepari, makabaila, mabwenyenye na makabwela. Kwa hivyo, nafuu imepatikana. Tumeanza mwendo na tuendeleo hivyo.

Bw. Naibu Spika, mambo ya mishahara ya wafanyakazi vile vile imezungumziwa. Juzi tuliona

walimu wakilia, wafanyakazi wa hospitali ya Kenyatta wakigoma na watumishi wa umma vile vile wakagoma wakitaka waongezewe mishahara. Lakini, sisi kama Wakenya lazima tuangalie; ni lipi tunacholitaka? Kuongeza mishahara au kupunguza bei au gharama ya maisha? Maanake, lazima tujue kama hali ya uchumi wa Kenya ni sambamba na nchi zingine. Ikiwa mishahara yetu iko juu zaidi kuliko nchi zingine ambazo tunashindana nazo katika hali ya kutafuta nafasi za biashara katika nchi yetu, tutajiondoa. Kwa hivyo, ninafikiri kwamba suluhisho sio ongezeko la mishahara, mbali ni kupunguza bei ya maisha katika nchi yetu. Tutafute mbinu ya kurudisha chini bei ya chakula na ile ya kusafiria. Tukifanya hayo, mzigo utarudi chini na haya madai ya wafanyakazi kuongezewa mishahara vile vile yatarudi chini.

Bw. Naibu Spika, tunataka vile vile kufufusha sekta ya pamba. Lakini sekta ya pamba huenda sambamba na sekta ya kutengeneza nguo, yaani *textile industry*. Kwa hivyo, hatuwezi kufufusha kilomo cha pamba kama viwanda ambavyo vinatumia pamba kutengeneza nguo havijafufushwa. Itabidi tuone viwanda kama vile KICOMI, RIVATEX na RAYMOND vimefufushwa vinafanya kazi.

Vile vile, bei ya sukari sasa imeenda juu zaidi na imekuwa adimu kupatikana. Sasa sukari inapatikana kwa nadra. Ni kwa sababu gani? Ni kwa sababu ya wale walanguzi ambao wanalangua sukari. Walikuwa wanafikiri ya kwamba bei itaenda juu, na wakaenda wakalangua sukari. Inatakikana hatua ya kisheria ichukuliwe mara moja dhidi ya hao watu ambao wanaleta shida nyingi kwa wananchi wa kawaida ambao hawawezi kununua sukari kwa bei ya kawaida.

(Applause)

Bw. Naibu Spika, jana nilikuwa kule katika sehemu Mumias na Butere, ambapo kuna viwanda vya kutengeneza sukari. Kambuni ya sukari ya Mumias ndio inatengeneza sukari nyingi zaidi katika nchi yetu. Nilipokuwa nikizungumza, mama mmoja mzee alisimama pale na akaniambia nisiwaambie mambo ya barabara; niwaambie vile tutarudisha chini bei ya sukari. Kwa hivyo, inatakikana hatua ya kisheria na kinidhamu ichukuliwe mara moja juu ya hao walanguzi ambao kila mara wanalangua bidhaa muhimu kama sukari. Inastahili tupate suluhisho la kudumu ndio wananchi waweze kuishi kwa furaha.

Bw. Naibu Spika, inatakikana tufufushe viwanda kama Miwani Sugar Factory, hali ya kutokuweco na kiwanda hiki kimeadhiri maendeleo na uchumi kwa wakulima wengi zaidi. Tutafute mbinu za kufufusha Miwani Sugar Factory.

Kwa hayo machache, ninaunga mkono.

Mr. ole Metito: Thank you very much, Mr. Deputy Speaker, Sir, for giving me this opportunity to contribute to this Motion.

I would like to start by commending the Kenya Revenue Authority for the very impressive job they have done this current financial year. We were told on the 8th of June that KRA had already collected about Kshs277.8 billion against the revenue target of Kshs258 billion. Again, we are expecting by the end of this financial year, that is in two weeks' time, they will have collected about Kshs293.4 billion. I think this is a very impressive job, and I would like to attribute it to the tax amnesty that was effected at the beginning of this year. I think it played a very significant role in this commendable tax collection. With this kind of job, there is no doubt that the revenue target of the forthcoming financial year of about Kshs296.1 billion is quite achievable.

Mr. Deputy Speaker, Sir, coming to the Budget, this was a very ambitious Budget and we really have to rely on the KRA in order to realise our objectives. But I would like to mention some few positive things that I noted in this Budget. The first one, which many Members have spoken about, is the very good work that the Minister for Finance has done by preparing a Budget without factoring donor aid. I think that is a very positive move. We should try to avoid a further mortgaging of our country. We have a challenge to reduce the huge Recurrent Expenditure to free our resources for

economic growth. The Government has also allocated more money to sectors that contribute to poverty reduction. Allocations to the Ministry of Education, Science and Technology, Ministry of Health, Ministry of Agriculture and Ministry of Roads and Public Works were increased. We need to equitably distribute those resources across the country.

Mr. Deputy Speaker, Sir, it was also very good for the Minister for Finance to remove some levies and taxes that affect investors. For example, he harmonised the process of getting trade licences that has been very bureaucratic. That will encourage investors and other business people to create more employment for Kenyans. It is a very positive move and we should commend the Government for that.

Mr. Deputy Speaker, Sir, there was also the removal of duty on software products. That is a major boost to the Information, Communication and Technology (ICT) industry. I think the cost of computers and computer products will go down. The Government should take advantage of that and implement the E-Government Policy that it has been proposing. It will also assist the implementation of the recently passed Motion on computer studies in all public secondary schools.

Mr. Deputy Speaker, Sir, there was also the zero-rating of Liquefied Petroleum Gas (LPG). That is a very positive move because it will ease pressure on our forests, among other things. Many Kenyans will now use LPG without destroying the forest.

Mr. Deputy Speaker, Sir, many hon. Members have talked about the decentralisation of services. I think the Government is trying to decentralise service delivery through the allocations to Local Authorities Transfer Fund (LATF), Constituency Development Fund (CDF), Constituency Bursaries Fund and Fuel Levy for road maintenance. I think that is a major shift of a substantial part of Government revenue. We are told that, this year, those decentralised services will cost about Kshs15.5 billion. I think that is a very major shift of a substantial part of Government revenue from the control of the Central Government.

Mr. Deputy Speaker, Sir, another positive thing that I noted is the zero-rating of paper used for educational materials. That will bring down the cost of education and that of offering free primary education. Recently, the prices of books went down and, with that move, the prices will go down further.

However, there are a few fears in this Budget. One of them is the raising of fuel prices. That means local consumer prices will also rise. If that is not streamlined, the prices of items that have been zero-rated like maize flour will not go down. So, the Government must take serious measures to streamline the cost of the ever rising fuel prices.

Mr. Deputy Speaker, Sir, another fear is somehow general. We keep on saying that agriculture is the backbone of our economy. But we always lament that if we are not going to receive substantial amounts of rainfall, our agriculture will be affected and that will retard growth. The Government should come up with a good food security policy so that, in case of such an eventuality, our people will have food.

Mr. Deputy Speaker, Sir, another fear that I noted in this Budget is the mode of reporting. This time round, the Government diverted from the tradition of breaking down all the Votes into specific projects. They have given us a generalised approach in reporting. For example, if you look at the Vote for the Ministry of Water and Irrigation, they have allocated Kshs10 million to every district without going down to the specifics. What kind of projects are going to be funded in that district under that Vote? If you leave that to the discretion of the Ministry, there will be inequalities in resource allocation. It does not adhere to the principles of transparency and accountability. If the Ministry of Roads and Public Works is allocated Kshs20 million for roads in Kajiado District, we should know the roads that are going to be constructed with that money.

In conclusion, I would like to say that economic prospects are looking very promising. There is good evidence of growth across a number of sectors like tourism, agriculture, horticulture and

others.

With those few remarks, I beg to support.

Mr. Twaha: Thank you, Mr. Deputy Speaker, Sir, for giving me an opportunity to contribute to this Budget. I would like to congratulate Mr. Mwiraria for a very good Budget Speech. He read it very well and the substance was also very impressive. I would like to offer a few comments on the same Budget.

Mr. Deputy Speaker, Sir, the economy of Kenya is the most important thing that can be discussed on the Floor of this House. That is because it impacts directly on the wellbeing of our people, their ability to eat well, live in good houses and educate their children.

I would like to offer my comments on the subject of inflation. Even Mr. Raila spoke about the choice between raising wages and inflation. Inflation is not necessarily a bad thing, if it is properly managed. At the moment, England has a very high inflation that is benefiting a huge section of its society. However, they are not calling it inflation. They are calling it a housing boom. The prices of houses have gone up in the last four to five years by a good 150 per cent. That inflation, which I am calling healthy inflation, has enabled the older generation who have completed paying their mortgages to release their equity at a premium. Now, they are cashing in on their housing boom - which is actually housing inflation - and moving to warmer climates to spend their sunset years.

An hon. Member: Which is good for Kenya.

Mr. Twaha: Yes! Now, the same houses are being bought by the younger generation at low interest rates. They will carry them forward until the right time when the Government will induce an inflation that will benefit them again. They will go to warmer climates to retire. So, we should not be brainwashed to think that all the inflation is bad.

Mr. Deputy Speaker, Sir, for as long as I can remember, when I started reading economic books or magazines, I concentrated on trade and budget deficits in the United States of America (USA). There is not a single year that I have heard of a surplus in USA. I do not know how they sustain that deficit. But we can ask our economists to investigate and apply the same techniques here. That is because when an American child is born, he has a US\$20,000 debt that the Federal Government owes on his behalf. That is in addition to the mortgage that he will take and the credit cards that he will be using in his adult life. When a Kenyan is born, he is born with a debt of US\$300, and they are talking about themselves being rich and us being one of the poor countries. As an individual, if I was born with a debt of US\$300 and my neighbour had a debt of US\$20,000, that is negative equity and he is poorer than I am. So, we need to get our priorities right. I agree with hon. Muite that we should have Budget deficits, use them constructively and invest them in productive sectors. These sectors are in farming, our industries and those sort of things. This can be done by the Government simply subsidizing electricity, farm inputs and those sort of things. However, the only sector that our Government subsidizes at the moment or which it has always subsidized since Independence is the financial sector, by paying very high interest rates on Treasury Bills. This way, they are actually subsidizing commercial banks. Mr. Matiba has tourist hotels and if the tourists do not come, he cannot rent those rooms to the Government. But if the banks do not have a credit-worthy borrower, they can loan the money to the Central Bank overnight and they get paid for their idle money. So, we should not be subsidizing a parasitic sector such as the banks. Instead, we should subsidize our farmers, peasants, the *jua kali* sector and those kind of sectors. This way, we will achieve the growth that we need and we will be able to get the development that we seek and in the process, improve the well-being of our people.

Regarding the subject of interest, most of the time when the Government does not have money to pay interest, it prints money for that purpose. We are told that printing money causes inflation, but if you can print money to pay interest, why not print it for the principal sum and use it for development projects the way Americans are doing?

(Laughter)

These are radical issues and the same people who do not want us to know the tricks did not teach us these things in the university. But we need to keep an open mind and some of these methods will work.

Regarding the Constituency Development Fund (CDF), there is a clause in the CDF Act which forbids us from having projects implemented by church organizations or political organizations. There is need for this clause to be removed from the Act so that we can sometimes channel this money through the churches, because they have the capacity and they have been doing these things for many years. For example, they have undertaken projects like building schools, people's homes and even clinics and dispensaries. So, the probability that the church will be more trustworthy than these *ad hoc* committees that we have been forming to oversee our projects is high.

Mr. Deputy Speaker, Sir, we took an oath in this House to protect and defend the Constitution. I think one of the chief aims of the Constitution is to protect life and property. This being the case, we have to respect the sanctity of a title deed. There is no Minister in this country who has the power by law or the capacity to declare title deeds null and void, because they are not judicial officers. It is only the High Court of Kenya that can declare a title deed null and void. As a young country, we need to look for investments to develop this idle land and some of the not-so-idle land that we have. But unfortunately, even now, people always have to run to court to defend their title deeds. When will you get time and resources to develop that land, if you are still defending the title deed, which is something which should be beyond question? If you have a title deed and your name appears in the register, that is it; that is your property! This is why we all took an oath to protect and defend the Constitution, which protects the law.

The other day, we were treated to a spectacle on the television when two Members purported to order a Provincial Commissioner to demolish a wall in Mombasa. The powers of Members of Parliament do not warrant them to order a Provincial Commissioner to do anything or to declare the title deed to be faulty! The only place they can do that is in High Court where they should go and file their complaints, and the owner has to go and defend himself. The High Court Judge will then decide the case, not a Member of Parliament. This is why we have the separation of powers. We should not just use the clause on separation of powers to disable the Members' ability to participate in the District Roads Committees; it works both ways. While on the subject of separation of powers, I concur with hon. Muite that any complaints to do with the CDF should come to the National Committee, who should have the final word. Because of the clause on separation of powers, the Judiciary cannot tell Parliament what to do; Parliament is independent in the same way that we cannot go to court and tell them how to decide the cases.

While on the subject of the Judiciary, I read in the newspapers today about the Kikambala terrorist suspects. Those individuals who come from Lamu have been acquitted and I would like to urge the Press to no longer refer to them as "suspects" because they are no longer terror suspects, but are "former terror suspects".

[Mr. Deputy Speaker left the Chair]

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

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

The Assistant Minister for Tourism and Wildlife (Mr. Khaniri): Thank you, Mr.

Temporary Deputy Speaker, Sir, for giving me the opportunity to make my contribution. On the outset, allow me to join those who have spoken earlier in congratulating the Minister for Finance, not only for the substance of the contents of his Speech, but also for the eloquence with which he moved his Speech for the entire two hours.

Mr. Temporary Deputy Speaker, Sir, from his Speech, it is clear to most of us and Kenyans in general that the Minister knows what he wants for his country and he knows his turf. I am saying so because for the 10 or so years that I have been here and the ten or so Budgets that I have listened to, this was the very first time that the Budget was read without factoring in donor funding. I heard the hon. Member for Bura, who spoke earlier, say that the Minister was not truthful by saying that the Budget is 100 per cent locally funded. I want to inform hon. Wario that there is a difference between project support and budgetary support. What he was referring to is project support and not budgetary support. The projects that he mentioned are projects which benefit from donor money, but this is money we can do without. But if it is budgetary support, then the money has to come because if it does not, then you get budget deficit. So, Mr. Wario was wrong to say that the Minister lied to the nation.

It is one thing to make very, very brilliant proposals here and to make a very, very flowery speech and yet, another thing to implement those proposals. The Minister made very good proposals and it is now incumbent on those who are charged with the responsibility of implementing those proposals and utilizing those monies he has proposed, to make sure that a proper job is done. We want Kenyans to see the difference that we promised them in the last General Elections.

The biggest problem in this country has been misappropriation of public funds, misallocation and diversion of funds and even looting. This is what has brought this country down on its knees. I am happy that, in his Speech, the Minister reiterated that the Government is committed in strengthening governance institutions and that it has even gone further to ensure that these institutions are properly funded in order to carry out their duties.

Mr. Temporary Deputy Speaker, Sir, when His Excellency the President says that he is going to fight corruption from the top, I know for sure he means good and he means it. It is high time that the axe started falling on some of these corrupt people. I know it was a bit difficult for Ministers who had been named in corrupt deals to be disciplined because the Government's side was very lean. Now that the prodigal son is back home, I am sure the President has the leeway to discipline the Ministers who have been implicated in corrupt deals. I urge the President to go ahead and discipline these Ministers, so that Kenyans can take us seriously and they can know that when we say that we are fighting corruption, we are serious about it.

Let me talk about agriculture. As the Minister stated, agriculture is the backbone of this economy. It is only through agriculture that we can ensure food security and also alleviate poverty. We have heard the phrase that "agriculture is the backbone of our economy" for many years, but what was lacking was the necessary support, so that the agricultural sector can achieve its full potential. I am very happy that the Government is serious about reviving institutions like the Agricultural Finance Corporation (AFC) and the Kenya Farmers Association (KFA). I am happy that money has been voted to go to the AFC, so that farmers can access loan facilities. I served in the Ministry of Agriculture for some time and I know what used to happen. Even when the AFC was fully operational, it was only the large-scale farmers and the rich people who could access loans from the institution. This time round, these loans should be accessible to all farmers, namely, the small-scale, medium-scale and even the large-scale. That is the only way we can ensure that we have food security.

Mr. Temporary Deputy Speaker, Sir, let me talk about infrastructure. This is a very important sector and most of the other sectors depend on the infrastructure and the road network for them to flourish, for example, agriculture, tourism and even the provision of security. We are happy that the Minister increased the allocation for the construction of roads and the infrastructure. I want to urge the

Minister for Roads and Public Works to ensure that the so-called cowboy constructors, that he talked about sometimes back, are not awarded contracts. We want this money to be used to construct roads that are durable because we are spending too much money on repairs of roads that were just built the other day. We also want him to streamline the bureaucracy of the tendering procedures in the Ministry. Sometimes, money is allocated for the construction of a particular road, but it takes several years for the constructor to get on the site. The bureaucracy of the tendering procedures must be looked into.

Lastly, I want to talk about the Constituency Development Fund (CDF). We all know that the idea of the CDF is a very good one. The CDF ensures that all the parts of this country are receiving equitable resources from the Exchequer. This is an idea that we must nurture for the future development of this country. We have got a lot of criticisms, particularly from those who are opposed to the sitting hon. Members simply because they think that the sitting hon. Members are getting mileage from the CDF. It is now upon us, as the hon. Members, who are the patrons and the chairmen of the CDF, to ensure that the money that is allocated goes towards the development of their particular constituencies, so that we can prove the critics wrong.

With those few remarks, I beg to support.

Mr. Kajwang: Mr. Temporary Deputy Speaker, Sir, I want to thank the Minister for his Budget Speech.

I want to straightaway support hon. Muite's remarks that the issue of a balanced Budget is an old passion sport and, in fact, there is not much in a balanced Budget. Even a pauper with Kshs100 to spend will have to have a balanced budget. If you only have Kshs100 and nobody is going to lend you more because you are too poor to repay, you must work within your Kshs100. So, there is not much in a balanced Budget. What is important is that you use the resources which you have to build an economy which can then give some social benefits. So, the way in which our Budget has been written should change. The way in which our bureaucrats think at the Treasury must change, so that we can start thinking of how to build an economy that can drive itself and, therefore, create wealth.

I was shocked yesterday when the G8 said that they were not going to write off our debt. Even if they wrote it off, they were saying that they wanted it to go into the construction of hospitals. Hospitals do not create wealth. In fact, 75 per cent of our diseases can be treated without patients being admitted in hospitals, for example, malaria and diarrhoea. We do not need to build more hospitals. We need medicines for malaria and diarrhoea and if the few hospitals that we have are well equipped, they are good enough. We need money to construct our infrastructure, so that we can use it to create wealth and then we do not have to beg money from the donors again.

In fact, the issue of poverty alleviation is bad politics. When I was at the University of Nairobi, there was a young man who was running for the chairmanship of our students organisation. The late Dr. Ouko used to visit us and the student told him that we did not want to hear about poverty alleviation, but we wanted to hear about poverty eradication. We cheered him and made him the chairman of the students organisation straightaway. We want to start thinking about eradicating bad things and not alleviating them. We do not want to take aspirin for a serious disease like malaria. That is called alleviation. I am talking about serious things which make our lives bad. These include the prices of foodstuffs. If you go to any country which is trying to move towards the direction of development, for example, America, you will find that food is sufficient and available for almost everybody. In fact, if you cannot afford to buy food, they will give you money to go and buy food. Food is very cheap in countries like India, China and Cuba.

Mr. Temporary Deputy Speaker, Sir, if you make food cheap, then all the other things will follow. If you make food expensive, your economy will never grow. Our people here do not think of food. Of course, you will hear about removing tax from maize, but we are not thinking of strategic interventions in making food cheaper and available for everybody in this country. This is a necessity which you cannot do without.

Today, I was watching the television very early in the morning and the whole of Europe is fighting over one thing: Rebate. They are saying that Britain has paid rebate to her farmers. They are still fighting about agriculture leave alone the fact that they are industrialised. That is irrelevant! They fight about food. Britain is rebating their farmers, so that they can make some money out of farming, but still their food would be cheap enough for people to access. Unless you start with food, you get it wrong even if you went to which university. We want somebody who has gone to school and who is running the Treasury to tell us how we can make our food cheap and available to our people. That is the person who will have solved the problem for this country. The only way to do this is by stopping to care about borrowing because borrowing is not a disease. In fact, now Japan has the biggest deficit. Japan is the most developed, but it has the biggest deficit. Why are we afraid of incurring deficits to build our railway lines, ensure food security and make electricity cheaper? An example is the price of fuel in the United States of America (USA). Of course, the USA has some oil deposits, but it has not exploited it. Instead, the USA is exploiting the oil reserves in the Middle East. Fuel is cheaper in the USA than in this country, despite the fact that the USA is much far away from the Middle East than Kenya. Fuel is cheaper in the USA because the Government subsidises it. The USA Government subsidises fuel, so that all other commodities, and especially food, can be cheaper.

Mr. Temporary Deputy Speaker, Sir, we need somebody innovative. We will not get enough power from water sources. I heard the Minister talk of geothermal power, but we will never get enough power from that source. In fact, our researchers have said that there is no more power we can get which can drive this economy the way we envisage. We now need nuclear power, but nobody is thinking of this. Germany is closing down its nuclear plants because of the Green Party. Their nuclear scientists are going to waste. Why do we not tell them that we can do with those nuclear stations. They can come and invest them here, feed their energy to our national grid and we will pay them some little money, so that electricity can be accessible.

Mr. Temporary Deputy Speaker, Sir, a *jua kali* artisan in this country cannot make a window frame and sell it competitively, because electricity is too expensive. If a household which only warms water for bathing in Nairobi, sometimes pays Kshs10,000 a month for electricity, how would you expect a *jua kali* artisan to make money when he pays so much for electricity? In fact, the Green Party in Germany said that it was voted to power on the basis of its environment-friendly policies. They did not have other sources of energy to replace the nuclear energy, but they had to close their nuclear plants because the Green Party had said it. So, let those in the Treasury talk to them. We do not even need to construct the nuclear plants ourselves. The Germans can come and install the facilities themselves, generate electricity and sell it to us cheaply. We would be very happy. I just want people to be a bit imaginative.

Mr. Temporary Deputy Speaker, Sir, finally, it will not be possible to alleviate poverty when our workers are being paid Kshs3,000 per month and they commute from Kayole or Uthiru where they spend Kshs100 per day on transport. For the 24 days one works in a month, he uses Kshs2,400 on transport and is supposed to pay rent of, maybe, Kshs600. That means, one will already have spent his whole salary. Then how does one eat? We do not know. How do they feed their families, cloth them, meet medical bills and other expenses? Nobody seems to know. If you want an economy to grow, you must make your people live cheaply. You should enable them to transport themselves to work and eat cheaply. You can then pay them Kshs3,000 a month and they will be happy. If you do not do those things and you still pay them Kshs3,000, you are exposing them to suffering.

The Chinese workers could be earning the equivalent of Kshs3,000 per month, but they are happier there because they have roads on which they cycle to work every morning. When they cycle, they become healthier. They are also safe, because vehicles do not use those roads. In the end, they have more money in their pockets, and they are more efficient. How can you compete with them, when you do not care where your people live or how they reach their work places?

Until recently, the Nairobi residents were relying on the Kenya Bus Services. Then a very efficient Minister ordered that nobody should commute while standing. He directed that everybody must sit down and belt up. You do not do that!

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

Mr. Kajwang: With those remarks, I beg to support.

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

I would like to join my colleagues in congratulating the Minister for presenting his Budget in one of the shortest time possible.

The Budget Speech for the last financial year was very long and it took toll on us. This was a short one. However, since the Government has the numbers to keep on congratulating the Minister, I will take this time to point out the issues that I think are unsatisfactory in this Budget.

Mr. Temporary Deputy Speaker, Sir, as I read through the Budget Speech, I have a feeling that perhaps this Budget is moderately empty. I will support that statement. To start with, we are being told about a growth rate of 4.3 per cent of Gross Domestic Product (GDP). In the same Speech, we have been told that the agricultural sector grew at the rate of 1.4 per cent. We all know very well that agriculture is the backbone of this country's economy. By any standard, a growth rate of 4.3 per cent is not a mean growth rate. When we are told that agriculture, which contributes immensely to this country's GDP, has grown at 1.4 per cent, it does not sound convincing.

Mr. Temporary Deputy Speaker, Sir, if you look at the figures given for the manufacturing sector; a growth rate of 4.1 per cent is considered a good performance by any standard. We would really like to see this, but when you look at employment in this country, in the formal sector, it is negligible. So, one tends to be confused. I wonder what has really gone wrong. Is this deliberate misinformation? By any standard, a 4.1 per cent increase in the manufacturing sector is not small percentage by any standard. We would now be celebrating. If you ask the Government about the 500,000 jobs it had promised to create every year, you are told that most of these jobs have been created in the informal sector. With a growth rate of 4.1 per cent in the manufacturing sector, you would expect a substantial increase in employment. These are contradictory statistics.

Mr. Temporary Deputy Speaker, Sir, many of the things we have been told are traditional. We have been told about foreign exchange reserves of three months and out-sourcing of non-core Government services. We have heard a lot about all these issues. That is why I said, as I keep on using my microscopic eye on this Budget Speech, I tend to feel that it is misleading. Even where we ought to have taken serious and obvious measures in cost-cutting, we have not done so well. What have we done? Look at the list of cost-cutting measures that the Minister has suggested. It comprises of the traditional things, which perhaps even Mr. Nyachae outlined better in the past. The list comprises of vehicles and telephone services. How much do these facilities contribute to Government Recurrent Expenditure? It is high time we became serious and stopped avoiding the real issues affecting this country.

(Applause)

Mr. Temporary Deputy Speaker, Sir, one of the critical areas in which this country has lost a lot of revenue is with regard to procurement. Who does not know that? And what have we done about it? Remember the Anglo Leasing Scandal, which is commonly referred to as "Anglo Fleecing" in this country. When it came out very clearly that there had been a serious leakage in the procurement of those services, we avoided the issue and covered up the matter. So, we really need to focus ourselves on improving procurement procedures.

We have been told that the private sector will be encouraged as the engine for growth, but

from what we are seeing in this Budget Speech, at the end of the day, we are likely to engage in a lot of domestic borrowing. That is what it is going to add up to ultimately. When it comes to the Supplementary Estimates, we will start seeing things that we would not like to see again.

Mr. Temporary Deputy Speaker, Sir, how will we make it possible for credit to the private sector to increase when, from the presentation here, we are likely to borrow a lot from the domestic market? The Minister has told Kenyans that he has not factored in the Budget support from donors when actually it is there to the tune of Kshs25 billion. It is high time we started addressing these issues. The way we act, pretend and procrastinate is letting Kenyans down. It is, therefore, extremely important that the Ministry sits back and re-looks at this issue once again.

The Ministry of Finance is the heartbeat of this nation and the control of the system of financial management. It is the Ministry at the centre. When we allow Ministers the freedom to allocate resources, as and the way they want to do it, I do not think it is right. Some element of control is needed. The officials of the Ministry of Finance must be there to give direction because they know the priorities of this country. They know where they can get best returns for the benefit of this country so that this country can come out of its reeling poverty.

Mr. Temporary Deputy Speaker, Sir, there has been a mention about local authorities. Every time we keep talking about how to reform and transform them yet nothing comes out of it. Where is the yardstick for measuring the improvement in performance in these areas? Are we not being told how they are going to be accountable to the people yet every other day we see how un-accountable they are to the Kenyan taxpayers. Even Parliament has never looked at the accounts of local authorities for many years. It will never be able to look at them because there are 175 accounts.

Instead of concentrating on the 97.5 per cent of the Development Budget, a lot is being talked about the 2.5 per cent for the Constituency Development Fund (CDF) and too much politics is being read into it. Let us concentrate on things that will have impact on the welfare of Kenyans. One good example is that in a lot of Government offices, there is too much spending on telephone. The DC will talk to the PC, who will talk to the Permanent Secretary, who will then talk to somebody else like the Head of the Civil Service. There is too much of this! Could we go IT? Let us get all these things done through E-Mails. It is cheaper and faster. The police will do the same every morning and so on.

Mr. Temporary Deputy Speaker, Sir, one area that I cannot afford to touch on is the water boards that have been created. In my region, the whole of North Eastern with four districts, and the upper Eastern region with three districts including Samburu District, making it eight, has one water board. I do not expect anything efficient from that system at the end of the day. The headquarters is in Garissa. It is easier for me to come to Nairobi than to go to Garissa from Isiolo. What about the person in Maralal? I do not know how some of these things were done yet we are supposed to improve efficiency. I am not even sure whether Turkana District is not part of that water board.

I was not surprised when hon. Members from Ukambani were complaining about it the other day. I also want to join them in registering my complaints and dissatisfaction on that issue.

We are being told that the wage bill in the Government is 40 per cent. I do not know why, but for some time it has remained like that yet the Government has nearly more than doubled its financial expenditure.

Mr. Temporary Deputy Speaker, Sir, there is very little I have seen on the livestock sector. I know that there is an African Development Bank (ADB) project that has been on course for many years and might take off. However, what do we see on the ground? I am not sure whether this sector is being seen by this Government as a priority area.

With those few remarks, I beg to support.

Mr. Angwenyi: Thank you, Mr. Temporary Deputy Speaker, Sir, for finally giving me a chance to contribute to this Motion.

From the outset, I want to say that this is probably the best Budget Speech and presentation

that has been made in the last eight years I have been in this Parliament. Despite the fact that it was one of the best Budget speeches, the format has been changed without informing hon. Members. Some of the details that we would like to add have been covered. There is a veil of the details of the projects being undertaken. I hope that this is not for malice but for reducing the size of our Printed Estimates.

We were recently told that the economy is growing at a whooping 4.3 per cent. However, you cannot see evidence of that growth. How do you grow when your inflation has increased from 4 per cent to 16 per cent. Is that growth? If it is, then we may have surpassed the 4.3 per cent that we have been told about. How do you grow when your interest rates have been increased from 2 per cent to 18 per cent in one year?

(Applause)

I even wonder what people who made financial commitments on the basis that our interest rates will remain around the range of 2 per cent to 5 per cent will do. They made long-term commitments! What are they going to do when the interest rates have shot up to 18 per cent? I am not sure whether by the end of this month it will not be 30 per cent, especially when we have told the banks that we are going to borrow heavily from the local market.

Mr. Temporary Deputy Speaker, Sir, a growing economy, like my colleague, Mr. Kajwang, said, is one where prices for basic goods and services are stable. It is one where you are sure that you can budget for this year how much it will cost you to feed yourself and family. It is also one where you can budget for this year how much you will spend for your transport from Kibera to the Industrial Area to look for a job. Without those basic stable prices, we cannot determine whether an economy is growing or not.

One of the indicators of a growing economy is the provision of formal employment. I was shocked to hear from the Minister for Roads and Public Works that his Ministry alone provided 70,000 jobs.

Hon. Members: Where?

Mr. Angwenyi: Mr. Temporary Deputy Speaker, Sir, I do not know when those jobs were provided because I do know that in my own constituency, not a single person got a job in the public works sector. I do not know whether hon. Members of Parliament can testify to the fact that some of their constituents were employed in the public works sector.

We do know how many road works were undertaken in this country in the last financial year. The only one I can remember is that one between Mombasa and Nairobi which has never been completed for the last five years. I do not know whether 70,000 employees were employed on that road and yet they could not finish it in one year.

We should lament that we were not forgiven as far as our debts are concerned. In fact, Kshs900 billion of debt is a lot of money. That is a three years budget for this nation. I have heard some of our senior officers in Treasury and in the Government say that we were found to be richer than Uganda, Tanzania and Rwanda and that is why we were not forgiven.

(Laughter)

Mr. Temporary Deputy Speaker, Sir, we should sit down and think about this issue. If we were forgiven it could have been tantamount to being given a budget for three years without even taxing our Kenyans. For this economy to grow let us use the methods we have tried to use in the last one or two years. First, let us increase the allocations for District Road Committees (DRCs) from 16 per cent to 40 per cent. Let us also insist that the 67 per cent that goes to the national roads should be specifically allocated to particular roads so that we know each province's share and it should be shared equitably among the provinces.

Mr. Temporary Deputy Speaker, Sir, for us to grow, let us increase the allocation for CDF from 2 per cent to 10 per cent. I want to challenge this Parliament that it is within our power to change those provisions and not within the Minister's powers. It is within our power in this Budget to say we are increasing the allocation for CDF from 2 per cent to 10 per cent. Period! Let this Parliament rise up and not be a rubber stamping one on the Budget.

Mr. Temporary Deputy Speaker, Sir, having travelled to Spain about two weeks ago, we were told there that their Parliament influences the allocations in the Budget. If the Government does not consult with Parliament they will wait for the Budget Estimates to be brought on the Floor of the House and they will say: "Allocate Kshs5.8 billion to the National Bank of Kenya. We want to remove it from the National Bank of Kenya and give it to irrigation schemes in Turkana". Through that, they do not actually impose more taxation. They only re-allocate from where it has been allocated to a needy area.

Mr. Temporary Deputy Speaker, Sir, we know about the balance of trade. We have got missions all over the world and they are not accountable as to what they do and yet most of our trading partners have got a favourable balance of trade against us. Even the voluminous nature of our debts occurred because our missions abroad never did their homework adequately. We must ensure that our missions account for what they have done for each year in terms of trade. In fact, we should amalgamate the Ministry of Foreign Affairs and Trade and Industry into one Ministry because what work does a Ministry of Foreign Affairs do? We do not have wars with Russia, UK, America, South Africa or Rwanda. Why do we have missions in these countries of foreign affairs? What do they do? Why can we not employ those resources to create trade for this country? For example, why can we not have those resources to construct a railway line from Kenya, Sudan, Somalia or Congo instead of spending those resources to deploy people abroad who do not perform anything for the benefit of this country?

Mr. Temporary Deputy Speaker, Sir, as I wind up, I want to comment on the Ministry of Local Government. The Ministry of Local Government takes a lot of resources in the form of Local Authorities Transfer Fund (LATF) and yet there are many slums. There is no area in Nairobi or in our major towns where there are no slums. There are slums in Karen, Lavington and Muthaiga. Next time, there will be slums next to State House, if they are not there now.

(Laughter)

Mr. Temporary Deputy Speaker, Sir, there are mounds and mounds of garbage all over the city. No wonder our people suffer from dysentery, diarrhoea and typhoid because we are selling and consuming food in very unhygienic premises and areas. We have got raw sewerage flowing all over. Could that Ministry undertake to fulfil its mandate by cleaning up this city and planning it so that we have a city that other people want to visit?

With those few remarks, I would like to support.

Dr. Khalwale: Thank you, Mr. Temporary Deputy Speaker, Sir. I wish to support the Budget Speech by the Minister but I would like my support, on behalf of the people of Ikolomani, to be understood to mean that I am not supporting the pronouncements in the Speech but I am supporting what I think will be the benefits that will accrue from those pronouncements. If there will be no benefits there will be no point of supporting a Speech for the purposes of rhetoric.

(Applause)

Mr. Temporary Deputy Speaker, Sir, I say this because I remember that in the financial year that has just ended, we had very good pronouncements that came from the Minister which have come to nought. For example, we were told that the Kisumu-Kakamega-Webuye Road would be

re-carpeted but it has not been done. So, if I continue singing and singing I would be risking that dangerous strain.

(Laughter)

Mr. Temporary Deputy Speaker, Sir, allow me to compliment the Minister because he has attempted to de-link Kenya from the donor community. While this is good, may I encourage him to go a step further and make sure that having shown them that we can survive on our own, we now go aggressively for business. We should go and market ourselves for what we have locally. When I say this, I know that Kenya is renowned for the unique types of tea that we find in this country. It is important as hon. Angwenyi has said that the Ministry of Foreign Affairs be merged with the Ministry of Trade and Industry so that we can market our tea.

Pakistan, which is the number one market for export of tea in this country has been involved in a trade war with Kenya simply because they know they can blackmail and hold us to economic ransom. It is important that this House be reminded that when the common external tariff was implemented by the Government, it doubled the duty on imported rice from Pakistan. What has happened is that, had the Government not moved to reverse this decision, millions of shillings that tea farmers earn by exporting tea to Pakistan would have been at stake. Now, since the Government have moved they have given us a reprieve of 24 months only. What is going to happen after 24 months? The Government must think. They must look for an alternative market. Pakistan does not have the kind of population to scare us. There is an easy market in the US. In fact, I believe after value adding, that is when Pakistan sells Kenyan tea to the US market. We can sell that tea directly to the US.

(Applause)

Mr. Temporary Deputy Speaker, Sir, while the economy is reported to have grown at a rate of 4.3 per cent, something wonderful also happened and nobody talks about it. As a pro-life hon. Member of Parliament, I want to say I am very proud of those parents, who, while the economy grew at the rate of 4.3 per cent, also made sure that the population of Kenya grew to 34 million. This is not a minor issue, because that population will provide the human resource that will make our economy grow three times. What is the Government doing about it? When you look at the Budget, you wonder whether they are aware that, that human resource is threatened by a monster called Malaria and HIV/AIDS.

Mr. Temporary Deputy Speaker, Sir, we must learn the success that the world has had in facing HIV/AIDS. The little success that we have seen has not been because we were fighting in killing the HIV/AIDS virus. The success in the fight against HIV/AIDS is through prevention. Why is it that Malaria is still the number one killer, when the Government knows that if we emphasise on prevention and use insecticides, people will not be infected by malaria?

I can see that a lot of money has been allocated towards curative care. You will get nowhere because that money will be used to buy anti-malarials which according to the Minister for Health, she does not care whether the drugs that have been supplied are expired or not. She does not care whether those drugs have shown resistance against the malaria parasite or not. It is important that we focus on prevention which is very cheap. All you have to do is use insecticides, clear bushes and banana plantations. This has to do with health education.

Mr. Temporary Deputy Speaker, Sir, we have seen remarkable achievements through the Constituency AIDS Control Committee. Time has come to also form Malaria Constituency Control committees, so that hon. Members of Parliament can be in the forefront in fighting Malaria. Malaria is going to kill more adults than children today. It will have more casualties than any other disease.

Mr. Temporary Deputy Speaker, Sir, on the issue of investment, the concession by 20 per cent, whereby corporate tax that is charged on investors has been given in the past five years, is a great thing. This will lead to the creation of more jobs and accelerate economic growth. This thinking must be encouraged. People must learn from what is happening at the Kenya Airways; that when management is innovative, then local companies can actually thrive in our economy. If the Kenya Airways can succeed, I believe that other companies, local and foreign, can succeed.

Mr. Temporary Deputy Speaker, Sir, as I wind up, I would like to focus on an aspect of our economy that is ignored by the Government. That is the sports and sporting industry. This is a major source of employment worldwide, be it in athletics, soccer, tennis or boxing. Despite this, the Government seems to give peripheral consideration to this industry. Hon. Members will recall that besides failure to exploit the sports industry, the Government has allowed major sports in this country to be mismanaged and surrounded by confusion.

You will recall the other day, we lost a big opportunity of sending Harambee Stars to the African Cup of Nations and eventually the World Cup, simply because the greatest player of soccer today, Dennis Oliech, wanted to be refunded his air fare to come and play for his country. I challenge you hon. Members of Parliament, as you condemn Oliech, how many of you were prepared to go to the US to represent the Government using your own money? The little boy simply wanted his refund so that he would go there and play. If he had played, surely Kenya would have qualified for the African Cup of Nations. We must treat our sportsmen with respect.

Mr. Temporary Deputy Speaker, Sir, very many athletes from the Kalenjin community in this country - the best the world has - have now started changing their nationality to dog-eared republics like Qatar, because nobody appreciates these young people. It is important that we invest money where we will get its value.

Lastly, the Government intends to allocate some money to make sure that the Constitutional Review Process is completed. We are supporting this, because we are afraid that not only *wananchi*, but even hon. Members are tired of hearing the words "Constitutional Review". Now that there seems to be a lot of sense coming into the Government, it is important that we be honest when we face this issue. It is embarrassing when we hear hon. Members of Parliament issuing threats from the escarpments of Abardares or wherever it is, that now that people have decided to sit down and make the Constitution, they should dance to their tune. We cannot afford to practice that kind of politics in the Constitutional Review Process. The rules that were set in Naivasha, the so-called "Naivasha Accord", must be respected.

With those few remarks, I beg to support.

Prof. Oniang'o: Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me this opportunity to support the Minister's Speech on the Budget. Just like previous years, he sounded serious and genuine. Unlike previous years, he gave this year's Budget Speech in a record two hours, as opposed to last year when we went up to 6.30 p.m. and some of us, including the President of the nation were caught on camera sleeping. This time round, he did a good job by giving an overview of what was supposed to be said about that Budget.

Mr. Temporary Deputy Speaker, Sir, just like I said last year, reading a good Budget is like looking at a well and nicely-iced cake. Immediately we came out of the Chamber we were asked what we thought about it. If you were awake, you would have probably picked up one or two nice points. This time round, most of us lauded this Budget Speech. Like a well-iced cake, you cannot fully give it marks until you have tasted it.

Mr. Temporary Deputy Speaker, Sir, Kenyans are very well aware of what is going on. Ninety per cent of them listen to the radio. Many of them are free to talk now. They are reeling in poverty and can tell you right away: Yes, you say you lowered the price of paraffin, maize meal and that of other commodities, but the prices are still the same. If anything, they are higher in some areas.

It appears, either the business sector is defiant, in which case the Government should deal with it squarely, or the Minister wanted to dupe Kenyans and gain some mileage. Unfortunately, this is a Kenyan population that you cannot dupe any more.

Mr. Temporary Deputy Speaker, Sir, I have been to some countries where they also utilise locally manufactured goods. Recently I was in the Philippines and I deliberately went to their supermarkets and shopping malls. I inquired about the prices of their locally manufactured goods. I compared them with the prices of imported goods, and what shocked me was, that whereas there is a huge difference between the two, in Kenya, the business person just wants to give us the same price for locally-manufactured and imported products.

It is about time consumers in Kenya said "No". We want to put our private sector to test using this Budget. We want to see what the Government will do to make sure that those prices go down the way we were promised.

Mr. Temporary Deputy Speaker, Sir, I would like to talk about some of the gains we have got from the NARC administration. One that is most outstanding; and one that I hear about when I visit the rural areas, is the Constituencies Development Fund (CDF). Kenyans are now saying that, for the first time in the history of Kenya, they can taste the national cake. We know that this is more of a pilot scheme and the Government, and other agencies, will go round to monitor what is going on at the constituency level. We hope that we will have proper guidelines in place to ensure that the implementation of this scheme serves all Kenyans equitably. We would like to see some innovations here. For instance, we would like to see the Minister for Finance design ways and means that will ensure that the Government is only a facilitative agent or a clearing house and provide monitoring tools. However, most of the budgetary allocation should go to Kenyans. The Budget should take care of areas that have never known development. We know that those areas exist in this country. So, we laud the whole concept of CDF and we would like to see it being implemented properly so that it can benefit most Kenyans.

Mr. Temporary Deputy Speaker, Sir, just as my colleagues have said, nobody creates wealth without money. Even at the individual level, most people who drive good cars, eat good food and live in good houses have acquired their wealth through loans such as mortgage schemes and so on. But look at us! Here we are like good kids making sure that we service all our loans. Some time back, Brazil, refused to service international loans because it realised that if it did so, the country would not grow economically. So, Brazil refused to pay the loans until the international community, including the Bretton Woods Institutions, rescheduled the loans. What do we do ourselves? We nicely send away huge amounts of money in terms of interest thereby becoming one of the world's heavily indebted countries. We are told that we are doing well since our per capita income is okay and so we are not so poor. I do not mind donor funding, but we need to forge a different type of partnership altogether. We need to be respected as a sovereign State with people who have dignity. We should value the wealth that we create and enter only into partnerships that actually benefit our people.

I would like to hear the Minister for Finance say that Kenyans are going to create wealth locally. Look at the dry areas of our country. When you hear some of the hon. Members from these areas talk of food relief every time, I can assure you that, an assessment of soils in the western part of the country, which is the grain basket of this country shows that the soils there are already tired. It is like an over-milked cow which requires more nutrients. The soil in western Kenya requires fertilisers so that enough food crop can be produced to feed this nation. However, the areas which do not experience regular rainfall have virgin soil. We should no longer talk of dry and non-productive areas in this country. We need to generate wealth from the dry areas of this country which constitute four-fifths of the total land area of Kenya.

It is not true that we did not factor funds from donors in this financial year's Budget. What we did not factor in, is the uncommitted funds. So, we should not sit here praising ourselves that for the

first time we do not have funds from donors. We are aware that some of the donor countries actually give us grants as opposed to loans. We are aware that the Danish Government said that it would not discuss any strategic funding to us until we sort out the issue of work permits for its aid workers. These are people who work in very difficult parts of this country. We are aware of what happened between our Government and the Norwegian Government when aid workers from Norway, who had gone to work in Turkana, were flashed out of Kenya. Turkanas were crying that those were the only people who were able to reach them. We should treat the donor community with respect and expect the same respect from them.

Mr. Temporary Deputy Speaker, Sir, I hope that the Minister for Finance will bring a Bill in this House that will ensure that hon. Members of Parliament influence the process of preparing the Budget of the country. That is what happens in Tanzania, Uganda, Zambia and other African countries. It is, therefore, something that we can also do.

As we become more economically empowered, we need to give our people subsidies. We must subsidise the prices of goods and services for our people. Let us forget what others tell us because they too subsidise their farmers. For example, Germany and USA do exactly that and yet they are better of than we are. It is ironical that they tell us not to subsidise our farmers who actually feed the nation. So, as we move ahead, we want to see more innovation from the NARC administration. It should use the good brains in the country to change the way the Budget is delivered.

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

The Minister for East African and Regional Co-operation (Mr. J.K. Koech): Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me this opportunity to join my colleagues in contributing to this Motion.

First and foremost, I wish to congratulate the Minister for Finance for coming up with a very good Budget. In fact, I believe that this is one of the best Budgets that I have listened to. I am saying so because when you look at the trend of expenditure in this Budget, it gives us a lot of optimism as far as the growth of our economy is concerned.

Mr. Temporary Deputy Speaker, Sir, in this ending financial year, our country realised an economic growth rate of 4.3 per cent. This is a record economic growth rate compared to the previous years' growth rates when our country used to experience negative economic growth. For a long time, the Government has been allocating money for Recurrent Expenditure and other areas that do not stimulate economic growth. I must congratulate the Minister for Finance because he has allocated more funds to productive sectors of this country. By allocating more money to the Ministry of Roads and Public Works, it means that our roads will be better. This will further improve the economic development of this nation.

More money has also been allocated to the Ministry of Water and Irrigation. This will usher in development in the agricultural sector of this country. We know that water is required by both human beings and livestock.

I also wish to commend the Minister for ensuring that more funds are made available for the health sector. A healthy population will be able to produce more. I commend the Ministry of Health too, because it has ensured that there are sufficient drugs in our hospitals. Kenyatta National Hospital, for instance, is now managed in a better way and patients are getting better treatment compared to what was happening in the previous years. I believe that we will maintain the direction that we have already taken. We need to ensure that core Ministries are given more funds so that we can experience more development.

Mr. Temporary Deputy Speaker, Sir, it is good that the agricultural sector has been given more money. However, it is high time we looked, critically, at the prices of farm inputs. Whereas I commend the Minister for Agriculture for ensuring that farmers get good money for their agricultural produce such as maize and milk--- I am particularly interested in milk because my constituency is a

major producer of milk. In my constituency, we have a milk production of about 100,000 litres per day. The improvement of the management of the Kenya Co-operative Creameries (KCC) and increased prices of milk, is really a welcome development in my constituency where dairy farming forms the mainstay of the economy.

Mr. Temporary Deputy Speaker, Sir, I know that the Government is in the process of improving the management of the Kenya Farmers Association (KFA). In the past, KFA played a very crucial role in agricultural development in this country. Better management of KFA will increase farming activities in this country. I hope that when KFA is properly restructured and well managed, this will translate into better prices of agricultural inputs such as fertilizer and insecticides. If we want our farmers to improve their farming activities, we must encourage them by making sure that the prices of agricultural inputs are reduced.

We cannot develop without improving our agriculture. In fact, we cannot have a very strong manufacturing base if our people have no food. One of the most important things any country must do is to ensure that there is improvement in agriculture. Once agriculture improves, then this will give rise to the growth of the manufacturing industry. The development of rural areas will mean more income for the rural population.

Mr. Temporary Deputy Speaker, Sir, for a very long time we have neglected the cotton industry. We are talking about creating new job opportunities, but if we continue encouraging our people to go for *mitumba* clothes, then the textile industry in this country will never be revived. This automatically means that job opportunities will not be created. I am happy that the Government will go full blast in encouraging the growth of the cotton industry, so that we have an increase in employment levels through introduction of more textile industries.

On the issue of the Constituencies Development Fund (CDF), I would like to say that this is a wonderful idea. I am very happy that this Government has welcomed the idea of the CDF. This was an idea that was there before, but it was not implemented. The CDF is really a way of channelling funds to the rural areas. Every constituency is getting about Kshs30 million a year. This is something which was unheard of in the previous years. If the CDF is well managed, it will transfer income and jobs---

(Loud consultations)

The Temporary Deputy Speaker (Mr. Ethuro): Order, hon. Members! Could we listen to Mr. Koech?

The Minister for East African and Regional Co-operation (Mr. J.K. Koech): Thank you, Mr. Temporary Deputy Speaker, Sir, for protecting me from these hon. Members. I was saying that an increase in funds for the CDF will really spur development in the rural areas.

Mr. Temporary Deputy Speaker, Sir, on the issue of the East African Community (EAC), I would like to encourage Kenyans to take advantage of the coming free trade in East African countries. We should also take advantage of the rebirth of the Somalia Government. Their Prime Minister will be leaving our country on Thursday. As the Minister who has been involved in the peace process of Somalia, I have a lot of hope, that Somalia we will be a stable country within the region. So, these opportunities are open to our people. I would like also to encourage our people to take advantage of the peace prevailing in Southern Sudan and Somalia.

Mr. Temporary Deputy Speaker, Sir, lastly, the land issue of Narok South should be handled with a lot of caution. People are beginning to have a lot of problems. These problems cause great fear because some people who bought land there have no where to go. In fact, some of them have already committed suicide. This is a very sad state of affairs. We should handle this issue with the care it deserves. We should handle some of these issues with a lot restraint, so that we do not make our people suffer for nothing. These are innocent Kenyans. They never made a mistake by occupying that

land. They were given that land by the Government. However, if we talk of conservation of water and some of the issues which have come up in Narok South, I believe these should be handled in the best and most humane way possible. I would like to discourage some politicians, especially from that area from talking a lot of politics because they are now tribalising the whole issue. I would like some of the senior hon. Members from that area to keep quiet. I do not mind the Back Benchers talking. However, some of the senior hon. Members should restrain themselves from talking carelessly because this will add more fuel to the fire and it can be very dangerous to this country.

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

Mr. J.M. Mutiso: Thank you, Mr. Temporary Deputy Speaker, Sir, for according me this time to make my brief comments on the Financial Year 2005/2006 Budget. From the outset, I would like to congratulate the Minister for Finance for his eloquent Budget Speech which was met with a lot of cheers and clapping by *wananchi*. Equally, it was a balanced Budget. Being in the helm for the third year running, we believe that our Minister has really digested the philosophy of budgeting.

I take great exception to the manner in which the economic growth of this country has been calculated, particularly now that we are being told that we have a new statistical method of calculating the Gross Domestic Product (GDP). In fact, my constituents are concerned about this issue. They told me that they have been told that all of a sudden there has been a quantum jump from a growth rate of 2.0 per cent to 4.3 per cent. I was at pains to explain, or to answer some of the questions which they asked me. Basically they wanted to know whether we are richer by 4.3 per cent. Have we brought down the inflation rate by 4.3 per cent? Have we reduced the problems in the health sector by the same quantum? However, this is a standard measure and I think we should take more pain in trying to explain to our people as to how the economy has grown.

Mr. Temporary Deputy Speaker, Sir, in the last Budget Speech, the Minister gave certain proposals on policy reforms which were to spur economic growth in this country. I would like to say that these policies from a previous Budget also form the compendium of policies as to the Finance Bill of this country. However, some of the promises made in the previous Budget, for example, the reform in the financial sector, particularly the Micro-Finance Bill, we have not seen much as to the regulation of that sector in this country. We have also had the passage of the Central Bank (Amendment) Bill (2003), and this was in effect bringing into play the Monetary Policy Committee (MPC) which was to regulate the interest rates in the country. Up to this moment, we have not been told what happened with regard to the formation of this important committee which was supposed to oversee the monetary policy of this country. Again, we have not been told about the Banking (Amendment) Act, although it was referred back to Parliament by the President because of certain unworkable rules. However, we believe that the most important policy which was spelt out last year was about the *In duplum* rule to control interest rates of banks where a borrower cannot be charged twice as much as the principal amount. Banks are still charging over and above whatever borrowers have been lent. What happened to this issue of the *In duplum* rule?

In his Budget Speech, the Minister took a very important tax measure of removing of duty on all LPG products and sanitary towels. Surprisingly, those measures were also taken last year. Last year, the 13 kilogramme gas cylinder was being sold at Kshs1,400. Currently, it is being sold at Kshs1,800. I asked about the zero rating of petroleum products like kerosene and was told by an expert in the field, that we are likely to see the prices of petroleum products go up. The policy by the Minister to impose collection of VAT at the source will necessitate petroleum importers to borrow money to pay advance tax. Therefore, we are likely to see the prices of petroleum products go up.

I would also like to comment on a very important sector. I come from an arid and semi arid district. I thought that this was one area where the Government would have put more money. Ukambani region which comprises the five districts of Kitui, Mwingi, Machakos, Kangundo and Makueni is a dry area. We have been talking about famine and food crisis in these areas over and over

again. Year in, year out, we have been demanding the quantum of allocation for water and irrigation to be enhanced. In the last financial year, 2004/2005, the Government spent over Kshs2.5 billion in allocation of food to fight food crisis in the country.

I have not yet looked at the Budget to see how much allocation has gone into provision of water. But I was told that the amount likely to have been appropriated for water, for the whole Makueni District, is Kshs5 million; yet, the Government is using over Kshs80 million to buy food for our people. I would like to ask the Minister to re-look at these issues, and particularly that of water. Four boreholes are not enough, for provision of water per district, for an ASAL region. I think we require more resources so as to have an economic take off in that area.

I would like to comment on the positive measure taken on mortgages, where the relief went up. But I would like to contrast this with the rural population. We are thinking of giving Kshs500 million to the urban slum dwellers, but how much have we given to the many squatters who are dotting all over this country? I was challenged that hon. Members have allocated over Kshs800 million to refurbish Parliament Buildings. We all remember very well that we promised to build at least 150,000 housing units per year. If you look at the quantum of amount allocated for slum upgrading, you will see that Kshs500 million, which has been allocated for this purpose, translates to about 0.02 per cent of the units we promised every year. I would like to urge the Minister to look for some money and allocate it for resettlement of landless people of this country. I would like to say that this will also benefit the people of this country to have land.

Due to lack of time, I would not like to add much but I would like to comment on the tax relief on tools and equipment used by physically challenged people.

On the issue of bursaries, we expected the quantum of allocation to go up. An amount of Kshs800 million was allocated last year for this purpose. This year, the same amount has been allocated, yet we have more students in secondary schools. The Minister should consider allocating more bursary funds to secondary schools to assist as many students as possible. I believe that the Constituencies Development Fund (CDF), which has been met with a lot of mixed reactions, is a very good concept. I would like to plead with the public to look at the Act itself and acquaint themselves with the regulative framework. That money is meant for the poor and it is supposed to develop those areas. It should also be appreciated that we are just custodians of the money for the good of the people. Funnily, we spend a lot of time discussing the Budget - from now until October. We shall be speaking about the same things again and again. We have a lot of work. The Public Procurement Bill is still there and we have been told to pass it. It is one of the conditions to be met. When are we going to have time to finish all those Bills? We need to change the manner in which we debate our Budget. We should have a new budgetary framework which should show us the way forward.

The Temporary Deputy Speaker (Mr. Ethuro): Mr. J.M. Mutiso, your time is up!

Mr. J.M. Mutiso: Mr. Temporary Deputy Speaker, Sir, with those few remarks, I beg to support.

Mr. Kimeto: Mr. Temporary Deputy Speaker, Sir, thank you for giving me this time to contribute to the Budget. First of all, let me thank the Minister for Finance for collecting revenue from Kenyans. I thank him for collecting a lot of money. We need to follow up the implementation of the projects that the Minister has mentioned, so that they can benefit the people. If all the money which is allocated to the Ministries is utilised the way the CDF money is being utilised, Kenya could jump a step ahead. The little money that is allocated to Ministries is misused by Government officials. They are now waiting to receive what the Minister has allocated them. The money that will be voted to Ministries will be misappropriated and will not serve the intended purpose as proposed by the Minister. I would like the Minister to form an implementing committee to supervise what the money will be used for. It is unfortunate that people who misuse Government money are left to go scot-free, while those who commit lesser crimes like stealing cows are in jail. The Government does

not arrest those who steal a lot of money from the Treasury. What is being done to arrest those who have misused our money?

Mr. Temporary Deputy Speaker, Sir, the Minister has allocated money to the Ministry of Agriculture, when the people are nearly dying. I request the Minister to look ahead of time and allocate another Kshs5 million to every constituency for what we call "food strategy"! If that is done, famine will be eradicated once and for all. If I were given Kshs5 million today to take care of agriculture in my constituency, I am sure nobody there would go without food. This is because I will know the right period to till the land, plant and harvest. It is a pity that today the Government allocates money to the Ministry of Agriculture which seems to have misplaced priorities. Our people will continue to experience hunger year in, year out. So, if we are to succeed in agriculture, the Government must allocate money directly to the constituencies. Every constituency should take care of its people.

Mr. Temporary Deputy Speaker, Sir, pyrethrum is a major foreign exchange earner, besides coffee and tea. But who is taking care of it? The Ministry of Agriculture does not care about the pyrethrum sub-sector. Why can the Ministry not allocate enough funds to the Pyrethrum Board of Kenya to enable them revive the pyrethrum sub-sector? If the Government revived this sub-sector our country would earn a lot of foreign exchange.

The Ministry of Finance should identify every sector that can bring in money to this country. That money should then be allocated to the constituencies to develop those sectors. If this is done, we shall develop our economy.

Kenya is a country with a lot of human resource. The Government must think of funding our youth, especially in the *jua kali* sector, to enable them participate in economic development. However, the Government is not addressing these issues adequately. The Minister for East African and Regional Co-operation, Mr. J. Koech, said there is room in the East African Community for our people to trade. But most of our people do not know how to conduct international trade. We should educate them on how to go about it. We only make contributions here, but we do not disseminate the same information to the rural areas. How will they go about international trade if they are not educated on it? How do we engage in international trade without marketing the country? We shall be doing our own things here and nobody knows what we are doing. I request the Minister for Finance to allocate some money to educate citizens on terms of trade, because nobody knows about these things. We should assist the young people of this country.

Mr. Temporary Deputy Speaker, Sir, I also want to thank the Minister for allocating enough money for roads construction. However, the Minister for Roads and Public Works should quickly implement road projects in our constituencies. If we allocate enough money for road construction in every constituency, we will be employing not less than 9,000 people per constituency.

Mr. Temporary Deputy Speaker, Sir, I also note that the Minister did not allocate money for the development of the dairy industry. But I urge him to please, remember to include this important industry in his Supplementary Estimates so that we can develop grade cattle.

With those remarks, I beg to support.

The Assistant Minister for Gender, Sports, Culture and Social Services (Mrs. Chelaite):
Mr. Temporary Deputy Speaker, Sir, I rise to support the Motion.

I want to thank the NARC Government for the good job it has done since we came into power. Very many people complain out there saying that the NARC Government has done nothing, or that it has not fulfilled its pledges.

Mr. Temporary Deputy Speaker, Sir, when you look at the Speech which was presented here by our able Minister for Finance, it was so clear and it indicates what the NARC Government has been able to do and what it is going to do for this financial year.

The Speech was lauded and appreciated by many people. However, I want to request the

Ministry of Finance to put in place some measures to effect the lowering of prices of items which the Minister announced. I remember in the past, when the prices of commodities were lowered during the Budget Speech, by midnight, the prices were lowered. Prices of goods, especially household goods, should be reduced. Prices have been increased instead of reducing. I wonder whether there is any law to that effect. If it is not there, I urge the Ministry of Finance to put in place measures to effect price reductions.

Mr. Temporary Deputy Speaker, Sir, when I went through the Budget, I noted that some Ministries, projects and programmes have been allocated some money. But there are some Ministries which should be allocated more money. I note that the Ministry of Education, Science and Technology and the Ministry of Health have taken the lion's share of the Budget. But, there are Ministries like the Ministry of Co-operative Development and Marketing which should be given more money. There are co-operative societies and savings and credit societies which fall under that Ministry. That way, the Ministry can educate the people on the new Act and give money to buy seeds to co-operative societies. I remember that in the 1980s co-operative societies were helping the people. But due to corruption, co-operative societies collapsed. There is no other way to reduce poverty in this country, unless we strengthen and empower co-operative societies.

Mr. Temporary Deputy Speaker, Sir, I would like to talk about Roads Maintenance Levy Fund. The money is given to the district treasuries and is administered by district engineers. As hon. Members of Parliament, we are only told to give the name of the road to be rehabilitated. We do not see any effectiveness or efficiency in the rehabilitation of those roads. I want to recommend that, that money should be given to the constituencies so that, when we identify those roads, we could supervise the works. That way, money will be utilised well and its impact seen. It should be administered the same way the Constituencies Development Fund (CDF) is administered. Everybody is feeling the impact of CDF in the grassroots. The people are seeing the implementation of projects. I recommend that the Roads Maintenance Levy Fund and Local Authorities Transfer Fund be taken directly to the constituencies, instead of being given to district engineers.

Mr. Temporary Deputy Speaker, Sir, I also want to talk about water. We cannot improve our economy if most of our people do not have clean water. Water is an essential commodity. Water is life. We were promised that, by the year 2000, every house will have piped and clean water. But, up to this moment, most of our people do not have water. If there is any water, it is not clean. I urge the Minister for Finance to increase the allocation to the Ministry of Water and Irrigation so that, in future, everybody will access water.

Mr. Temporary Deputy Speaker, Sir, I also want to talk about energy. The money which has been allocated to the Ministry of Energy should also be equitably distributed to all constituencies, so that every area in the constituencies can have electricity. This will make it possible for all these areas to have *jua kali* businesses in every trading centre and as a result, most of our youth will be able to get something worthwhile to do. At the moment, the rate of unemployment in this country is very high, and most of our youth are engaged in mischievous activities. I know that if we can be given money at the constituency level, every constituency will be able to have electricity.

Mr. Temporary Deputy Speaker, Sir, my colleagues have already spoken about the issue of squatters. At the moment, most land in this country is owned by the rich, especially in the Rift Valley, which was originally part of the "White Highlands". The rich people were able to buy that land while there were very many squatters out there with no place to live in, no employment and nothing to eat. We used to have the Settlement Fund Trustee (SFT) and at the moment, when you go to the Ministry of Lands and Housing, you will be told that all the money was given out and it has not been recovered. While the Ministry is trying to recover the money, it would be very advisable and logical if the Ministry of Finance could allocate some money to this Ministry, so that it could buy land and resettle these squatters. By doing this, most of our people will stop being squatters because they will have

somewhere to live. I looked at the Budget and I did not see any money which has been allocated for the resettlement of squatters. This is a serious issue and if we do not resettle these people, they will end up being thieves who will disturb our peace---

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

The Assistant Minister for Gender, Sports, Culture and Social Services (Mrs. Chelaite): Thank you, Mr. Temporary Deputy Speaker, Sir. I beg to support.

Mr. Mwenje: Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me this opportunity to say a few words about this Budget. This year's Budget was among the best I have ever heard. I have been in this House for the last 20 years and I have never seen a better Budget than this year's since I came to this House. Believe you me, I have been here longer than even the Minister for Finance, and I know that there has never been a Budget as good as this one; a Budget where the poor and sick people are really looked after, and the real common man can boast. This is true because outside there, people are saying: "This is the best Budget we have ever seen", and I am confirming the same here.

The only thing that I must tell the press is not to trivialize things, for example, the issue of hon. Members dozing a little. That could happen to any individual, including the pressmen. But they are putting it as if that was the major issue here during the Budget day. Surely, that is wrong and I hope they will put it right that, that is not an issue because hon. Members know that they will read the Budget finally, debate and talk about it. So, they will certainly know everything about the Budget. I hope the pressmen will be here to hear this.

Mr. Temporary Deputy Speaker, Sir, I have noticed that there is a big change in this year's Budget, particularly with regard to reviving all the stalled projects. I am impressed to know that about 251 dispensaries which had stalled have been revived with only Kshs1 billion which was given in last year's Budget. This year, the Minister has set aside Kshs2 billion to revive stalled projects.

I want to believe that with Kshs2 billion, we will complete all the projects which stalled after 25 per cent of the work had been done. When I drive along Thika Road, I am happy to see that the National Youth Service buildings have been renovated. They are now beautiful and clean and anybody will say that the NARC Government seems to be working.

Mr. Temporary Deputy Speaker, Sir, on agriculture, the economy of this country depends on agriculture. I am happy the Minister said that the coffee industry will be revived. Almost the whole of Central Province depends on coffee. If the coffee industry is revived, you do not need to give anybody any money, food or even bursaries. People from that area might not need these things. If the cotton sector is revived, we will get cheap clothing here and we will not need *mitumba*. I am told that everybody wears *mitumba* including Ministers. If that happens, people will afford to buy new cloths which are made in this country. However, if the coffee sector is revived, everybody will be rich including myself because I own about 1,000 plants of coffee.

I want to ask the relevant Minister to make sure that the Coffee Act is amended immediately. He should liaise with his colleagues to make sure that the Coffee Act is amended because unless we amend the Act, the marketing of coffee will still not be acceptable. It is still being done by a few people. The Kenya Planters Co-operative Union (KPCU) is not helping the farmers. It is, therefore, important that the Coffee Act is amended immediately.

Mr. Temporary Deputy Speaker, Sir, the money for roads maintenance has been increased by 44 per cent. This should not just be reflected in figures. The public will only believe that we are serious when they see that the roads are being done. I am not impressed by our roads. Despite the fact that a lot of money has been allocated for roads maintenance, I have not seen anything happening. If you look at the Nyeri-Karatina Road, you will find that it has taken too long to be repaired. Our roads in the City were destroyed by the rains, but why does it take too long to repair even one road in Nairobi?

Why is it that our contractors do shoddy jobs such that within a very short time, all our roads are

damaged? Our drainage system is very poor. Is it the materials that they use that are sub-standard? There must be something wrong with the construction of our roads. Our engineers are answerable to Kenyans and they should tell us why our roads get worn out after a few weeks of repair. I am sure Dr. Wekesa will agree with me that even the roads up there are worn out. The Minister must find out whether the money he allocates for a certain project is spent properly. His engineers must advise him properly.

Mr. Temporary Deputy Speaker, Sir, however, the Minister should have considered a little bit more about the District Roads Committees (DRCs). We should either transfer the money from the DRCs to the Constituencies Development Fund (CDF) or give the DRCs enough money to repair our roads. To construct a kilometre of road costs about Kshs8 million. So, how many kilometres of road can Kshs5 million construct? Maybe a quarter kilometre of a road.

In future, the Minister should consider funding the District Roads Committees (DRCs) adequately or put all the money into the Constituency Development Fund (CDF), so that we can do the work. Otherwise, the Kshs5 million allocated to the DRCs is too little. I am the Chairman of the DRC in Nairobi, and I can assure you that I have hardly done anything with the DRC money. With that money, you can only hire a grader to grade one road. If you go out there, you will see that we have done nothing with that money. Apart from the amount being too little, we receive it in instalments of Kshs2.5 million. What work can you do with Kshs2.5 million? So, this is an area that needs to be looked into.

Mr. Temporary Deputy Speaker, Sir, another issue I would like to talk about is water. If people in this country were supplied with adequate water, we would never beg for food. Everybody in this country would be rich. If we irrigate our land, we will see the difference. I am glad that the Minister has increased the Budget by 37 per cent. That increase really looks reasonable. I am also told that Kshs1.5 billion has been provided in the Budget for irrigation. If we can irrigate the areas with arable land in this country, we will never ask anybody to help us with food. We will never have famine and we will succeed. We will also never ask for any aid, because if, for example, I have fed well, even if you do not help me, I will still survive. So, let us use the Kshs1.5 billion for irrigation. I hope that with the 37 per cent Budget increase, the Minister for Water and Irrigation will now become serious and revive all the water projects that have collapsed, like the one in Kandara. I have mentioned Kandara, because I have literally seen it. Let her revive all the projects that have collapsed due to lack of sufficient water. I hope that this increase will enable the Minister to revive those projects.

Mr. Temporary Deputy Speaker, Sir, I will soon bring a Bill to this House to make it mandatory to harvest every drop of water that falls on our roof tops.

(Applause)

I hope the House will support me in that endeavour. If we can harvest all the rain water that falls on our roof tops, water bills in Nairobi will be very small and at the same time, we will be able to reserve a lot of water. So, I am happy that the Minister considered this particular sector. We should also think of how we can irrigate our land using water from our rivers and Lake Victoria. We should be able to go very far with this kind of money. Mr. Temporary Deputy Speaker, Sir, I must say that literally everybody is happy with this Budget. However, the bit which makes me happiest in this Budget, is the fact that we have prepared it without factoring in donor-funding. We have not included donor-funding, yet the Budget is balanced. The Minister should really get a pat on the back. That is very good. For the first time in Kenya's history, we have prepared our Budget without factoring in donors' pledges. That shows that we can stand on our own. It means that those who want to give us donor aid, can do so without giving us conditions.

Mr. Temporary Deputy Speaker, Sir, I salute the Minister for doing so. The Budgets of

Uganda and Tanzania contain 70 per cent and 48 per cent donor-funding, respectively. The Kenyan Budget contains no donor-funding. For once, we should be proud of ourselves and say: We are men and women of our own standing and we are able to succeed with or without donor funding. If the donors give us money, they should do so as friends. They should not regard us as people who will die if they do not give us aid. I am sure if we continue this way, we will succeed. Thanks to the Minister, that was a good deal.

ADJOURNMENT

The Temporary Deputy Speaker (Mr. Ethuro): Hon. Members, it is now time to interrupt our business. Therefore, the House is adjourned until tomorrow, Wednesday, 15th June, 2005, at 9.00 a.m.

The House rose at 6.30 p.m.