

NATIONAL ASSEMBLY

OFFICIAL REPORT

Tuesday, 1st November, 2005

The House met at 2.30 p.m.

[Mr. Speaker in the Chair]

PRAYERS

PAPER LAID

The following Paper was laid on the Table:-

The Report of the Departmental Committee on Finance, Trade, Tourism and Planning on the Finance Bill, 2005.

(By the Chairman Mr. Kagwe)

QUESTIONS BY PRIVATE NOTICE

DELAYED DISBURSEMENT OF FPE
MONEY TO MASEWANI PRIMARY SCHOOL

Mr. C. Kilonzo: Mr. 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 Masewani Primary School has not received money under free primary education amounting to Kshs297,935 to date?

(b) Is he further aware that parents are planning to transfer pupils to neighbouring schools as a result of (a) above?

(c) What is the Minister doing to ensure that the school receives these funds as a matter of urgency?

Mr. Speaker: Is anyone here from the Ministry of Education, Science and Technology? Mr. C. Kilonzo, we will come back to the Question later on. I hope the Minister will come!

UNLAWFUL REDUCTION OF
STAFF SALARIES AT
ALUPE SUB-DISTRICT HOSPITAL

Mr. Ojaamong: Mr. Speaker, Sir, I beg to ask the Minister for Health the following Question by Private Notice.

(a) Is the Minister aware that the medical staff at Alupe Sub-district Hospital in Teso District are not receiving their full salaries and allowances?

(b) What urgent measures is she taking to ensure that salaries and allowances that the Ministry unlawfully and unilaterally deducted from the employees is paid back to alleviate further suffering of

staff?

Mr. Speaker: The Minister for Health is not there?
Next Question by Mr. Angwenyi!

CRASH-LANDING OF CARGO
PLANE AT JKIA

Mr. Angwenyi: Mr. Speaker, Sir, I beg to ask the Minister for Transport the following Question by Private Notice.

(a) Is the Minister aware that a cargo plane crash landed at Jomo Kenyatta International Airport (JKIA) on 1st October, 2005?

(b) Is he further aware that due to lack of capacity to deal with emergencies, flight operations were disrupted for two days?

(c) What immediate measures has the Minister taken to enhance preparedness and capacity at the airport to deal with this type of emergency?

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

(a) I am aware that on 1st October, 2005 at 1.50 a.m., a cargo plane Boeing 747, Registration No.NOFT/ART, belonging to Air Atlanta and operated by Cargo Lux made an emergency landing at the JKIA. The emergency landing was caused by hydraulic failure and immediately after landing, the rear left handside landing gear collapsed, thereby immobilising the aircraft. This happened at the end of the runway.

(b) I am also aware that the aircraft blocked the runway for eight hours and not two days as stated.

(c) The Kenya Airports Authority's (KAA) airport contingency plans are in place to deal with this type of emergency. In addition, the Government is considering the possibility of constructing a second runway to provide an alternative landing in case of such a situation in future.

Mr. Angwenyi: Mr. Speaker, Sir, I am surprised that the Assistant Minister has said that the airport was blocked for only eight hours. I was in Cape Town at that time and we were supposed to fly in that morning. However, we were delayed in Johannesburg for two days because the officials at the JKIA could not clear the runway to enable other planes to land. Why did it take eight hours to clear one plane from the runway?

Mr. Ligale: Mr. Speaker, Sir, it took eight hours to clear the runway because the plane that made an emergency landing had 120 tonnes of fresh produce bound for Amsterdam. The engineers from the KAA and the Kenya Airways (KQ) were summoned to remove the aircraft from the runway. However, it was necessary that the cargo be off-loaded before the aircraft could be towed away. The officials took that time to off-load the aircraft.

Capt. Nakitare: Mr. Speaker, Sir, the Assistant Minister has indicated that there is inefficiency at the JKIA which is the busiest airport in East Africa. What plans does the Assistant Minister have to deal with emergency cases like this one?

Mr. Ligale: Mr. Speaker, Sir, in the first place, I did not say that there was inefficiency at the JKIA. The hon. Member has said what I have not said in this House. I have stated clearly that we have contingency plans to deal with that kind of emergency, which we dealt with.

Mr. Angwenyi: Thank you, Mr. Speaker, Sir. It appears as if this Ministry is not serious with that airport. That airport is the hub of all flights in this region. If you watched your television that day, you could see people shouting "Harambee" as they pushed the aircraft. They did not have equipment to tow it from the runway.

Could the Assistant Minister tell us the loss that was incurred because of the KAA's failure to

tow the aircraft from the runway?

Mr. Ligale: Mr. Speaker, Sir, I have explained that, that aircraft had fresh produce weighing 120 tonnes. The officials at the JKIA had to empty that aircraft before it could be towed away.

ORAL ANSWERS TO QUESTIONS

Mr. Mwandawiro: Bw. Spika, ninauliza hili Swali kwa mara ya tatu hata ingawa sijapata nakala ya jibu.

Question No.446

BENEFITS ACCRUED FROM PRIVATIZATION OF STATE CORPORATIONS

Mr. Mwandawiro alimuuliza Waziri wa Fedha:-

- (a) ni mashirika mangapi ya umma yamebinafsishwa hadi sasa;
- (b) ubinafsishaji wa mashirika hayo umeletea nchi faida gani halisi; na,
- (c) ni kazi ngapi zimeongezeka kutokana na ubinafsishaji huo.

The Minister for Finance (Mr. Mwiraria): Bw. Spika, kawaida baada ya kutayarisha jibu, tunapeleka nakala kwa Katibu wa Bunge ambaye anahakikisha imemfikia Mbunge aliyeuliza Swali. Nilitia sahihi jibu tarehe 15, Julai, 2005. Nina hakika kwamba Mbunge alipata nakala ya jibu langu na ikapotea.

Mr. Mwandawiro: Jambo la nidhamu, Bw. Spika. Kusema kweli sijapata nakala ya jibu.

Mr. Speaker: Bw. Mwandawiro, utapewa nakala ya jibu hilo!

The Minister for Finance (Mr. Mwiraria): Bw. Spika, ninaomba kujibu.

- (a) Hadi sasa, Serikali imeweza kubinafsisha mashirika 145 ya umma.
- (b) Ubinafsishaji wa mashirika ya umma umeleta faida nyingi kwa nchi yetu na wananchi wote. Nchi imefaidika kama vile imeongeza umiliki wa hisa kwa Wakenya, ingeboresha utendaji wa kazi katika mashirika hayo, imechangia katika ongezeko la mapato ya Serikali na pia, kuipatia Serikali nafasi ya kushughulikia masuala makuu katika nyanja mbalimbali kwa mfano, afya, elimu na usalama.
- (c) Kufuatia ubinafsishaji wa mashirika ya umma, kazi zimeongezeka kwa kiwango cha asilimia 0.07.

Mr. Mwandawiro: Bw. Spika, hili Swali ni muhimu sana. Inafaa Serikali ifikirie kikamilifu kuhusu sera za kiuchumi ambazo zitaboresha hali ya maisha ya watu wetu. Ubinafsishaji wa mashirika ya umma umeongeza idadi ngapi za nafasi za kazi? Maelfu ya watu wamepoteza kazi kwa sababu ya kubinafsisha Shirika la Reli nchini, na huku Waziri anasema kwamba ubinafsishaji umeongeza nafasi za kazi. Ni nafasi ngapi za kazi zimebuniwa kutokana na ubinafsishaji wa mashirika ya umma? Ni nafasi mbili, tatu au nne?

Mr. Mwiraria: Bw. Spika, kusema kweli ni vigumu kujibu swali hili. Hii ni kwa sababu, baadhi ya kampuni ambazo zilibinafsishwa zilinunuliwa na kufungwa. Mfano ni Kampuni la Korosho ambalo liko katika Mkoa wa Pwani. Kampuni zingine zilinunuliwa na zinaendeleza shughuli zake, kwa mfano Sameer Africa. Shirika ambalo limebuni nafasi za kazi ni kama vile Kenya Airways.

Shirika hili liliwafuta kazi wafanyakazi lakini sasa limepanuka na kuajiri watu wengi. Siwezi kujibu kamili Swali la Bw. Mwandawiro leo.

Mr. Angwenyi: Hoja ya nidhamu, Bw. Spika. Je, ni haki Waziri kutueleza kwamba kazi zimeongezeka, hali tunajua kwamba Postal Corporation of Kenya (PCK) imefuta watu zaidi ya 10,000, Kenya Railways zaidi ya watu 15,000 na Kenya Co-operative Creameries zaidi ya watu 20,000? Hizo kazi zimeongezeka wapi?

Mr. Mwiraria: Bw. Spika, sijui kama mimi pia ningesimama kwa hoja ya nidhamu, kwa

sababu kama nimejibu Swali na ndugu yangu hakisikia; au kama amesikia amekataa kuelewa, basi nitafanya nini?

(Laughter)

Mr. Marende: Asante sana, Bw. Spika. Bw. Mwiraria amesema kwamba mashirika 145 yamebinafishwa. Ningependa Waziri anijibu kinaganaga. Kutokana na ubinafsishaji huo, mashirika hayo yameletea Serikali faida ya pesa ngapi?

Mr. Mwiraria: Bw. Spika, kusema ukweli, hilo ni Swali lingine na kama ningejua, ningetafuta habari kuhusu pesa Serikali ilizopata kutoka kwa ubinafsishaji huo na niilete hapa.

Mr. Marende: Hoja ya nidhamu, Bw. Spika. Hili swali nililouliza linatokana na ubinafsishaji wa mashirika, na amesema ni mashirika 145 yaliyobinafsishwa. Je, mashirika hayo yameleta pesa ngapi kwa Serikali? Sioni kama hilo ni swali kando!

Mr. Speaker: Ni faida gani Serikali ilipata? Hiyo ni sehemu "b" ya Swali.**Mr. Mwiraria:** Bw. Spika, nimetaja faida ambazo ubinafsishaji huo umeletea nchi hii. Sikuulizwa niseme ni pesa ngapi tumepata kutoka kwa ubinafsishaji huo.

An hon. Member: Sema kwa Kizungu!

Mr. Mwiraria: Bw. Spika, nimechagua kuzungumza Kiswahili. Hapa Bunge tunaruhusiwa kuongea Kiswahili au Kiingereza, bora umechagua lugha moja na uendeleo kuizungumza. Sasa mimi niliamua nitazungumza Kiswahili na kama wenzangu wanafikiri kuwa wanajua Kiswahili kunishinda, basi nitawaomba wasimame ili tuwaone.

(Laughter)

Mr. Sambu: Bw. Spika, kati ya mashirika yaliyobinafsishwa, kuna makampuni yaliyokuwa yakichimbua madini. Kwa mfano, ile kampuni ya kuchimbua madini ya *fluorspar*, na yalikuwa yakichimbua madini hayo kutoka katika ardhi ya umma, ama kwa Kiingereza *Trustland*. Je, nani aliinunua kampuni ya kuchimbua madini ya *fluorspar*, iliyoko katika ardhi ya wenyewe? Ni manufaa gani anawapa wenye ardhi?

Mr. Mwiraria: Bw. Spika, swali hilo ni nzuri. Lakini kwa bahati mbaya, wakati kampuni hiyo ilipobinafsishwa, mwenzangu alikuwa katika Serikali na yeye ndiye angetupa jibu. Lakini ikiwa anataka jibu la swali hilo, nitaenda nitafute rekodi kwa sababu mimi siwezi kujua jibu hilo; au aulize swali lingine na nitamjibu.

Mr. Sambu: Jambo la nidhamu, Bw. Spika.

Mr. Speaker: No, we do not have to raise points of order all the time. What is it, Mr. Sambu?

Mr. Sambu: Bw. Spika, je ni nidhamu kwa Waziri kunisingizia kwamba nilikuwa katika Serikali? Kazi yake saa hii ni kuyajibu Maswali yetu, iwapo nilikuwa Serikalini au la sio hoja. Mimi nataka kujibiwa swali langu.

Mr. Speaker: Huo ni mjadala sasa!

(Laughter)

Last question, Mr. Mwandawiro!

Mr. Mwandawiro: Bw. Spika, kusema kweli, ni wazi kabisa kwamba Swali langu, haswa sehemu ya "c" halikujibiwa kikamilifu. Swali hili linaweza kusaidia nchi sana kuangalia hali ya sera za kiuchumi iwapo litajibiwa kikamilifu.

Bw. Spika, kwa hivyo, ningetaka Waziri alete takwimu za kuonyesha mashirika hayo 145

yalikuwa na wafanyakazi wangapi, na baada ya kubinafsishwa, ni kazi ngapi zilipotea na ngapi ziliongezeka. Hivyo ndivyo tutaweza kuisaidia nchi hii. Kwa hivyo, ningetaka Swali hili liahirishwe ili lijibiwe kikamilifu.

Mr. Mwiraria: Bw. Spika, kama nilivyosema hapo awali, mashirika mengi yaliyobinafsishwa yalifungwa. Hii leo, hata nikitaka kutafuta takwimu, hakutakuwa na mtu wa kunipa takwimu hizo. Kwa hivyo, sioni ni faida gani---

Labda nikiulizwa Swali lingine kama ifuatavyo:- "Yale mashirika yaliyobaki katika Serikali yamefanya vipi?" Naweza kujibu Swali hili, kama nilivyosema hapo mwanzoni. Sina shaka kuwa naweza kufanya hivyo bila taabu yoyote.

Mr. Mwandawiro: Jambo la nidhamu, Bw. Spika.

Mr. Speaker: Order! Order! Order now! We must make progress!

Next Question, Prof. Oniang'o!

Question No.545

TAX REBATE FOR KENYAN PHILANTHROPISTS

Prof. Oniang'o asked the Minister for Finance:-

(a) whether he is aware that unlike in developed countries, Kenyan philanthropists do not enjoy tax rebate when they make contributions; and,

(b) if the answer to "a" above is in the affirmative, what plans he has to create incentives for wealthy Kenyans to contribute to worthy projects that promote social welfare?

The Assistant Minister for Finance (Mr. Obwocha): Mr. Speaker, Sir, I beg to reply.

(a) I am aware that Kenyan philanthropists do not enjoy tax rebate when they make contributions.

(b) There are no plans at the moment to give tax rebate to the individual wealthy Kenyans who contribute to worthy projects that promote social welfare. However, institutions involved in charitable activities that promote social welfare enjoy several tax incentives. Such incentives include remission of Customs Duty and Value Added Tax (VAT) payable on selected donated goods, if those goods are for use for charitable works. They similarly enjoy exemption from Income Tax. It is important to note that these incentives are to the institutions and not to the individuals receiving donations. As outlined in the Budget of 2005/2006, the agreement by the East African Community partner States to harmonize the exemption regimes, the Government is working out the modalities for the payment of duty and VAT in respect of goods donated to deserving Non-Governmental Organizations (NGOs) and charitable institutions in specific areas.

Thank you.

Prof. Oniang'o: I want to thank the Assistant Minister for this very extensive answer, but he is answering the wrong Question. I also wish to define philanthropy for the sake of my friends here. Those are individuals who want to make contributions for a good cause. Now, I am aware that in some countries, even a donation of 10 US Dollars enjoys tax rebate. This encourages them to make contributions and we call them generous, yet we have many Kenyans both of medium means and wealthy ones who make contributions and do not enjoy tax rebate! They could actually contribute a lot more if they enjoyed tax rebate.

Could the Assistant Minister tell us whether he is going to follow what is being practised elsewhere by encouraging Kenyans who have the means to put up institutions to help with all this poverty issues we have in this country and also to give back some of the money that they may have taken without following the proper channels to help build this country?

Mr. Obwocha: Mr. Speaker, Sir, we appreciate that charitable projects are good causes. But if we were to allow them tax rebate, it would lead to regional inequality because if you give tax rebate to one region where there are many wealthy people, we will end up having certain regions getting more than the others.

Under our current income tax system, if an individual gives or donates to a charitable cause, he is allowed under Section 15(i) of the Income Tax Act to claim that expense, if it is exclusive for the production of that income.

Mr. Kagwe: Thank you very much, Mr. Speaker, Sir. First of all, it is not actually correct to say that if a corporation gives to a charitable cause, it will get tax exemption. The Minister is referring to Customs Duty, but in terms of real tax exemption, that is not correct.

Mr. Speaker, Sir, I quite agree with the Assistant Minister that it is possible for people to abuse tax rebates. In the United States of America (USA), what they do is that they register organizations and if you give money to them, you can get tax exemption status.

Could the Assistant Minister, therefore, consider registering organizations for which if one gives money for distribution to charities, he can get tax exemption status?

(Applause)

Mr. Obwocha: Mr. Speaker, Sir, I said that if any organization that deals with charitable work receives donations for a worthy course, either from wealthy people or from outside, we consider exemption or rebate of those taxes. Taxes include Customs Duty and is not only Income Tax or VAT.

Mr. Speaker: Last question, Prof. Oniang'o!

Prof. Oniang'o: Mr. Speaker, Sir, obviously, the Assistant Minister has not understood this Question and he is not aware of what is going on in this sector. I would like to urge him to do some research to make sure that individuals who donate are the ones who get tax rebate, and not the NGOs? Could he assure us that he is going to do research to make sure that he understands this sector?

Mr. Obwocha: Mr. Speaker, Sir, if there are top Kenyans who know about tax in this country, I am one of them. How can I not understand a small Question like this one? Prof. Oniang'o is asking about rebates--

(Dr. Khalwale entered the Chamber amidst applause)

That applause was to welcome Dr. Khalwale and we are telling him *pole* because his car was burned down.

Mr. Speaker, Sir, wealthy individuals have a chance for tax rebate under the Income Tax, but as for the exemption of duty, it is not possible because we give it to organizations and institutions and not to individuals.

(Loud consultations)

Mr. Speaker: Order! Order, hon. Members! Order! There are three *barazas* going on at this moment. Will you postpone them until Saturday? Let us do the Business at hand!

Question No.531

NUMBER OF PARAMEDICS
RECRUITED IN EACH DISTRICT

Mr. Korir asked the Minister for Health:-

- (a) how many paramedics have been recruited in the on-going exercise; and,
- (b) whether she could enumerate the number recruited in each category such as Kenya Registered Nurses and Kenya Enrolled Health Nurses *et cetera*, in each district.

(Loud consultations)

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

What is going on there? What is going on at that corner? Please keep peace!

The Assistant Minister for Health (Dr. Kuti): Mr. Speaker, Sir, I beg to reply

(a) A total of 1,046 paramedics were recruited by the Ministry in June 2005. They are categorised as follows: Kenya Enrolled Community Health Nurses, 557; Registered Clinical Officers, 202; Kenya Registered Health Community Nurses, 219;

Medical Laboratory Technologists, 67; and, three Medical Laboratory Technicians.

(b) The list of the category recruited and the numbers per district is hereby tabled.

*(Dr. Kuti laid the document
on the Table)*

Mr. Speaker: I think we dealt with this Question last time. It was only that part of tabling of the distribution of the paramedics which was missing. Am I correct, hon. Korir?

Mr. Korir: Yes, Mr. Speaker, Sir.

Mr. Speaker: Then we will have to restrict our questions to that part.

Mr. Korir: Bw. Spika, ningetaka kuchukua nafasi hii kumshukuru Naibu wa Waziri kwa hilo jibu lake. Ningependa kumpongeza kwa kuchukua hatua ya kuwaajiri wauguzi ambao wanahitajika kote nchini.

Sisi sote tunajua kwamba kuna upungufu mkubwa wa wauguzi katika nchi yetu. Ningependa kumjulisha kwamba bado

kuna upungufu wa wauguzi hata baada ya kuwaajiri hao aliowataja. Ni hatua gani anachukua kuhakikisha kwamba anatosheleza upungufu wa wauguzi katika nchi hii?

Dr. Kuti: Mr. Speaker, Sir, the issue of shortage of staff is a persistent problem in the Ministry. This is basically because of donor conditions and the embargo on recruitment of new staff. We are trying to sort out the problem through seeking donor support. For instance, currently, the Clinton Foundation is hiring about 120 nurses. This is a problem which will be with us for a while, but we are working slowly to solve it.

It is a paradox that we have about 5,000 nurses who are jobless and yet there is about an equal number of nurses required to fill the vacancies available. This is because of financial constraints.

Mr. Sambu: On a point of order, Mr. Speaker, Sir. Is the Assistant Minister in order to say that there is lack of resources, when at the end of the last financial year, 2004/2005, his Ministry returned Kshs2 billion to the Treasury?

Dr. Kuti: Mr. Speaker, Sir, I am not aware of the money that was returned to the Treasury. In fact, money that is targeted for development cannot be used for recruitment of staff.

Dr. Kibunguchy: Mr. Speaker, Sir, when you look at the list of the recruited paramedics, you will notice that we do not have even one single person from Lugari District. I would like to ask the Assistant Minister, in the spirit of fairness and equity, why it is that there is no single person from Lugari District on that list?

Dr. Kuti: Mr. Speaker, Sir, I am not in a position to give an answer as at now, why no single person was recruited from Lugari District. Maybe the District Medical Officer of Health (MOH) could shed more light on the issue. I cannot give the answer right now.

UTILISATION OF LATF MONEY
IN WAJIR COUNTY COUNCIL

Dr. Ali asked the Minister for Local Government:-

- (a) whether he could inform the House on the amount of money sent to Wajir County Council from the LATF since the Fund's inception; and,
- (b) whether he could further give a detailed account of how the funds were utilized.

Mr. Speaker: Is the Minister for Local Government here?

An hon. Member: He has just walked out of the Chamber.

Mr. Speaker: Dr. Ali, what do I do?

Dr. Ali: Mr. Speaker, Sir, I do not know. You remember last week this Question was postponed to today and now the Minister has decided to disappear. I do not know whether he has been sacked.

The Vice-President and Minister for Home Affairs (Mr. Awori): Mr. Speaker, Sir, the Minister expected his Assistant Minister to come with the answer. I hope that he will be coming later. This is not a Government that indulges in sacking of Ministers as is being suggested by the hon. Member.

Mr. Speaker: Dr. Ali, I will hold your Question hoping that he will come soon.

Dr. Ali: Mr. Speaker, Sir, that is okay.

Question No.519

VEHICLE FOR LUANDA POLICE STATION

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

- (a) whether he is aware that the only Police vehicle serving Luanda police station in Vihiga District was involved in an accident in May 2005, as result of which it was written off; and,
- (b) what urgent measures he is taking to ensure that a replacement is given to the police station forthwith to avoid the risk of escalation of crime.

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

(a) I am aware.

(b) The motor vehicle GK A916J, which was involved in an accident has being fully rehabilitated and is currently in use by the police station.

Mr. Marende: Mr. Speaker, Sir, the answer given by the Assistant Minister is inaccurate because this Question was asked in the month of June which was five months ago when it was a real emergency. What is significant is that, I as the Chairman of CDF for the Emuhaya Constituency caused this vehicle to be repaired from the CDF kitty. We are aware that the Vote of the Office of the President had a colossal amount of money out of which contingencies like these ought to be met. The people of Emuhaya Constituency pay a lot of taxes.

Could the Assistant Minister refund this money to the people of Emuhaya Constituency which they spent from the CDF kitty?

Mr. M. Kariuki: Mr. Speaker, Sir, let me thank the hon. Member for having undertaken the repair of this police vehicle. As much as he would want to have a refund of the money, the CDF is part of the taxpayers' money as much as the Vote of the Office of the President is. So, I do not really know what the refund means in this particular context.

However, we took this matter seriously, and during the time this vehicle was not on the road, we provided an alternative vehicle from another police station. It was a lorry GK 090F, Nissan UD and it served the purpose for the time.

Mr. Sambu: Mr. Speaker, Sir, it is true that CDF funds are public funds. But in several police stations, including my own Kabiyet Police Post, the officer in charge demands Kshs3,000 from a complainant allegedly for petrol, whenever the police vehicle has to go out. Will this money also not be refunded because it is from private individuals and not the CDF or the Office of the President as in the other cases?

Mr. M. Kariuki: Mr. Speaker, Sir, I would like to make it very clear. It is illegal for any police officer to solicit money from a citizen to fuel a Government vehicle. If that is happening, the hon. Member should give us the necessary information, so that we can act. Each vehicle has a minimum of 14 litres of petrol per day, but where necessary, the litres have been enhanced. Each vehicle uses a minimum of 14 litres of petrol of petrol per day.

Mr. Marende: Mr. Speaker, Sir, now that there is no hope of getting a refund, I will not labour in vain. Given that I cannot draw blood out of a stone, I rest my case.

(Laughter)

Mr. Speaker: Very well! Who is the rock in that case?
Next Question by Eng. Muriuki!

Question No.524

MURDER OF MR. GITONGA WAIHAKA

Eng. Muriuki asked the Minister of State, Office of the President:-

(a) whether he is aware that on the night of 14th December, 2003, Mr. Simon Gitonga Waithaka of Milangine Sub-location in OI'Kalou Constituency was assaulted and pronounced dead on arrival at Nakuru District Hospital, where he was rushed by well wishers;

(b) whether he is further aware that the incident was reported at Milangine Police Post and the alleged assailant, Mr. James Ruchu Njuguna, subsequently arrested and held at OI Jororok, Nyahururu and Nakuru police stations; and that, the suspect was subsequently released from police custody on 13th December, 2004 without any charges being preferred; and,

(c) under what circumstances the assailant was arrested and later released without any charges being preferred.

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

(a) I am aware that Mr. Simon Gitonga Waithaka was, on 14th December, 2003, stabbed with a knife and was pronounced dead on arrival at Nakuru Provincial Hospital.

(b) Yes, I am aware that the incident was reported at Milangine Police Post and the suspect, Mr. James Ruchu Njuguna, was arrested on 16th December, 2003 vide Police Occurrence Book No.15. The suspect was taken to a Nakuru court on 26th January, 2004 vide Police Criminal Case No.248/00/03, and Court file No.14 of 2004. He was charged with murder contrary to Section 203 as read with Section 204 of the Penal Code. The charge was later reduced to manslaughter and the accused was, thereafter, convicted and discharged under Section 35(i) of the Penal Code.

(c) Arising from my response to part "b" above, the question of the suspect having been

released without charges being preferred against him does not arise.

Eng. Muriuki: Mr. Speaker, Sir, the person who came to see me regarding that matter was Mary Nyambura, the mother of the late Mr. Simon Gitonga Waithaka. She is scared because a convicted murderer was released without any punishment whatsoever!

Could the Assistant Minister clarify whether that person was convicted of manslaughter, and then released without any punishment whatsoever?

Mr. M. Kariuki: Mr. Speaker, Sir, my answer is very clear. That particular suspect was initially charged with the offence of murder and, during the trial, the charge was reduced to that of manslaughter. He was found guilty and convicted. But the sentence under Section 35 of the Penal Code is a discharge. So, he did not serve any sentence whatsoever.

Mr. Speaker, Sir, we have to respect the independence of our Judiciary. It has been left entirely for the courts to consider appropriate punishments for offenders.

Mr. Speaker: Absolutely.

Mr. Muturi: Mr. Speaker, Sir, I appreciate what the Assistant Minister has said, regarding the independence of the Judiciary. We should all respect it. But granted that the Assistant Minister had access to court files and seen the circumstances, is he satisfied that whatever the estimating circumstances that may have caused the convict to be discharged under Section 35 of the Penal Code are satisfactory? If they are not, does the State intend to file an appeal?

Mr. M. Kariuki: Mr. Speaker, Sir, no appeal was preferred by the Attorney-General. According to the information before the court, that was a case of provocation and the court found out that, under the circumstances, a discharge under Section 35(i) was an appropriate sentence. So, no appeal is pending.

Mr. Speaker: Last question, Eng. Muriuki!

Eng. Muriuki: Mr. Speaker, Sir, is the Assistant Minister actually satisfied--- He was a sick person being taken to hospital and was stabbed over a minor argument. Is the Assistant Minister satisfied that, that person could be released to the community without any punishment whatsoever?

Mr. Speaker: Order, hon. Members! I think the Assistant Minister has raised a fundamental issue. We must respect the judgements of courts! If anybody is not satisfied with the judgement of the court, the correct thing to do is to appeal. I will certainly not sit here as an appeal court over the judgements of the courts. We must appreciate and give that respect to the courts.

Eng. Muriuki: Mr. Speaker, Sir, nonetheless, when criminal acts like murder or manslaughter are committed, the person to be dissatisfied is the Government. So, I am asking the Assistant whether he is satisfied with that judgement under Section 35(i), because the Government is not making any appeal?

Mr. Speaker: I thought he has answered that question from Mr. Muturi. We do not have to do it again. Do you have any other.

Eng. Muriuki: No, Mr. Speaker, Sir.

Mr. Speaker: Next Question by Mr. Wamunyinyi!

Question No.336

REGULARIZATION OF MR. WAMALWA
MAKHAPILA'S APPOINTMENT

Mr. Wamunyinyi asked the Minister for Education, Science and Technology:-

(a) whether he is aware that Mr. Robert Wamalwa Makhapila (TSC. No.415006/4) was registered by the Teachers Service Commission (TSC) as a teacher on 5th July,

2001, but has not been absorbed into the service;

(b) what plans the Government has to regularize the absorption of Mr. Wamalwa into the service; and,

(c) when the Government will employ all the teachers who have gone through the necessary training and qualified as teachers.

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

(a) I am aware that Mr. Robert Wamalwa was registered as a teacher on 5th July, 2001. The current Government policy on teacher recruitment is through interviews, once the posts are advertised. The interviews are carried out by TSC agents. They include: Directors of City Education (DCEs), Municipal Education Officers (MEOs) and District Education Officers (DEOs). Those are for primary schools. Boards of governors recruit for post-primary institutions. TSC issues clear recruitment guidelines to guide agents in the selection process to ensure fairness and transparency in the whole exercise.

(b) Mr. Robert Wamalwa Makhapila should apply to the DCE, MEO or DEO of his district of choice when vacancies are advertised. His application will be considered along with others, but strictly on merit as per the recruitment guidelines.

(c) The Government will employ teachers depending on the availability of funds and vacancies after establishing the actual shortage of teachers.

Mr. Wamunyinyi: Mr. Speaker, Sir, I am surprised that a teacher who was registered nearly five years ago has not been employed and yet, the Assistant Minister is taking it lightly. Could she tell the House why that teacher has not been employed? What specific reasons does she have because the teacher applied and he was registered? What reasons are there for not employing him?

Mrs. Mugo: Mr. Speaker, Sir, not all trained teachers have been employed. Teachers are employed according to the availability of vacancies and there are guidelines that are followed. Maybe, where he applied, the district had very many unemployed teachers. As you are all aware, employment of teachers had been frozen for a long time. Employment started only three years ago.

Mr. Waithaka: Mr. Speaker, Sir, going by the current trend and the procedures used, it is apparent that some districts are going to employ teachers who graduated recently and leave some in other districts who graduated and registered way back in 1994. Is the Assistant Minister not seeing this as a disservice? It is really frustrating those who graduated long time ago and are not being absorbed into the teaching profession.

Mrs. Mugo: Mr. Speaker, Sir, the guidelines, as issued by the Ministry, are the same all over the country. But the teachers are also free to apply from whichever districts they prefer. They are not compelled to apply only in their own districts.

Mr. Speaker: Last question, Mr. Wamunyinyi!

Mr. Wamunyinyi: Mr. Speaker, Sir, I still insist that the Assistant Minister has not responded to a valid Question I raised. This is a teacher who was trained in the late 1990s, and was registered by the Teachers Service Commission (TSC). Because I know that other teachers who applied for employment alongside this teacher have been employed, what specific reason is there for not employing him?

Mrs. Mugo: Mr. Speaker, Sir, the guidelines are very clear. Those who finished their training earlier get a certain block of points. The earlier one graduated, the more points he or she has. But there are other criteria used; standards, credit and marks one received. Then all the points are aggregated and the teachers are employed according to who received the highest marks. But the length of time one has been unemployed counts for most of the points. So, if that teacher graduated that long ago, his chances are very high to be employed even next time.

Mr. Speaker: Question by Mr. Salat!

Question No.500

PROVISION OF ELECTRICITY
TO BOMET CONSTITUENCY

Mr. Salat asked the Minister for Energy:-

- (a) which areas have been earmarked for provision of electricity in Bomet Constituency in the 2005/2006 financial year;
- (b) under what programme the service is being provided; and,
- (c) how much it will cost the beneficiaries.

Mr. Speaker: Is the Minister for Energy not here?

An hon. Member: Yes!

Mr. Speaker: Next Question by Mr. M. Maitha!

Question No.480

DISMISSAL OF MS. JOAN KILIKU
FROM POSTBANK

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

- (a) whether he is aware that Joan Kiliku was dismissed from Post Bank on 24th March, 2003 having worked for the bank for 22 years; and,
- (b) what led to her dismissal and when she will be paid her terminal benefits as per letter Ref.KPSB/HR/53/PF:2010/2003 of 1st July, 2003.

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

(a) Yes, I am aware of the dismissal of Joan Kiliku on 24th March, 2003.

(b) Ms. Joan Kiliku's dismissal was occasioned by her unprocedurally obtaining money from the bank in collusion with a cashier. Following the dismissal, the dispute was reported to me by the Kenya Union of Commercial, Food and Allied Workers, against Post Bank on 30th May, 2003.

I appointed an investigator who completed and filed a report to me. Being satisfied with the investigator's report, I released it to both parties in dispute on 11th July, 2005 with recommendations that the dismissal be reduced to normal termination of service, to enable payment of terminal benefits in accordance with the parties collective bargaining agreement. Since the parties have not communicated to me to indicate rejection of my findings and recommendations, I assume that they were acceptable to both parties.

Mr. M. Maitha: Mr. Speaker, Sir, the story I have from this lady is that she only borrowed money from the cashier but not from the Bank. That is why the investigator according to the Minister, says she should be retired instead of being dismissed from duty. Could the Minister consider the 22 years this lady has worked in that bank and reinstate her to her position?

Dr. Kulundu: Mr. Speaker, Sir, it would be very strange for a worker to be dismissed from her place of work merely for borrowing money from her colleague. It was a question of collusion between the cashier and this employee.

Mr. Speaker, Sir, because this lady has now complained officially to the hon. Member, all that I can do is to refer the matter to the Industrial Court in my Ministry.

Mr. Speaker: Last question on that, Mr. M. Maitha!

Mr. M. Maitha: Mr. Speaker, Sir, could the Minister tell this House how much money was involved in this collusion he is talking about?

Dr. Kulundu: Mr. Speaker, Sir, the amount of money involved in this collusion was Kshs50,000.

Mr. Speaker: Very well. For the second time, Question by Mr. Salat!

Question No.500

PROVISION OF ELECTRICITY TO
BOMET CONSTITUENCY

Mr. Salat asked the Minister for Energy:-

- (a) which areas have been earmarked for provision of electricity in Bomet Constituency in the 2005/2006 financial year;
- (b) under what programme the service is being provided; and,
- (c) how much it will cost the beneficiaries.

Mr. Speaker: Where is the Minister for Energy?

Mr. Salat: He was right here! I saw him a few minutes ago, but he walked away!

Mr. Speaker: Well, I am afraid there is nothing I can do now. I will defer the Question to tomorrow afternoon.

Mr. Salat: Thank you.

(Question deferred)

Mr. Speaker: Let us go back to Messrs. C. Kilonzo and Ojaamong's Questions by Private Notice.

QUESTIONS BY PRIVATE NOTICE

DELAYED DISBURSEMENT OF FPE
MONEY TO MASEWANI PRIMARY SCHOOL

Mr. C. Kilonzo: Mr. 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 Masewani Primary School has not received money under free primary education programme amounting to Kshs297,935 to date?
- (b) Is he further aware that parents are planning to transfer pupils to neighbouring schools as a result of "a" above?
- (c) What is the Minister doing to ensure that the school receives these funds as a matter of urgency?

Mr. Speaker: Is the Minister for Education, Science and Technology not here?

*(The Assistant Minister for
Energy (Mr. Kiunjuri) walked
into the Chamber)*

Dr. Ali: On a point of order, Mr. Speaker, Sir. Is it in order for hon. Kiunjuri to hide in the toilet when a Question was being asked?

Mr. Speaker: Was he hiding? Hon. Members do not hide.

The Assistant Minister for Energy (Mr. Kiunjuri): Mr. Speaker, Sir, it is on record that the people who hide in the toilets are in his company.

Mr. Speaker: Order, both of you! Can we keep these "toilets" out of the House? I think it is below the dignity of the House. There is no fun and heroism in us discussing those mundane issues in this House. So, can we all sober up?

Anybody from the Ministry of Education, Science and Technology?

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

(a) I am aware that Masewani Primary School in Machakos District, Yatta Constituency, has not received a sum of Kshs369,900 due to anomalies in the school's free primary education account bank details.

(b) I am further not aware that parents are planning to transfer their pupils to neighbouring schools for any reason.

(c) A sum of Kshs369,900 that the school had inadvertently missed in Account No.2 will be released immediately to the School's Account No.166123306 at Kenya Commercial Bank, Matuu Branch, through Electronic Funds Transfer (EFT). The inconvenience is highly regretted.

Mr. C. Kilonzo: Mr. Speaker, Sir, many schools are not able to receive money under the free primary education programme. That particular school has not received that money for the last six terms. Could the Assistant Minister consider improving efficiency in the Ministry? If that is done, I will not bring a Question of this nature in the House again.

Mrs. Mugo: Mr. Speaker, Sir, I do not agree that many schools have not received that money. Indeed, majority of schools receive that money on time. Some problems have arisen in some schools because that system is being used for the first time. Accounts get mixed-up. That is the case with Account No.2. The money has always been there.

Mr. Speaker, Sir, as I have said, it is going to be transferred immediately. The school has been receiving monies for Account No.1. But they have not received money on Account No.2. So, we have really improved.

Mr. Ndambuki: Mr. Speaker, Sir, the Assistant Minister has said that very few schools have not received that money. But there are many complaints. The major problem is that, when District Education Officers (DEOs) forward the matter to the Ministry, it takes so long for schools to receive that money. As I speak now, I have quite a number of schools in my areas which have not received that money. Letters have been written and forwarded to the head office. Could the Assistant Minister ensure that when those DEOs forward those requests, they are acted on without delay?

Mrs. Mugo: Mr. Speaker, Sir, it is in the interest of the Ministry that action is taken immediately. We want learning to go on. I do not accept that there are many schools that have not received that money. We receive complaints and I know they are not that many. As I said, we have had some problems with Account No.2. The accounts got mixed up in the banks. That has now been sorted out and we will send the money. Many times, money has been sent to schools and returned to the Ministry because of that problem.

Mr. Speaker: Last question, Mr. C. Kilonzo!

Mr. C. Kilonzo: Mr. Speaker, Sir, I think what we are asking the Assistant Minister is very simple! It has taken almost two years for that school to get money. If, indeed, her Ministry is efficient, why has it taken that long to transfer the money to the account?

Mrs. Mugo: Mr. Speaker, Sir, I think the hon. Member does not want to accept our explanation. I have said that, many times, the money is returned to the Ministry. That is because there is a problem between the banks and schools in sorting out their accounts. As soon as that is sorted out, we will always transmit the money. The money is there. There is no reason why the Ministry should

hold it. As I said earlier, the money in question will be transferred immediately. Probably, it has been transferred.

Forward to us any other problems that you have and we will sort them out. I do not like blanket statements like: "The schools are very many!" That is not so!

UNLAWFUL REDUCTION OF
STAFF SALARIES AT
ALUPE SUB-DISTRICT HOSPITAL

Mr. Ojaamong: Mr. Speaker, Sir, I beg to ask the Minister for Health the following Question by Private Notice.

(a) Is the Minister aware that medical staff at Alupe Sub-district Hospital in Teso District are not receiving their full salaries and allowances?

(b) What urgent measures is she taking to ensure that salaries and allowances that the Ministry unlawfully and unilaterally deducted from the employees are paid back to alleviate further suffering of staff?

The Assistant Minister for Health (Dr. Kuti): Mr. Speaker, Sir, I beg to reply.

(a) I am aware that all medical staff at Alupe Sub-district Hospital in Teso District are receiving their full salaries and allowances, based on their respective job groups.

(b) My Ministry is not unlawfully and unilaterally deducting salaries and allowances of any of its employees at Alupe Sub-district Hospital in Teso District. However, the house allowances in question are paid to civil servants depending on the towns and places of their work.

Mr. Speaker, Sir, during the staff mapping exercise conducted by the Ministry last year, a number of staff who had been over paid house allowances, due to the existing rates, are suffering the deductions of the above over-payment hence, the possible hue and cry at the station. The rates paid previously were based on Busia Municipality rates.

When Alupe Sub-district Hospital was transferred to Teso County Council, the rates were adjusted to conform with the Directorate of Personnel Management (DPM) Circular, which I table here.

*(Dr. Kuti laid the document
on the Table)*

Mr. Ojaamong: Mr. Speaker, Sir, it is unfortunate because I do not have the DPM circular. But Alupe Sub-district Hospital falls under Busia Municipality. So, the criteria that was used to transfer it to Teso District amazes me. Employees at Alupe Sub-district Hospital reside in Busia Municipality. So, they are supposed to be getting their house allowances based on Busia Municipality rates. But the Ministry unilaterally transferred them to Teso County Council, which is far away and the rates are quite low. Then, they effected the deductions. Now that the Assistant Minister has confirmed that the deductions were unlawful, could he consider paying the employees based on Busia Municipality rates? That is where they belong.

Dr. Kuti: Mr. Speaker, Sir, I did not confirm that there were unlawful deductions. In fact, I said there were no unlawful deductions. They were based on the placement of the hospital under Teso County Council.

Mr. Ojaamong: Mr. Speaker, Sir, as we are talking now, almost all the employees at Alupe Sub-district Hospital have downed their tools. They are not rendering any services to the people. That is because the Ministry has decided to transfer the hospital from--- In fact, it cannot be transferred because Alupe Sub-District Hospital is in Busia Municipality. Why should one move it to Teso County Council?

Dr. Kuti: Mr. Speaker, Sir, I am not aware of any strike at the hospital. Placements are matters that are handled by local county councils. I cannot answer that. But I know there is a circular to that effect and I asked the hon. Member to refer to it.

(Several hon. Members stood up in their places)

Mr. Speaker: Order, hon. Members! You know, sometimes, we take a lot of time in this House on issues that a visit by the hon. Member to the relevant Minister would do a lot of good! I also hope that Ministries will do their work correctly. The Question by Mr. C. Kilonzo, for example, should not have come here if the Ministry of Education, Science and Technology was doing its job well. We are wasting a lot of our time on matters that even a telephone call can settle!

Anyhow, Mr. Ojaamong, could you have your last say?

Mr. Ojaamong: Mr. Speaker, Sir, I have even tried what you have advised. I have written letters to the Ministry. I have even tried to look for the Minister. But, unfortunately, I have not been able to meet them. Also, time and again, the Assistant Minister seems not to know what is happening at Alupe Sub-district Hospital. Could you order the Assistant Minister, on behalf of my people, to personally travel to Alupe, assess the situation and address it accordingly?

Dr. Kuti: Mr. Speaker, Sir, even before you give your order, I offer to go there. We had made some arrangements earlier with His Excellency the Vice-President. That is in connection with an ambulance that the hon. Member had requested for in the past. I will make some arrangements to visit the hospital.

Mr. Speaker: Let us go back to Dr. Ali's Ordinary Question.

ORAL ANSWER TO QUESTION

Question No.396

UTILISATION OF LATF MONEY IN WAJIR COUNTY COUNCIL

Dr. Ali asked the Minister for Local Government:-

- (a) whether he could inform the House on the amount of money sent to the Wajir County Council from LATF since the Fund's inception; and,
- (b) if he could further give a detailed account of how the funds were utilised.

Mr. Speaker: Minister for Local Government not here? Dr. Ali, I am afraid the Minister for Local Government is not present.

Mr. Muturi: On a point of order, Mr. Speaker, Sir. We all know that the hon. Minister for Local Government, Mr. Kombo, is consulting just behind the Chair. He can hear the troubles we are going through about his inability to answer this Question.

Is it possible that you order the Clerk-at-the-Table to go and "fish out" hon. Kombo from where he is consulting?

Mr. Speaker: Hon. Members, there are certain things the Chair can do and others which it ought not to do. I think the Chair depends on the hon. Members to respect the House and themselves. I do not think it is right to ask the Chair to run after Ministers all over the House. That job was never ever intended to be done by the Chair. I think that is the business of the Government Chief Whip and not mine. Anyway, can I defer it to tomorrow?

Dr. Ali: Mr. Speaker, Sir, it is fine. However, it has now become a habit for Ministers not to answer Questions. We saw hon. Kiunjuri disappearing behind there when his Question was called and

then coming back when it was over.

Mr. Speaker, Sir, now that we have been informed that hon. Kombo is behind there, what immediate action will you take against Ministers who avoid to answer Questions deliberately since it has become a habit?

Mr. Speaker: Hon. Members, I will make my statement subsequently.

Mr. Wanjala: On a point of order, Mr. Speaker, Sir. The hon. Member who first requested you to "fish out" hon. Kombo is the Opposition Chief Whip. Why does he want to leave his job to you?

Mr. Speaker: But he is an Opposition Chief Whip! Dr. Ali, I have deferred your Question to tomorrow afternoon.

(Question deferred)

POINTS OF ORDER

DEFAMATION/INCITEMENT BY FM RADIO STATIONS

Mr. Ndambuki: On a point of order, Mr. Speaker, Sir. Last Thursday, I requested for a Ministerial Statement from the Minister for Information and Communications regarding the conduct of FM radio stations and you ordered that he issues a Statement today.

Mr. Speaker: Where is the Minister for Information and Communications?

Hon. Members: In Kisumu!

DEFERMENT OF MINISTERIAL STATEMENT

The Vice-President and Minister for Home Affairs (Mr. Awori): Mr. Speaker, Sir, I have received a fax message of the Statement the Minister was going to make. I was preparing to issue it but a call came from him indicating that having gone through the Statement, he found that he needed to refine it and he intends to issue it tomorrow.

So, may I ask for your indulgence that he issues it tomorrow?

Mr. Speaker: Very well. Thank you very much.

COMMUNICATION FROM THE CHAIR

CIRCULATION OF SUPPLEMENTARY ORDER PAPER

Mr. Speaker: Hon. Members, we have a Supplementary Order Paper the purpose of which is to include the Procedural Motion on the Appropriation Bill. It will also include certain amendments by the Minister.

I may also inform the House that there are certain amendments also being recommended by the concerned Departmental Committee and they will be considered at an appropriate time.

Let us go to the next Order!

PROCEDURAL MOTION

REDUCTION OF PUBLICATION
PERIOD OF APPROPRIATION BILL

The Vice-President and Minister for Home Affairs (Mr. Awori): Mr. Speaker Sir, I beg to move the following procedural motion:-

THAT, this House orders that the publication period of the Appropriation Bill (Bill No.23) be reduced from seven days to six days.

Mr. Speaker, Sir, under the provision of Standing Order No.98, an Appropriation Bill should be published for seven days before introduction but since the House is likely to adjourn on Thursday, it was decided that it should be reduced by one day as seven days will have matured tomorrow.

I beg to move.

The Minister for Finance (Mr. Mwiraria) seconded.

Mr. Speaker: Mr. Vice-President and Minister for Home Affairs, has that been accepted by the Minister for Finance?

The Vice-President and Minister for Home Affairs (Mr. Awori): Yes, Mr. Speaker, Sir.

(Question put and agreed to)

**COMMUNICATION FROM
THE CHAIR**

TYPOGRAPHICAL ERROR ON ORDER NO.7

Mr. Speaker: Order, hon. Members. First, there is some typing error on Order No.7. The Bill is not No.23 but No.24 as indicated in Order No.8. So, please amend that error.

Mr. Muturi: Mr. Speaker, Sir, I just want to get your clarification further. The Bill that I have which was published on 26th October this year reads:- "*Kenya Gazette Supplement No.76 (Bill No.25)*" and the one you have told us to correct reads "Bill No.24". Is it the same one or a different one?

Mr. Speaker: It is the same. The "No.25" is the Registry of the Attorney-General or Government Printer but our Registry of Bills in Parliament shows it is No.24 and that is the one we will proceed with. Next Order!

BILLS

First Reading

THE APPROPRIATION BILL

*(Order for First Reading read -
Read the First Time - Ordered
to be read the Second Time today)*

Second Reading

THE APPROPRIATION BILL

The Minister for Finance (Mr. Mwiraria): Mr. Speaker, Sir, I beg to move that the

Appropriation Bill be now read a Second Time.

Mr. Speaker, Sir, His Excellency the President has signified his consent to this Bill. The Appropriation Bill, 2005 seeks statutory approval by Parliament of the Government expenditure contained in the estimates of expenditure for the Financial Year 2005/2006. The estimates of Recurrent and Development Expenditure were laid on this Table on 8th June and the House approved the Vote on Account on 22nd June this year. From that time, the Government has been disbursing funds on the basis of that authority. The 50 per cent of the Budget approved was intended for use until the full Budget was approved by this House.

Mr. Speaker, Sir, the enactment of this Bill will, therefore, enable the Government to access the remaining balance to facilitate continued provision of services without interruption.

Mr. Speaker, Sir, I am aware that Parliament appreciates these facts, hence the approval just granted that the Bill be discussed by this august House today. I thank the honourable House for that approval.

Since the commencement of this year's Budget implementation, it has been demonstrated that the assumptions that we made are sound and are, in fact, bearing fruit. This is supported by the fact that the revenue collectors have performed very well as expected. I would like to assure hon. Members that the realisation of the revenues projected, coupled with prudent financial management practices, will facilitate achievement of objectives as outlined in the Budget Speech. It will also enable implementation of the Budget and delivery of services as has been the exhortation of this august House.

In many of my previous contributions to discussions in this House, I have gone to pains to assure hon. Members that the Government will relentlessly pursue reforms and continue to institute the best practices in public financial management. These reforms, many of which we have already implemented, continue to bring dividends as attested to by the rise in revenue collection, improved economic growth and the favourable status report from the International Monetary Fund (IMF) mission which left this country last week.

In addition, I wish to inform this House that following the assent by His Excellency the President to both the Public Procurement and Disposal Bill and the Privatisation Bill, which have now become laws, the European Union (EU) is expected to disburse its budget support of Euros 50 million this financial year. Due to the reforms that the Government is undertaking, the economy is expected to perform reasonably well as has been revealed by the performance indicators. These are commendable achievements on which we will build to achieve even more accelerated growth.

Mr. Speaker, Sir, the economy is expected to continue performing well in spite of some of the problems that we are facing in terms of pockets of food shortages. However, the Government has addressed that matter promptly. These achievements may, however, be affected by circumstances beyond our control such as the high oil prices and their cost implications on energy and transport. I must say that the country has been really fortunate in that although we have had these high oil prices, the economy has continued to perform well notwithstanding the fact that during drought we have to depend on thermo-generation of electricity which is more expensive than hydro-generated electricity. We will closely monitor the problems which are posed by high oil prices and poor weather which may adversely affect the implementation of the Budget and the projected good performance of the economy. As and when necessary, corrective action will be taken to ensure that we remain focused only on what is good for this nation.

Mr. Speaker, despite a very heavy schedule of business, this House managed to discuss, during the allotted time, the following Votes: Vote 01, Office of the President; Vote 10, Ministry of Agriculture; Vote 11, Ministry of Health; Vote 12, Ministry of Local Government; Vote 13, Ministry of Roads and Public Works; Vote 20, Ministry of Water and Irrigation; Vote 30, Ministry of Energy; Vote 31, Ministry of Education, Science and Technology and Vote 36, Ministry of Lands and Housing. The rest of the Votes were approved through the Guillotine procedure in accordance with

provision of Standing Order No.142(7). I take this opportunity to thank hon. Members for their co-operation and serious attention which they gave to the Budget debate.

Mr. Speaker, Sir, this Bill contains details of supply for each Vote and the amount to be applied as Appropriations-in-Aid. Clause 2 of the Appropriations Bill (2005) provides for the issue, out of the Consolidated Fund, a sum of Kshs299,231,613,829 and to appropriate the Fund for various services and purposes during the financial year ending 30th June, 2006. This sum includes the amount authorised by Parliament on 22nd June, 2005 by the Vote on Account in accordance with Section 101 of the Constitution of Kenya.

[Mr. Speaker left the Chair]

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

Mr. Temporary Deputy Speaker, Sir, Clause 3 of the Bill makes provision for the amount to be applied as Appropriations-in-Aid for various services and purposes. Having, very briefly, appraised the honourable House of the objects and reasons for the Bill, I now call upon the House to pass the Bill in order to authorise the issue of funds from the Consolidated Fund to meet expenditures as contained in the Recurrent and Development estimates for the Financial Year, 2005/2006.

Finally, allow me to thank the hon. Members for their constructive and informative contribution which they made during the Committee of Supply on the various Votes. I wish to assure them that their contributions are being taken seriously and will be applied as appropriate.

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

The Minister for Transport (Dr. Murungaru): Mr. Temporary Deputy Speaker, Sir, I beg to second this Motion. We have had very invigorating debates on the financial proposals that were made by the Minister in his Budget Speech. Indeed, as he has indicated here, the performance of the Ministry of Finance and more so, the Kenya Revenue Authority (KRA), have been exemplary. They have been exemplary, not only in this country, but in the East African region. The Government, last week, got a clean bill of health from the International Monetary Fund (IMF). It is not important to get a clean bill of health from the IMF because whatever we do, we do it for ourselves. However, it is also good for outsiders to see us doing things the right way.

Without wasting a lot of time, because there is a lot of work ahead of this House, this day and in the rest of the week, I beg to second.

(Question proposed)

Mr. Billow: Thank you, Mr. Temporary Deputy Speaker, Sir. I agree with Dr. Murungaru, that the IMF is not so much important. It is, indeed, the stamp of approval by Kenyans which is more important than the approval we get from donors who contribute only 10 per cent, to our revenue. It is Kenyans who raise the 90 per cent of the revenue we use. The Government needs to get the approval of Kenyans about their economy. The Appropriations Bill is a ritual to this House. It is a ritual because hon. Members have to go through a period of expressing themselves, without going into details of determining the expenditures we are appropriating which are in billions of shillings.

It is important to learn that this year, the Government changed the format of the Budget and introduced a system where the allocations are in lump sum. Hon. Members did not obtain the itemised expenditures for individual Ministries. This has given Ministries absolute free-hand to appropriate resources, largely, in whatever way they want. However, there is a higher risk of misappropriation in that kind of budgeting, where you give a lump sum amount to a Ministry and leave the appropriation

of the resources to its staff members. Indeed, recently, we saw a good example of the fact that Parliament, itself, cannot determine what is contained in its budget. There is also another good example of an allocation of Kshs100 million, under the Ministry of Lands and Housing, for the building of a House at State House, for the President. The Budget was released by the Minister in June, but it took the revelation of the Ministry, for people to learn that within its budget, there was an allocation of that amount. Therefore, if the Kshs100 billion, which was guillotined here last week was, indeed, discussed in this House in detail, in a manner that is required by the financial regulations, how much more revelations would have come out? If we were to discuss the Votes of the Ministries of Finance, Local Government---

(Loud consultations)

The Temporary Deputy Speaker (Mr. Poghiso): Order, hon. Members! There are many groups holding consultations. You are not listening to the debate. Could you lend your ears to the hon. Member on the Floor?

Mr. Billow: Thank you, Mr. Temporary Deputy Speaker, Sir. If hon. Members had an opportunity to scrutinise the budget, for instance, of the Ministry of Finance, almost Kshs26 billion and the amounts allocated to the Office of the President and the Ministry of Local Government among others, which make up the Kshs103 billion that we guillotined, how much more revelations would have come out? How much more would we have learnt about the type of things the money was voted for? There is a problem with this kind of budgeting. We appeal to the Minister to consider that this is a young country and not a developed nation which can use complicated types of budgeting, which make it very difficult for hon. Members to understand what they are approving. We must provide itemised budgets to this House so that hon. Members can know what they are approving. That way, there will be no risk of misappropriation.

The Treasury is mandated by the law, to be the custodian of, not only public funds, but also of public assets. However, recently, there have been concerns in this country, that State assets are being misused, particularly, in the referendum campaigns. I urge the Minister to assure this House that he will take charge of all the resources of this country, including land because the mandate falls under his docket. Ultimately, all the resources of this country fall under his docket. There are concerns that Government motor vehicle number plates are being replaced with private ones and the vehicles given to individuals. The Minister needs to be on top of all these issues in this critical period, so that the country's resources are not diverted to the wrong purposes.

My other point about misappropriation is that funds are being returned. We were told, through a Question a few weeks ago, that almost Kshs14 billion was returned last year, to the Treasury because it could not be spent. More often than not, Ministries complain that the reason why they return money is because there are delays in getting Exchequer Issues from the Treasury. That may be the cause of problems that have to do with cash flow or capacity problems to do with donor funds. However, there is need to look into that issue as critical, because it needs improvement. Each year, we return billions of shillings, yet Kenyans need development in this country; that is a problem. We want to see a change. The business of returning funds to the Treasury should not be there any more. We have skilled manpower in this country, which we must utilise. If there is need to equip the Treasury with more staff, that should be done to ensure that there is no money being returned by Ministries. Donors have complained that utilisation of donor-funds on average is about 30 per cent. Money that is committed by donors is not being utilised. We need to improve on that.

We are going for a referendum. The referendum committees have asked the Government to pay referendum agents. The Government has issued a statement saying that it will, indeed, pay the agents. I have not understood this well. I urge the Minister to tell this House which Vote, in the

Appropriation Bill, has resources for the purpose of paying agents. It is important that we clarify this issue so that later, we do not complain about it when we find out that money has been removed from one Vote for that purpose. This is important because a substantial amount of money is required. To ensure that the exercise is conducted freely and fairly, we must finance the agents. To finance the agents, we have to be told what amount of money has been appropriated in this House. Hon. Members are entitled to know this because of the lump sum amount system in which the budget was prepared.

Mr. Temporary Deputy Speaker, Sir, I want to talk about maize. When there is a bumper harvest of maize in one sector of the country and there is a deficit and famine in another section of the country, we would expect that the Government would use money that has been voted for famine relief for the purpose of buying maize from these farmers and giving it to those people who need it. In other words, the Office of the President should transfer that money for relief food to the National Cereals and Produce Board so that, that money can be paid to the farmers and we can sell the maize. There is a concern that the Government is planning to import maize again. You cannot import maize when there is a bumper harvest and farmers are having some difficulties in disposing of it. The Treasury should be made aware of this. There should be no importation of maize when the country is having a bumper harvest.

A number of Bills have been passed in this House which are very relevant and significant to the appropriation of the funds we are voting. One of them is the Financial Management Act. It was passed last year and assented to by the President in December. Up to today, that Bill has not been published and yet it has a significant impact on the way we use our money. This is the Financial Management Act. I want to know why the Attorney-General has not published this Act up to today.

Mr. Temporary Deputy Speaker, Sir, last year we passed the Banking (Amendments) Act which among other things was dealing with the In Duplum Rules. For whatever reason this Act has not been finalised. There is the Procurement and Disposal Bill which was also passed. We expect the President to assent to it so that all procurement being done now can be subjected to the provisions of the Bill.

A couple of weeks ago, the Treasury approved the bids for the concessioning of the Kenya Railways. Seven companies were pre-qualified to submit bids and only two companies submitted for concessioning of the Kenya Railways yet the Government went ahead and awarded the tender. A few months earlier, when only three companies out of seven sent their bids for the printing of the currencies, the CBK Governor and the Government announced cancellation because the number of bids were not sufficient enough to ensure competitiveness. In the case of Kenya Railways only two bids were considered to be sufficiently competitive. Because of these kinds of things it is important that we get the Procurement and Disposal Bill enacted as soon as possible because it sets out clearly procedures whether two bids are sufficient or not so that there is no question of arbitrariness or discretion by the Ministry with regard to the bids.

With those few remarks, I beg to support.

Mr. Muturi: Mr. Temporary Deputy Speaker, Sir, allow me to make the observation that the Government side appears to have gone to bed.

Mr. Temporary Deputy Speaker, Sir, it is important that we keep repeating these points. Out of 46 Votes in the Printed Estimates, the House was only able to scrutinise nine of them. That leaves a total of 37 Votes which went through the Guillotine. Even on the date of Guillotine, respective Ministers whose Ministries have not been scrutinised never even paid attention by way of coming to the House if only to participate in saying "Aye" as they are used to saying.

I am worried because without Parliament having prior discussions with the Treasury or individual Ministries in order to know what is proposed to be spent both in Development and Recurrent Expenditure, the House merely comes for a ritual which has very little meaning in financial management by engaging in the exercise of Guillotine. In as much as we support the Appropriation

Bill we need to keep reminding the Government that in an under-developed Third World country like Kenya, there is need for us to interact more with the Treasury before we can apply the Guillotine rule.

Mr. Temporary Deputy Speaker, Sir, when discussing the Votes of the Ministries, particularly the Office of the President, both the Recurrent and Development Votes, we discussed the various budget lines for the current number of districts. We are living in exciting times. We have seen that there is a proposal to increase the number of districts by another 35. Now that we are discussing the Appropriation Bill, it is important for us to ask ourselves where in the budget lines the expenditure which will be incurred by virtue of the creation of new districts will come from.

This is an important matter because my colleagues including the absent Minister of State, Office of the President has been on record in this House as questioning the rationale and the basis upon which districts are created in the middle of a financial year. I want to agree that what he said then remains true today. I wish he was here to tell us whether he was on his way to Damascus, changed route and became Paul. It is important that the Minister for Finance tell us whether what we are passing for the Office of the President is sufficient to meet the expenditure in the units which are to be created.

Mr. Temporary Deputy Speaker, Sir, another perturbing issue has been to do with the Ministry of Finance. As the person that chose the Ministries to be scrutinised, I was constrained by the fact that we can only discuss a maximum of ten Ministries. We have only been able to discuss nine Ministries. Those Ministries do not include the Ministry of Finance. If you look through the Printed Estimates you will see that the Ministry of Finance has such a huge allocation that one wonders where all those resources will be applied. Since the Minister for Finance is not the one who was moving the Guillotine Motion, it would be important for him to explain to us a little bit more because he has a big allocation. For instance we did not give some money to the Kenya Revenue Authority, particularly the Department of Value Added Tax in the area of VAT refunds. The complaints of yesteryear are still persisting. You still have to wait for more than six months to get those refunds. In as much as we want to encourage the Minister to effect more changes, it is important that the officers working in the departments directly under his Ministry lead by example. It is not fair that the Ministry of Finance or the departments that fall under it are criticised year in, year out, not just in this House, but also by the public.

Mr. Temporary Deputy Speaker, Sir, I would like to talk about the electronic tax registers, which the Kenya Revenue Authority (KRA) has already approved a limited number of suppliers to import. We are told, for very good reasons, that that arrangement is to ensure that people do not import sub-standard equipment. However, it is also an altruism that those electronic registers are very cheap from source, but the people who are licensed to import them have formed a cartel of some sort. Again, we are told that businessmen who comply with the requirement of buying those registers will get a refund from the KRA on what they spend purchasing them. The Minister needs to clarify this issue. I do not think that we have made any provision in the Ministry's Vote for those kind of refunds. The question that needs to be answered is: "Will this happen or is this another saga like the Value Added Tax (VAT) refunds, which take years to be realised?"

Mr. Temporary Deputy Speaker, Sir, I do not intend to take long on this issue, but like I said earlier on, we are in very exciting moments because of the referendum campaigns. Indeed, we proposed to go on recess this week to go and engage ourselves fully in the referendum campaigns. Of great concern to us is the issue raised by Mr. Billow regarding payments to poll agents who will act as observers during the referendum. Under what Vote does the Government intend to pay those agents from? The Government has assured the Electoral Commission of Kenya (ECK) that it will pay those agents. Whereas some donors had offered to pay agents through the ECK, the Government has indicated that it will pay for their services. So, we would like to get an assurance that this will not be skewed in favour of one side of the divide. I say this without any fear of contraction. State House,

which for the last two and a half years, was almost like a no go-zone for many Kenyans, is today a bee-hive of activity, delegation upon delegation from North Eastern Province and hawkers being collected from around the streets of Nairobi and being called councillors! Everybody is now flocking into State House. The stories those visitors to State House are giving us is that they are leaving that place with money.

The Temporary Deputy Speaker (Mr. Poghio): Order, Mr. Muturi! Are you discussing the Appropriation Bill?

Mr. Muturi: Mr. Temporary Deputy Speaker, Sir, I am still discussing the Appropriation Bill. This Bill talks about the funds that the House voted in on Vote on Account on 22nd June, 2005.

So, we would like to get an assurance that it is not part of that money, which has suddenly become available to hordes of delegations now streaming into State House. We expect these delegations to increase as 21st November, 2005, draws near---

Mr. Muite: On a point of order, Mr. Temporary Deputy Speaker, Sir. You heard Mr. Muturi say that a lot of people visiting State House are leaving there with money. It is known that during the last regime, that was the practise. Today, people complain that sometimes they do not even get a cup of tea there. Could he substantiate and tell us if there is anybody who has gone there and left with money?

(Applause)

Mr. Muturi: Mr. Temporary Deputy Speaker, Sir, I am sure you heard where the applause came from. It is not unexpected. Mr. Muite has said that these days the complaint is that visitors to State House do not even get tea. The delegation from North Eastern Province which left State House yesterday claimed that the Kshs9,000 each of them was paid is not adequate. They are almost on rampage in Eastleigh. So, when he says some visitors do not get tea and there are other visitors telling us what they were paid is not enough since they come from far parts of this country, what is there to substantiate? In any case, does one wrong right another? My point is---

The Minister for East African and Regional Co-operation (Mr. J.K. Koech): On a point of order, Mr. Temporary Deputy Speaker, Sir--

Mr. Muturi: This one is just a heckler!

The Minister for East African and Regional Co-operation (Mr. J.K. Koech): On a point of order, Mr. Temporary Deputy Speaker, Sir. We are discussing the

[The Minister for East African and Regional Co-operation]

Appropriation Bill. Is it in order for the hon. Member to use the Floor of the House to campaign for his group by telling us untruths about what is going on in State House? Is he allowed to campaign here and tell a lot of lies?

The Temporary Deputy Speaker (Mr. Poghio): Order, Mr. J.K. Koech! Hon. Members do not tell lies here! You have used unparliamentary language! Could you withdraw what you have said?

The Minister for East African and Regional Co-operation (Mr. J.K. Koech): Mr. Temporary Deputy Speaker, Sir, I apologise and withdraw the use of the word "lie". However, the hon. Member has told a lot of untruths. He is also using the National Assembly as a campaign platform for the Orange team.

Mr. Muturi: Mr. Temporary Deputy Speaker, Sir, the Chair ruled that we should refrain from discussing issues of the Orange and Banana campaigns on the Floor of the House. Guarded by the wisdom of the Chair to steer clear of making those references, I am quite in order. I have not campaigned. I have not told any hon. Member anything about the referendum.

Mr. Temporary Deputy Speaker, Sir, the funds we are voting in here---

The Temporary Deputy Speaker (Mr. Poghisio): Order, hon. Members! The Chair has ruled that hon. Members should refrain from discussing issues on the Orange and Banana campaigns on the Floor of the House. It is only so far as the mention of funds appropriated for State House that this issue has come up. I will only allow debate on issues related to the Appropriation Bill.

Mr. Muturi, you may now proceed with that in mind.

Mr. Muturi: Mr. Temporary Deputy Speaker, Sir, like I said earlier on, out of the 46 Votes, we were only able to scrutinise nine of them. Among the 37 Votes that passed through the Guillotine process was the Vote on State House. Therefore, when I say that the gates to State House, which were previously closed are now wide open, I believe there is a lot of relevance since we applied the Guillotine procedure when we passed the Vote on State House.

Mr. Temporary Deputy Speaker, Sir, like I like I said earlier on, I just want the Minister to assure the House that the money we have passed for the Ministries and departments, particularly the Office of the President, and in respect of the new districts that are proposed to be created, are captured within the Budget for this financial year.

Mr. Temporary Deputy Speaker, Sir, with those few remarks, I beg to support other alternatives which the Office of the President can exploit to ease famine in other parts of the country.

Mr. Temporary Deputy Speaker, Sir, as we talk about this Appropriation Bill, there is, of course, the Development Vote in it. I do not want to talk about the Recurrent Vote because I do not believe that we should just employ people when there is nothing much for them to do. My concern here is, really, the Development Vote. You know that the Central Government is left with 92.5 per cent of the Development Vote or with the total revenue of this country. Five per cent goes to the Local Authorities Transfer Fund (LATF) and 2 per cent goes to the Constituencies Development Fund (CDF).

Having seen a lot of projects that are being funded by the CDF, I want to urge the Executive and the Central Government for that matter, that the 92 per cent of the Budget left with them must be seen to be spent in the rural areas. We are yet to see a lot of projects being funded from the Development Vote. It is at this juncture that we must, perhaps, think of increasing the funding of the CDF to a certain percentage, so that this country will be beaming with development. At the same time, it is important that the 92.5 per cent of the Budget left with the Central Government must be shared out equally, particularly the Development Vote, be it for provision of electricity, water or roads.

In Nyandarua District, for example, we feel that our roads should be upgraded, so that they attract money from the Central Government other than us relying so much on the CDF and the District Roads Committee (DRC). Once our roads are rehabilitated, we can ferry the food items produced in that area to Nairobi and other market centres. So, I think that is an area that this Parliament should think about.

Mr. Temporary Deputy Speaker, Sir, in this Appropriation Bill, there is a sum of money meant for taking care of the insecurity situation in this country. Through the CDF, we have constructed many police posts. I wish to ask the Minister in charge of internal security to provide security personnel to man those police posts. I am saying this because I come from an area which is bedeviled with a lot of insecurity. Our old men and women are being killed due to lack of security personnel.

I think that in such areas, where insecurity is rampant, more regular and Administration Police personnel should be deployed there. The relevant public officers in those areas should also be facilitated appropriately, so that they can cope with the insecurity situation in those areas. We were told that there is money for the purchase of vehicles for District Officers. I believe that we should be able to provide vehicles to all those areas which are having security problems. I thank the Government for having taken up the issue quite fast, but we still need to intensify security patrols in those areas so

that our people can live without fear.

Mr. Temporary Deputy Speaker, Sir, I do not see why we should continue subsidising State corporations. Time has come for us to challenge our parastatals to make some profits, so that they can subsidise the Kenyan Budget. We have parastatals like the Kenya Ports Authority (KPA) and the Kenya Airports Authority (KAA), which are cash cows. These parastatals are supposed to make a bit of profit for the Government. These also include, Telkom Kenya, the Postal Corporation of Kenya, among others.

These State corporations rarely make any profit. We should now tell them that Kenyans want some profit from them, if we are not going to continue relying on outsiders to support our Budget. If parastatals can make some profits, we will not have any reason to rely on donors who give us money with a lot of conditionalities. That is the challenge I want to pass over to parastatals. We, in Parliament, represent the interests of the shareholders of this country. So, it will be good for State corporations to make profits for Kenyans.

Mr. Temporary Deputy Speaker, Sir, as I conclude my speech, I would like to thank the President for having stamped out the culture of hand-outs. I was surprised by one of my colleagues who said that people are being given hand-outs from State House. As far as we know, that culture has been properly dealt with. There are no hand-outs these days, and that is the culture we want in this country. Hand-outs used to be given in the last regime, but this regime is utilising money on good things, and not just for hand-outs. That is a matter we need to thank the President for. That is the culture we want to emulate in our politicking as we carry forward the leadership of this country. In supporting this Bill, therefore, I hope that the Minister will ensure that money is spent wisely and that wastage is discouraged.

With those remarks, I beg to support.

Mr. Muite: Mr. Temporary Deputy Speaker, Sir, I thank you for giving me the opportunity to contribute to this debate.

In supporting this Bill, I would wish to make a few comments. The first one is to express the hope that, indeed, the Parliamentary Budget Office will become a reality sooner than later because one of the most important constitutional duties of Parliament is to check expenditure on behalf of the taxpayers, who are the members of the public. That is our duty as individual Members. But we do not have the capacity. When you look at the figures one is talking about in the Appropriation Bill, they are enormous amounts. One needs the capacity to scrutinise before coming here to debate if one is going to effectively be a check. That capacity can only be created if we have institutions like the Parliamentary Budget Office. But before we do that, my appeal is to the Committee on Finance to assume the role.

Today, for example, the Appropriation Bill is in a Supplementary Order Paper, otherwise, the substantive Order Paper contained the Finance Bill. It is not possible for one to discharge that constitutional duty when confronted, at short notice, with the Appropriation Bill. Perhaps, the Finance Committee can, even before the Parliamentary Budget Office is created, assume the duty of scrutinising the expenditure. They should be the ones first to come and do a report for the guidance of Members. As long as we strengthen the Committee system on complicated technical matters, one needs to have done the work before coming to the Floor of this House. It is only that way that this House can discharge its constitutional duty.

Mr. Temporary Deputy Speaker, Sir, I want to commend the Ministry of Finance, and particularly the Kenya Revenue Authority (KRA), because of the amount of money they have been able to collect. In fact, that is evidence that this Government is effectively working. Where was all this money disappearing to? One is able to draw the inference that there is a lot less misappropriation of public funds. That is why we are able almost to balance our Budget because of what we are collecting, and our expenditure, even without factoring in foreign aid. That is very commendable. The collection

of revenue has improved. Secondly, the misappropriation of public funds has gone down dramatically. That is why we have more funds available for Development Expenditure and to meet our Recurrent Expenditure. This is why some of those nations which thought they could hold us to ransom are now jittery. They thought they had a leverage on this nation. They are now discovering that we can stand on our feet without money from them. That is a matter for which we should commend the KRA. My only plea to the KRA is to balance that out with policies that are going to encourage the small and medium businesses, even as they refine and close the loopholes for tax evasion, in respect of which we support them. The backbone of the economy of any nation is those small and medium-scale businesses and industries, not in the multinationals. They are the ones which generate employment and most income. That is an area of focus if we have to copy the emerging giants of the South-East Asia.

Mr. Temporary Deputy Speaker, Sir, there is nothing wrong with the principle of electronic cash registers, because they close loopholes, by those who were using the manual system to devise two sets of books. It is now very difficult for them to do that. However, the method of implementation has to be improved. You cannot do these things overnight. They have to be phased out. They have to be preceded by adequate dissemination of information. People need to be given adequate time and information and understand that there is no prohibition on anyone importing those cash registers. I am aware that this idea was floated about one year ago. But that is not enough. There is need, in fact, to invest in the media so that this message is circulated to the satisfaction of everybody.

Mr. Temporary Deputy Speaker, Sir, if our economy is going to grow, then we need to focus on areas that are not even donor-aided. We need to spend more money in harvesting rain water. We have said this time and again. If we were to harvest rain water, we would encourage growth. If we were to harvest all the rain water that gets lost between the central region and the Indian Ocean all the people, from Nairobi to the Coast, would grow horticultural crops and vegetables that would be very competitive in the European markets. That income will be circulated here. The ordinary small-scale farmer has no interest in keeping the foreign currency. That money will come here and circulate in our economy. So, let us prioritise which areas we need to focus on in order for us to be on our two feet.

Mr. Temporary Deputy Speaker, Sir, if this economy is uplifted and catapulted from being a Third World economy into being a Second World or First World economy, we would get away from the humiliation we go through applying for visas to go to the so-called developed countries. When you come from an economically strong country, you do not need a visa to go to any country because you are quite happy to remain in your country and the others want to come to your country.

I am talking about a situation where people go queuing from 4.00 a.m. and are asked very embarrassing questions. Even Members of Parliament are made to go to these embassies to answer embarrassing questions. Before you are given a visa, you are unwanted. It is made clear to you that as long as you have got black skin, they fear that when you go to their country, you will sneak in there and refuse to go back to your country. The most humiliating experience is applying for a visa to go to any of these countries.

Therefore, this should be a very compelling motivation for us to uplift our economy, because it can be done. If Indonesia, Malaysia, Mauritius and South Korea did it, we can do it. Let us get out of this mentality that we must have foreign aid. Let us de-colonise our minds and regain our respect as a people.

Mr. Temporary Deputy Speaker, Sir, look at our weather. The whole of Kenya is like a natural air conditioned country. You do not need air conditioning. Did you know that the beach in Mombasa is rated the third most beautiful beach in the whole world? How are we exploiting it? So, when we are debating this Bill, let us focus on money being directed to where this economy can take off.

With those remarks, I beg to support.

Mr. Rotino: Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me this opportunity to contribute to this important Appropriation Bill. I rise to support this Bill.

Mr. Temporary Deputy Speaker, Sir, I want to congratulate the Minister for Finance for surpassing the revenue collection target. We should congratulate and support him because he is on the right track; of taking us out of our economic dependence. Economic independence is equal to political independence. We cannot say that we are politically independent if we are not economically independent. I wish to thank him and assure him that we are going to support him. However, there are a few problems that require to be addressed. It is one thing to collect taxes. It is another thing to put them into proper use. If you go to the rural areas, you will receive many complaints from the people about the implementation of projects.

I want to talk about the agricultural sector. When the Minister stands to reply, he should tell us if he has allocated funds to the NCPB to enable them buy maize from the farmers. The farmers are harvesting maize but they do not know how much they will be paid for a 90-kilogram bag of maize. How are they going to sell their produce? I know that some of the National Cereals Produce Board (NCPB) depots are full, however, the Government should assure the farmers that the NCPB will buy their produce at better prices. They have invested heavily in farm inputs such as diesel and fertilisers. Currently, millers are buying a 90-kilogram bag of maize at Kshs700. This has discouraged many farmers. We are talking about food sufficiency. How can we be food sufficient if we cannot assure the poor farmers that their produce will attract better prices? I plead with the Minister to come to the aid of those farmers. They will be exploited if we leave them at the mercy of scrupulous millers. They depend on maize and other crops to educate their children. That is also the only way they can feed this country. The NCBP is a parastatal that stabilises prices. The NCPB has not announced how much they are going to pay farmers for a 90-kilogram bag of maize. This will leave them at the mercy of unscrupulous businessmen. We are approaching Christmas and the farmers need money to celebrate their Christmas. They must be assured that they are going to get good pay for their produce. The Minister should announce this so that farmers can be happy.

Mr. Temporary Deputy Speaker, Sir, I want to talk about the bureaucracy in Government Ministries. This House passed the Procurement Bill. However, I understand that the President has not assented to it. It is about four months since we passed that Bill.

The Minister for Finance (Mr. Mwiraria): On a point of information, Mr. Temporary Deputy Speaker, Sir. The Procurement Bill has been assented to and it is now law.

Mr. Rotino: Mr. Temporary Deputy Speaker, Sir, that must have been done last week. I knew it had not been assented to. However, it is good that, that has happened. Since the President has assented to the Bill, could the Government enforce it?

Mr. Temporary Deputy Speaker, Sir, let me talk about the bureaucracy in the Ministries, for instance, the Ministry of Roads and Public Works. When money is voted, it takes a long time for a project to be implemented. We need to reduce the time because bureaucracy increases corruption. It is mandatory for heavy vehicles to get the Transport Licensing Board (TLB) licence. If you are arrested because your vehicle does not have a TLB licence, you will be fined Kshs20,000. The offenders prefer to bribe the police with Kshs5,000 to avoid being charged in a court of law or delayed. I want to plead with the Minister to reduce the huge penalties for traffic offences. This will encourage the suspects to seek for bonds and pay the fines to the Government if they are found guilty. Otherwise, the penalties will increase corruption within the police force. I will say, without fear or favour, that the corruption within the police force has doubled because of the huge penalties by the courts. In Lodwar, we are forced to travel to Eldoret to apply for a TLB licence at the KRA office. The Minister should decentralise these services so that we can have them near to our people. This will reduce the unnecessary costs that our people are meeting. The Minister for Transport should consider exempting pick-ups from TLB if they are for private purpose. They are mainly used by the poor farmers in the rural areas. I know that the Minister is listening and he is going to do something.

Mr. Temporary Deputy Speaker, Sir, on the issue of corruption levels in this country, it is

common knowledge that it has become so expensive in this country. When we put checks and balances without considering how the officers are going to enforce the laws, we create loopholes for the police. Even for the collection of taxes, there are people who go round the streets collecting taxes. I have experienced this personally because we go to some of these streets. Those people sometimes do not even know who we are. I realised that there is a lot of collusion between the tax collectors and the businessmen. They have two receipt books; the official receipt book that they show the officer and a private receipt book that they hide. I have seen this personally! We have to be honest. We have to take our people from the Kenya Revenue Authority (KRA) for a refresher course so that they can become honest and sincere. I know it is so difficult but we should begin from somewhere so that we can improve our revenue collection. This will go a long way to curb corruption.

Mr. Temporary Deputy Speaker, Sir, even the banks have been affected by corruption. Last week, I was issuing some cheques from the Constituencies Development Fund (CDF). Since the people had not opened an account with the bank, the officer at the bank asked the project officer to give him something so that he could cash his cheque quickly. The project officer gave Kshs5,000 so that the cheque could be cashed immediately. That is the level of corruption! It has gone to the banks. We must stem this vice. This Government, the Minister for Finance and the people who are supposed to enforce it, are capable and we trust that they can do it!

Mr. Temporary Deputy Speaker, Sir, I want to talk about efficiency and prioritisation of our projects. If you go to our divisional and district headquarters, you will find that the buildings are so old and dilapidated. We need to renovate them. Sigor Divisional Headquarters was built in 1948. It is almost collapsing yet the Ministry has not allocated money for its renovation. The DC's office in Kapenguria and the DO's office are also old and they require to be refurbished. The Minister should allocate funds for their renovation.

Mr. Temporary Deputy Speaker, Sir, we need to have a systematic plan, so that we do not do things haphazardly. The Government should not wait for hon. Members to ask Questions for it to initiate projects. It should plan ahead and know what projects will be initiated in what district such as building new offices or rehabilitation the old offices. We should have a systematic plan, so that each one of us can know when projects will be initiated in our districts. We should be seen to be going somewhere. We are now doing things haphazardly without planning for them. If plans are there, they are not being implemented. Projects are being initiated politically. If you are politically-correct, then something is done in your constituency.

Ministers have been given authority by the President to do what they want to do in their Ministries with their Permanent Secretaries. Nobody monitors them. It is for them to be self-disciplined as Ministers. If you look at the Front Bench, on the Government side, you will find that the Ministers are not even there. It is their responsibility to sit in this House. They are paid to sit in this House. They were appointed to come and listen to the hon. Members' complaints. We are discussing the Appropriation Bill and the House is almost empty. This is a shame on us. We were elected to come and sit in this House. If we cannot be in this House to discuss the Appropriation Bill, what else can we do? This is a prime role for the hon. Members. The Ministers are busy doing other things which are not important.

Last week, we passed the Guillotine Procedure without the Ministers being there and yet, we are giving them billions of shillings to spend. I want to plead with the Ministers to make sure that they are present in this House when we are debating important issues. Their conscience should prick them to know that they are earning money for not sitting here. Making technical appearances is not good enough. We must be responsible hon. Members. We only have four Sittings in a week, and all the other time, we are free to do what we want to do. We should sit in the House especially when we have crucial business like passing the Budget.

Mr. Temporary Deputy Speaker, Sir, I want to talk about the health sector. This is a very

important sector. Almost on every Order Paper that comes to this House, there must be a Question on the health sector. We should have a masterplan for the Ministry; telling us how the Ministry intends to equip dispensaries and health centres all over the country. Persistently, we have raised the issue of the shortage of nurses and yet, the Minister is not even telling us how many nurses are required in this country and what shortage is there. We vote money to this Ministry. The health sector must come up with a policy that is going to streamline it. The health sector is not being managed and yet, the Minister is going round doing funny things which are not helping this country. As hon. Members, we need to be given direction, so that we can know what to tell our constituents.

We are about to go on recess. We must go on recess with something to tell our people. We are not going to sell oranges or bananas only. We need to tell our people what is the development agenda of this Government. We need to tell them how many dispensaries the Government intends to build. We are asking for ambulances which are not forthcoming and yet we gave the Ministry Kshs200 million to buy ambulances. The ambulances are given to areas which are correctly placed. The marginalised people, who are not correctly placed, keep on suffering. Nobody cares about us unless we plead with the Minister so that he can give us what we want. This is a shame! We are paying a lot of taxes to the Government, and so, it should re-invest it in our areas.

Mr. Temporary Deputy Speaker, Sir, I want to talk about the Constituencies Development Fund (CDF). At least, in the remote areas, people can now feel the presence of the Government. There is a place in my constituency where the presence of the Government had never been felt because even the assistant chief could not reach there. With the introduction of the CDF, they can feel the presence of the Government through the construction of schools and dispensaries. We tell them that, that is the Government's money and it is their money being re-invested back. They can now pay taxes without complaining. When a man sells his cow, he asks why he is supposed to pay cess while he cannot get any services. Now we can proudly say that we are getting something in return of what we are paying as taxes.

I want to talk about the poor infrastructure. The Government is now repairing the Naivasha-Lanet Road. It is very difficult to drive along that road and people prefer to fly to Eldoret. It has taken a long time for that road to be repaired because of the bureaucracy that exists within the Government. If it can take that long to repair a main road like that one, how much more time do we require to repair the Kitale-Kapenguria-Lodwar Road, which is completely worn out? This is the road that links us with Sudan. Last time, the Minister said that we need Kshs4 billion to repair that road. There are no plans to rehabilitate that road. If you look at the Order Papers, you will find that we have asked more than 100 Questions about that road. Should we ask Questions about this road all the time, so that, the Government can repair it? This must be in the system of the Government.

In my constituency, two bridges, namely, Wakor and Chebit have been washed away along the Kitale-Kapenguria-Lodwar Road. The Wakor Bridge was washed away two years ago and the Government took an emergency measure and installed a mobile bridge using the Kenya Army. They said that the bridge cost Kshs90 million and they withdrew it. It has taken the Government two years to construct a bridge. I do not have to ask a Question about that bridge because it is along an international road. The Government must construct it. The Chebit Bridge was washed away about one month ago. Vehicles are now passing through a diversion. I do not know how long it is going to take the Government to repair these bridges. Where are the priorities of this Government?

I can see that the Minister for Information and Communications is here. As soon as I go to my constituency, I cannot communicate to anybody. There are no telephone booths. I would like to ask the Minister to install telephone booths in Sigor Constituency, so that my constituents can communicate with the rest of the world. I have asked many Questions about this issue here, but nothing has been done. Maybe the Minister thinks that West Pokot is in Uganda! I would like to inform him that Kacheliba and Sigor constituencies are out of communication. We do not even receive

any radio or television coverage. The Minister should visit West Pokot to confirm that the area is out of communication. He should consider West Pokot a priority and connect us to the rest of the world. Infrastructure in this country is dilapidated and long overdue for repair.

Mr. Temporary Deputy Speaker, Sir, I want to talk about food security. Let us not be permanently on relief food. In my constituency, there are six permanent rivers. I would like to plead with the Government to initiate irrigation schemes through the Arid and Semi-Arid Lands (ASALs) Programme in West Pokot District, so that our people can do some farming.

I want to talk about the independence of the Civil Service. Politicians and political parties come and go, but the independence of the Civil Service, without the interference of politicians, is the life-line of any country. I would like to plead with the Government to support the Civil Service and let it be independent to do its work.

Mr. Temporary Deputy Speaker, Sir, the Civil Service can run a country if it has no interference from politicians. We should not transfer civil servants just because they do not agree with certain politicians. If we do this, we will destroy this country and we will not have an independent Civil Service.

Mr. Temporary Deputy Speaker, Sir, in conclusion, I want to, once again, tell the Minister for Finance that, in his reply, he should comment on that.

Please, Mr. Minister, do not forget!

(Loud consultations)

The Temporary Deputy Speaker (Mr. Poghisio): Order!

Mr. Rotino: Mr. N. Nyagah is bringing funny things here!

The Temporary Deputy Speaker (Mr. Poghisio): Order! Your consultations are becoming so loud around that corner!

Mr. Rotino: Mr. Temporary Deputy Speaker, Sir, in his reply, I want to plead with the Minister to tell farmers whether he has allocated any money to buy maize.

With those few remarks, I support and encourage the Minister.

Mr. Omingo: Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me this chance to contribute to the Appropriation Bill. I want to join my colleagues who have said a few things regarding this Bill. I want to say a few things regarding Government expenditure. Ministers are appointed to the Government to run the show on behalf of Kenyans. We have always said that we want to run this country like a company incorporated, where the social dividends must be delivered to the people by those entrusted to run their resources. I am saying this because it pains me, as a former Chairman of the Public Accounts Committee (PAC), where I used to see inefficiency, ineffective utilisation of resources and uneconomical application of the same resources. I want to thank the Kenya Revenue Authority (KRA) for having surpassed their target. I do believe they have put tremendous efforts. But they cannot, of necessity, prove to the tax-paying public that they are paying for X, Y and Z services. People do not see the tangible development agenda given to them. That is why we are saying that Ministries must run the show with a view to giving the public socio-economic dividends and reduce wastage.

The Office of the President has got the biggest budget! But we have the biggest insecurity in this nation. At one time, I was attacked in my house. A few months later, Dr. Murungaru was also attacked in his home by thugs, when he was the Minister in charge of internal security. You can see how vulnerable Kenyans are! We put so much resources in the Office of the President, which are supposed to translate into social security of our people. I am saying this, so that Kenyans can know, even as much as a single person wants to stuff so much money into his pocket, if the entire population

is not taken care of, they will come for that money because they are hungry. You cannot rule a hungry population. I want to ask the Minister for Finance, in his response, to state what happened to the resources that we voted for the training of the police. Could he confirm or deny whether those are the monies that are disbursed to sell several bananas around this country, which may never be voted for at one time? So, we want to know, with the suspension of the recruitment of police, where that money went. I also want to ask Parliament, as a watchdog of this nation, to look into that. The Central Bank of Kenya (CBK) is a bank for the Government. They actually pay you when you demand that, that has been voted by Parliament, including the training of policemen. The money is legitimately prepared and presented to them. Ordinarily, a bank will not ask you what you are going to do with that money. It is Parliament, through PAC, which should ask: "Has that money been withdrawn? If so, have the police been trained? If not, is the money being used for the Referendum goodies?" I am told that all Officers Commanding Police Divisions (OCPDs) have received about Kshs800,000 to mobilise and provide security! I hope it is not to bribe them. I think there is a culture of bribery that is shamelessly taking shape in this nation! It is perpetrated by people perceived to be "holier than thou" in the previous regime, when we were in the Opposition with them. It is a pity that a Minister on the other side, who could actually stand up to be counted and produced a "list of shame", can today hand out money to councillors without bringing the estimates to this House! They actually refused to pass the salaries for councillors through the Consolidated Fund. It is a pity and a shame that we are actually moving and drowning ourselves in the miseries of the past. I thank God that I am still not there yet! I will go there when there is transparency beyond reproach.

I also want the Minister for Finance to state categorically to this House why the Treasury has refused to computerise its operations. Is it deliberate, so that we cannot track down the transactions? I do know that donors have always offered to facilitate the Government Financial Information Systems (GFIS). But why is it not taking shape? We know some companies were commissioned to produce some brain computers. They know them. They only bought tables and they are now gathering dust. To date, Treasury is working manually.

The Minister for Finance (Mr. Mwiraria): On a point of information, Mr. Temporary Deputy Speaker, Sir.

Mr. Omingo: I respect you, Sir! You can inform me!

The Minister for Finance (Mr. Mwiraria): Mr. Temporary Deputy Speaker, Sir, I just want the hon. Member to know that Integrated Finance Management Information System (IFMIS) is progressing very well and already, seven Ministries are computerised and wired to the Treasury. We hope that, by this time next year, all Government Ministries will be computerised and connected to Treasury.

Mr. Omingo: Thank you, David! I know you are utterly frank and very honest! But the only unfortunate thing is that you are walking with very difficult characters around you! We pray for you, David, to keep on. But that should have been done yesterday. When we went to Rwanda the other day, I was ashamed! Members of Parliament in that country can push a button and vote electronically! That is a young country coming out of a genocide, but they have done it faster than this "mega economy". Mr. Minister, we pray for you and I believe you will succeed.

Mr. Temporary Deputy Speaker, Sir, I have talked about KRA. During our time, we propelled a serious agenda of Personal Identification Numbers (PINs) to network all the big guys who were transacting, so that they can pay taxes. Most of them were not paying taxes. The small person on the payroll is the one who continually pays taxes because Mr. Mwiraria withholds his taxes at the Treasury, through Pay-As-You-Earn (PAYE). But the big people are not paying taxes. Let him also state here how effectively the PIN information has been used! Was it just a routine to produce a PIN number, whose information has not been used? It was meant to track down people dealing with big transactions without paying taxes. They even gave an amnesty. They said: "If you have so much and

you have not disclosed it, tell us so that we can forgive you for your past and work together in the future!" That information should have been computerised and connected, so that we could track down and stop taxing the traditional taxpayers year in, year out, when some big fish are still sailing in big monies.

Mr. Temporary Deputy Speaker, Sir, sometimes, you wonder how some poor people, when they access big positions in offices, turn themselves into big time fish in the economy! Yet, in their KRA records, most of them declare no returns. I challenge the Minister to tell this House how effective the PIN system has been utilised in terms of circulating information for purposes of efficient collection of taxes.

I appreciate the fact that the Minister has provided sufficient lucrative salaries to KRA employees. It is a serious job! You must be paid well, so that you can turn your eyes away from temptations. But I still feel that the Minister needs to do something about that organisation. Perhaps, he should make it a little bit more autonomous. In some revenue authorities, the department retains its monies and utilises the same. Like now, they are over-shooting their targets. They can get a bigger package in terms of withheld commissions to facilitate and motivate the staff.

The Minister should tell this House whether those caves, which used to be there, have now been closed down. He must state that, that has since been done, so that there can be proper motivation.

We keep talking about a corrupt system, but Parliament, as a watchdog institution, has not done much. For that reason, I also want to ask my colleagues in the Public Accounts Committee (PAC) to move with due diligence and speed to question the Government Spokesman, Dr. Mutua, for going to the Press and announcing things the "banana way." Nobody questions that!

The Temporary Deputy Speaker (Mr. Poghisio): Please, do not introduce the banana and orange debate!

Mr. Omingo: Mr. Temporary Deputy Speaker, Sir, we are voting money that is going to be used. I want the Minister to tell us whether the money is being used efficiently and effectively for the purposes intended.

When you see a Government Spokesman making an advertisement in the newspapers which is skewed towards one side, is that a legitimate, effective and economical utilisation of taxpayers' money for the social good? The answer is "no". That is why the Government Spokesman, "jukebox or amplifier," needs to be put on check, to be able to know whether we are doing the right thing.

Let me dwell a little bit on the "donor-dependence syndrome" by this Government. I have shared occasion with hon. Mwiraria and asked: Can we tailor the jacket to the size of our bodies? Why do we need to spend sleepless nights thinking about the donor-funded programmes when we can actually manage our own economy within our means? It is not surprising to note that the President signed the Procurement Bill upon being pressurized by the donor community. It is shameful that people can petition you to do things their way, because you are just a pauper and beggar! This Bill was signed out of pressure from the "big boys." We are actually depending on them. You should not tailor a jacket bigger than the size of your body and expect an uncle to come from out there and feed you to fit the jacket. You must tailor it to the size of your body and, as you grow, you enlarge it.

I want to talk about fair distribution of resources. It is interesting to see how resources were distributed this year in this Budget. The Government almost tried to hoodwink parliamentarians to being rubber stamps in passing items in the Budget without analysis. When the analysis was produced in this House, it was a shame for the nation, Government and to us all, given the way we can pretend to be extremely biased depending on how and where we come from. I want to ask the Minister for Finance that, in terms of presenting this Budget, let us have taxation with representation. The taxation should be equitably distributed for the well-being of all Kenyans, because we belong here and we are not going anywhere.

I have talked about the misplacement of resources. I only wish the hon. Musyoka would let the Minister for Finance listen to me. Please, Mr. Minister, in terms of actual application of resources that we have given to the Ministries, including yours---

The Temporary Deputy Speaker (Mr. Poghisio): Order, Mr. Omingo! You just need to address the Chair!

Mr. Omingo: Through the Chair, I would like to plead that the Minister does report to this House whether what we are doing is right, including, as I said, - and that is very serious - the advertisement that has been appearing in the newspapers for the last two days that is attributed to the Office of the Government Spokesman, Dr. Mutua. It is actually lopsided. Now, is it actually dealing with all Kenyans or a small section of them, because the resources must be seen to be doing the right thing? The Minister should also tell us what he intends to do with the kind of roadside announcements. In the previous regime there was no grass in State House grounds because the traffic was too high. Today, in the political dispensation, the traffic to State House is almost unbelievable. I do not know whether it was an after-thought that we did open the doors to State House. I also wonder how the Minister intends to address that issue of roadside promises, including the construction of roads, which were never budgeted for. If there is any adjustment to this Budget, he should state that, that road that we are being promised and the districts that are to be created somewhere, are in it, and how they are to be funded. Without this, we risk being liars to the members of public by hoodwinking them to think our way.

We should not slip into the old culture of money worshipping and State power. I have cried for development in my constituency. It is the only constituency in the entire region that is not supplied with power. I thank God that, with the coming referendum, I am told, plenty of issues are going to start to unfold. I want to encourage people to take goody-goodies of development, because that is their right.

Some monies voted to newly-set-up districts for district hospitals is such a small amount that they cannot develop. For example, Gucha District Hospital requires upgrading because it is being serviced by a simple health facility. Our people die in large numbers because they cannot access proper health care. I want to ask the Minister, in terms of distributing resources in this nation, to be fair and equitable.

Mr. Temporary Deputy Speaker, Sir, as I wind up, I am looking forward to that day when Kenyans will actually sit back and see things trickling down like we have done with the Constituencies Development Fund (CDF). The 2.5 per cent of total Government revenue going to the constituencies has created a fantastic impact. But what has 97.5 per cent of the balance of revenue done for Kenyans? If you look around, you will see nothing in any constituency, district, including Kacheliba Constituency. I do know that there is a diversion of these resources. I think it is critical that we empower and actually activate our watchdog organizations, so that we can track the expenditure as we move on.

(Loud consultations)

The Temporary Deputy Speaker (Mr. Poghisio): Order, hon. Members sitting on the Front Bench at the corner! What is more interesting than this Appropriation Bill? Please, pay attention!

Proceed, Mr. Omingo!

Mr. Omingo: Mr. Temporary Deputy Speaker, Sir, I am surprised that Dr. Kulundu is still selling bananas here when they are not sellable elsewhere!

(Laughter)

The Temporary Deputy Speaker (Mr. Poghisio): Order!

Mr. Omingo: Mr. Temporary Deputy Speaker, Sir, in conclusion, we have a very serious Minister for Finance. I pray that the House Business Committee which was formulated at the beginning of this Session, which almost brought to a standstill the Business of the House because of its composition--- We were promised that something was going to be done regarding the composition of that Committee, but nothing has been done. May I request it to prioritise the Parliamentary Budget Office, so that it can scrutinize, prioritise and interrogate the Budget before it is read. It will be the easiest of things to do if Members of Parliament had an input, oversight and contribution to the Budget. We do not have to spend all the 21 Allotted Days thinking about things which we have already talked about. That is a critical thing. But I am told also that hon. Mwiraria could be having problems with his technocrats in terms of constitutional issues. They are really not constitutional, but being unfamiliar to the changes that are coming, the technocrats are "sitting" with the Budget close to their chests. It is high time that this House Business Committee brought to the fore the Parliamentary Budget Office Motion, so that we can pass it to become law, and help the Minister come next year. I do hope that at one time he will give us a power point presentation, having moved with the Members of Parliament across the board, and we shall all agree to the Budget.

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

Capt. Nakitare: On a point of order, Mr. Temporary Deputy Speaker, Sir. Most hon. Members are now repeating themselves. Would I be in order to to move that the Mover be now called upon to reply?

The Temporary Deputy Speaker (Mr. Poghisio): On top of that, I do not see anyone interested in contributing! So, I can ask the Mover to reply. If there is nobody willing to contribute, I will put the Question!

(Question, that the Mover be now called upon to reply, put and agreed to)

The Minister for Finance (Mr. Mwiraria): Thank you, Mr. Temporary Deputy Speaker, Sir. I have listened with a lot of interest to the many contributions that have been made. I would like to start off by saying that the Budget we are discussing is respected by Kenyans. The Shadow Minister for Finance said that it is important for a Budget to be respected and approved by Kenyans. I have no doubt in my mind that the Budget we have has not only got the approval, but also the respect of Kenyans. In fact, everywhere I have been to, I have only heard how happy the people are, particularly with the Constituencies Development Fund (CDF), and many other things that we have done since the NARC Government took over power, including the free primary education.

Mr. Temporary Deputy Speaker, Sir, another excellent suggestion was made. We should take charge of all Government assets. We are seriously considering the introduction of accrual accounting, instead of the kind of accounting that we have today, in which we only account for expenditures.

Mr. Temporary Deputy Speaker, Sir, one hon. Member talked about delays in spending funds, particularly donor funds. There are many reasons for that. One of them is that donor conditions are, sometimes, very difficult to meet. Many of them would provide money for a project - for example, a road - and they would insist on tendering for the company that would do the construction. The company must come from their home areas. They must get certain approvals. That delays things quite substantially.

Mr. Temporary Deputy Speaker, Sir, regarding the issue of joint concessioning of the Kenya and Uganda Railways, one hon. Member said that we started off with seven companies and ended up with two. The truth of the matter is that, after we had pre-qualified seven companies, five of them decided to form consortia. Three of them formed one consortium and two formed another. They then

bid as two consortiums. Really, there was nothing we could do. We had to accept what came. We believe that we got very good responses and results. We hope that the concessioning will commence operations by end of March next year.

Regarding allowances for polling agents in the coming referendum, I want to say that several discussions have been held with some donors. One of them has indicated that they will be willing to provide up to Kshs80 million to pay the agents. We hope that, that money will be passed through the Electoral Commission of Kenya (ECK) so that, no side; either the Orange or Banana camps, will feel privileged or disadvantaged. So, I want to make it clear that we are prepared to accept assistance, but it will go through the ECK.

Mr. Temporary Deputy Speaker, Sir, a few hon. Members have spoken about the interaction between Parliament and the Ministry of Finance during the preparation of the Budget. Many of them have asked that a Budget Office be established. May I say, with respect, that even before the establishment of a Budget Office, this Parliament is empowered to interrogate the budgets of respective Ministries which Departmental Committees look after. It is unfortunate that, that process has not been initiated. Therefore, there appear to be gaps. But one of the reasons why Departmental Committees were introduced was to give them ability to interrogate the budgets and look at their implementation. They were also to see how Ministries developed their policies and implemented them. Let me disabuse the feeling that I am here to defend my officials, some of whom are seated here. The hon. Member who just contributed has said: "Officials sitting with budgets close to their chests!" May I say that I am very fortunate, as a Minister, to have officials who are willing to listen, to work for the good of this nation, and not hide anything from anyone. So, I say *heko* to them.

(Applause)

Mr. Temporary Deputy Speaker, Sir, let me say that the Electronic Cash Registers (ECR) have received a lot of resistance from the people who are supposed to instal them. That is a clear indication that, maybe, the two receipt books were working too well for the businesses. But we have decided that we are going to have the registers. We are definitely going to increase the number of taxpayers. We believe we are going to help businesses themselves to avoid pilferage by their workers, which was possible during the era of two receipt books. I would really appeal to businessmen to accept the ECRs as they are going to benefit them as much as the Government. Let me also add that the question of the businesses recovering the cost of ECR has already been taken care of. Through a Legal Notice, the Commissioner-General has provided that companies which instal cash registers with the full knowledge of the Kenya Revenue Authority (KRA) will make the cost of the registers a charge on the Value Added Tax (VAT) that they collect.

So, there will be no question of anybody not being refunded or getting their monies very late because they have the money, they collect it and deduct it at source on time.

There was a very good concern that we should really start buying maize from our farmers. Nobody appreciates more the need for Kenya to have strategic food reserves than the Minister for Finance. When we are faced with famine, we have to pay through the nose for imported maize. We, therefore, do really prefer to buy our own maize, store it and use it when there is need. I am saying that, in the current Budget, we have provided Kshs1 billion for the purchase of maize from our farmers. We have also provided Kshs700 million for the purchase of relief food from locally-grown maize. I want hon. Members to rest assured that we do not really prefer to waste money by buying imported maize.

Mr. Temporary Deputy Speaker, Sir, let me conclude by saying that the Personal Identification Numbers (PINs), which were introduced several years ago, are proving really useful in the sense that before, for instance, you can buy and register a vehicle, you have got to give your PIN otherwise the

vehicle will not be registered. Before you can register a company and get it working, you have got to give your PIN. In this way, we wanted to find out who has a little income for which he can pay tax. So, it was not a futile exercise. It is an exercise that is, in fact, paying dividends to both the revenue department, the Government, and the people of Kenya.

Finally, let me appeal to the hon. Members of this House by saying that we do not really enjoy having an insecure country. The organisation of hooligans by whatever side on the referendum should really be something that we should all avoid. We should not turn our country into a den of hooligans. We cannot afford it. This is a country which needs every penny we can spend and we should avoid excessive expenditure on security. When one individual is escorted to a meeting by a large number of policemen, you can imagine what it is costing the nation to give that service.

With those very few remarks, I beg to move.

(Question put and agreed to)

*(The Bill was read a Second Time
and committed to a Committee
of the whole House today)*

COMMITTEE OF THE WHOLE HOUSE

(Order for Committee read)

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

IN THE COMMITTEE

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

THE APPROPRIATION BILL

(Clause 2 agreed to)

(Clause 3 agreed to)

Schedule

Mr. Omingo: Mr. Temporary Deputy Chairman, Sir, in the general contribution, there were issues raised as regards the training of the police and we are on Vote R01. Could the Minister comment on what they intend to do with that money and whether it is being diverted?

The Temporary Deputy Chairman (Mr. Ethuro): Order, Mr. Omingo! Which specific part of the schedule do you want the Minister to respond to because this is not the general contribution?

Mr. Omingo: Mr. Temporary Deputy Chairman, Sir, it is under the Recurrent Expenditure R01.

The Minister for Finance (Mr. Mwiraria): Mr. Temporary Deputy Chairman, Sir, if I heard the hon. Member correctly, the Police Department has postponed the recruitment of police officers. So, the money will still be spent. I believe the reason for this is that maybe the police felt that their duties are so onerous at this time because of the referendum that they thought they will not really have time to carry out a fair recruitment.

(Schedule agreed to)

(Title agreed to)

(Clause 1 agreed to)

The Minister for Finance (Mr. Mwiraria): Mr. Temporary Deputy Chairman, Sir, I beg to move that the Committee do report to the House its consideration of the Appropriation Bill and its approval thereof without amendment.

(Question proposed)

(Question put and agreed to)

(The House resumed)

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

REPORT AND THIRD READING

THE APPROPRIATION BILL

The Minister for Finance (Mr. Mwiraria): Mr. Temporary Deputy Speaker, Sir, I beg to move that the Appropriation Bill be now read the Third Time.

The Minister for Lands and Housing (Mr. Kimunya) seconded.

(Question proposed)

Mr. Arungah: Mr. Temporary Deputy Speaker, Sir, now that we have performed one of the major functions of Parliament, we hope that the Minister will strengthen the office of the Attorney-General so that any errors of omission or commission are detected fast enough so that this money can be properly used to serve our people.

The Assistant Minister, Office of the President (Dr. Machage): Mr. Temporary Deputy Speaker, Sir, whereas I would like to congratulate the Minister, I also would like to draw his attention more to the buying of maize in this country especially from the maize-producing areas. I appreciate his concern, but I think more time should not be wasted. We need to buy maize from farmers. Today, farmers from Kehancha, Kuria District, were at the District Commissioner's office complaining that their maize is rotting in their houses.

Mr. Muturi: Mr. Temporary Deputy Speaker, Sir, as I thank the Minister for Finance, I would like to register my appreciation that today the Front Bench is well represented. Our friends from the Fourth Estate must be made to understand that it is not the numbers here that matter, but the quality of contribution to a debate on any legislature in the world. Contrary to what was reported last week, it is today, in passing this Appropriation Bill that we have approved this expenditure of Kshs299 billion. Therefore, I hope the Fourth Estate will desist from making unsavoury comments about the number of people who are here and appreciate the fact that there could be three or ten hon. Members in this House, but who will make extremely useful contribution for the benefit of this country.

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

(Applause)

Mr. N. Nyagah: *Hapo, leo umezungumza kweli!*

The Temporary Deputy Speaker (Mr. Khamasi): Order, Mr. N. Nyagah!

Capt. Nakitare: Mr. Temporary Deputy Speaker, Sir, I support, without reservations, that this Bill be read a Third time. The Minister for Finance has presented his case well and we have given him authority to spend about Kshs300 billion.

Mr. Temporary Deputy Speaker, Sir, I come from an area where there are issues to do with food security, but I did not see money enough being allocated for the buying of maize towards boosting our grain reserve. If the country could spend Kshs400 billion to import maize, it really beats reason to hear the Minister tell the House that--

The Temporary Deputy Speaker (Mr. Khamasi): Order, Capt. Nakitare! We are not debating any more!

Capt. Nakitare: Mr. Temporary Deputy Speaker, Sir, it surprises me to hear the Minister say that only Kshs1 billion was allocated for the buying of maize from farmers. I think the Minister should consider this case and ensure that farmers plough back the money they get after producing more maize.

With those few remarks, I beg to support.

The Minister for Lands and Housing (Mr. Kimunya): Mr. Temporary Deputy Speaker, Sir, I would like to congratulate the Minister for Finance, and the entire House, for having deliberated well the Appropriation Bill. I also would like to congratulate hon. Members from the Opposition side for having put up a spirited debate on the various Items within the Budget and raising up issues that need attention. If we move together that way, I am sure we will make our country better.

Mr. Karaba: Mr. Temporary Deputy Speaker, Sir, I rise to congratulate the Minister for Finance and wish him the best of luck in the remaining time of the year. We are truly seeing a lot of improvement in the economy and I hope, with the savings that will be made by other Ministries, the Minister will provide more money for the employment of more teachers so that we can effectively implement the free primary education programme.

(Question put and agreed to)

*(The Bill was accordingly
read the Third Time and passed)*

BILL

Second Reading

THE FINANCE BILL

*(The Minister for Finance
on 27.10.2005)*

*(Resumption of Debate
interrupted on 27.10.2005)*

The Minister for Finance (Mr. Mwiraria): Mr. Temporary Deputy Speaker, Sir, before the

adjournment of Debate last week, on Thursday, I had already moved this Bill. I, therefore, would like to continue with my contribution.

However, for the benefit of those who were not here, I had made a few points, namely; that the economy is now, definitely, on the recovery path having stagnated for more than a decade. The real Gross Domestic Product (GDP) grew last year by 4.3 per cent from 2.8 per cent, in the year 2003.

Mr. Temporary Deputy Speaker, Sir, I also said that there were many other good things happening such as the strengthening of the Kenyan Shilling against hard currencies, and the lowering of inflation from 16 per cent a year ago to just under 5 per cent now. This is a clear indication that the growth will be, at least, 5 per cent this year. In fact, someone estimated in the local dailies today, that it will be 5.5 per cent. However, we can only talk about a definite 5 per cent.

The Finance Bill proposed measures aimed at achieving the Budget theme of "Re-orienting Expenditure to Achieve Rapid Economic Growth and Poverty Reduction." The achievement of this theme requires leaders, including hon. Members of this House, to join hands and chart the course for a bright future for this great nation.

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

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

I would like to join hon. Kimunya in thanking this august House for the constructive comments during the discussion of the Appropriation Bill.

The Finance Bill contains various proposals relating to Excise Duty, Value Added Tax, Income Tax, Miscellaneous Fees and other taxes. I will only highlight the critical ones, as hon. Members will have time to debate the proposals contained in the Bill in greater detail.

Since the introduction of specific duty on beer in the year 2003, the tax revenue has been eroded by the effects of inflation. In order to correct this situation, I propose to adjust the Excise Duty on beer by 10 per cent to account for inflation. I also propose similar adjustments for cigarettes.

Mr. Temporary Deputy Speaker, Sir, revenues have responded positively and we have also introduced a new item; a beer not made out of malt called the Senator Keg which is selling at Kshs20 a glass in bars. This beer is intended to remove a large number of those people who consume *Chang'aa* to a better drink which will definitely not make people blind or kill them.

Mr. Temporary Deputy Speaker, Sir, Excise Duty on motor vehicles ranged from 20 to 60 per cent. However, duty collection at the highest rate has been very low as a result of the under-valuation and incorrect tariff classification resulting in revenue loss. In order to simplify the Excise Duty structure on motor vehicles and minimise declaration abuse, I propose a single rate of 20 per cent on motor vehicles regardless of engine capacity.

Mr. Temporary Deputy Speaker, Sir, previously maize flour, milk and liquefied petroleum gas have been VAT exempt. This meant that they were not enjoying input tax deduction. Therefore, an element of VAT was inbuilt into the selling price of these commodities. In order to make these commodities affordable to Kenyans I proposed to zero-rate them to remove the element of VAT altogether. This has lowered the price of 2-kilogrammes packet of maize flour, and a litre of milk by about Kshs2. It has also lowered the price of LPG from more than Kshs2,000 to about Kshs1,800.

The tax deductible limits for both registered pensions and provident funds as well as registered individual retirement, funds have remained at Kshs210,000 per annum since the year 2000.

In order to encourage savings for retirement I propose to increase the tax deductible limits in both cases to Kshs240,000 per annum. The proviso for this is to be found in Clause 26 page 765 of the Bill.

Mr. Temporary Deputy Speaker, Sir, furthermore, to ensure that former university students, who have benefited from university education loan scheme repay their loans so that others may also benefit, I propose to amend both the Income Tax Act and the Higher Education Loans Board Act to enable the Board obtain addresses of borrowers or their employers from the Kenya Revenue Authority. This will undoubtedly improve the loan recovery process. This is covered in Clause 33 of the Bill.

Mr. Temporary Deputy Speaker, Sir, to ensure consistency with international accounting standards and apply the law in accordance with prudential supervisory requirements, I proposed to amend the Banking Act to restrict the insider-lending to include companies in which the insiders have shareholding in excess of 20 per cent. This is to be found in Clause 43.

Mr. Temporary Deputy Speaker, Sir, I also dealt with the collection of statutory Levy from coffee sales being done by marketing agents. The process of collection was slow and sometimes led to non-remittance of the same to the respective beneficiaries. In order to provide flexibility and improve remittance, I proposed amendments to the Coffee Act.

I am in discussion with the Minister for Co-operative Development and Marketing, and the proposed amendments to the Act will be dealt with a little later. However, the proposal will enable the Minister for Agriculture to appoint any agent to collect the levy, if he deems it necessary.

I have proposed the expansion of the application of the Coffee Development Fund (CDF) established by the Coffee Act to include factory modernisation, and capacity building for the coffee co-operatives. This is aimed at reducing the processing costs and improving the marketing and management skills in the coffee sector. It is also intended to serve as a price stabilisation fund to ensure that farmers are assured of good earnings at all times.

Mr. Temporary Deputy Speaker, Sir, I have made several other amendments to the Coffee Act aimed at enhancing the marketing of coffee by the marketing agents and removing the limitations of coffee sales to the auctions. This will facilitate direct sales of coffee by the farmers in addition to selling through the auction. This will increase competition for coffee and lead to better prices overall. Today, those selling through the internet are earning better prices than those going through the auction. This is a clear indication that liberalisation of the selling system is good for the farmers.

Mr. Temporary Deputy Speaker, Sir, I would now like to make a few general remarks. One of them is that the introduction of computerization of the Customs and Excise Department, the introduction of the electronic cash registers, and the change of collection points for petroleum taxes from upcountry to Mombasa, were resisted for sometime by some of our workers. This led to lower revenue during the first two months, but now that the systems have been accepted, we expect to meet our revenue collection targets fully, as we did last month.

Mr. Temporary Deputy Speaker, Sir, this country has been called one of the five African lions by Andrew Cohen, the former Assistant Secretary of State for Africa in the US. He said that he expects Africa to have five African lions by the year 2015. Among those five is our country, Kenya. He also named South Africa, Tanzania, Ghana and Nigeria.

Mr. Temporary Deputy Speaker, Sir, this nation can and will be a great nation, but we need, as leaders, to pull together.

In the past, we have suffered greatly from self-inflicted wounds we could have avoided. The wounds came about because, as leaders, we had differed not over what was good for the country, but rather over what was good for each individual leader. Mr. Temporary Deputy Speaker, Sir, my appeal to the hon. Members of this House is that we begin pulling together to stop the haemorrhaging we have suffered from and which has slowed down our economic development tempo, which we are all looking for.

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

The Assistant Minister for Finance (Mr. Obwocha): seconded.

(Question proposed)

The Assistant Minister for Foreign Affairs (Mr. Wetangula): Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me an opportunity to contribute to this Bill. I congratulate Mr. Mwiraria for the able manner in which he is steering the finance docket which has started showing growth in the economy of this country.

I want to speak on a few things the Minister has included in the Bill and which have a bearing on the economy and the lives of the ordinary persons. I want to laud the harmonisation of the duty payable on vehicles to a flat 20 per cent rate, irrespective of the rating of the vehicle.

However, I would also like to point out that even if we were to zero-rate duty on vehicles, the nature of our roads in this country is like we are in a conspiracy to sustain the motor industry of other countries. Our roads are so bad that we are sustaining the manufacturing of all the critical components of vehicles in Asia and Europe. If you come from as far as I do, you must have realised that if I make two trips to my constituency, I have to replace the shock absorbers, arms, tie-rod ends and every other component of my car. I have to replace the shock absorbers, arms, tie-rod ends and every other component of my car.

Mr. Temporary Deputy Speaker, Sir, now that we have voted these astronomical sums of money in the Bill that we have just passed, we need a concerted effort to see that this country has motorable roads, so that we can save on the foreign exchange that we spend on buying spare parts for cars and expend it on other sectors of the economy that require growth.

Mr. Temporary Deputy Speaker, Sir, I also want to laud the Minister for increasing duty on alcoholic beverages and cigarettes. But I dare say that the increment on cigarettes is not good enough. A 10 per cent increment on a product that has become disliked by everybody all over the world is not good enough. In fact, I would want to see a situation where cigarettes are taxed to the extent that smokers stop smoking because it is too expensive. Doing so is good for smokers' health and everybody else's health.

Mr. Temporary Deputy Speaker, Sir, one of the best clauses contained in this Bill is the provision that the Kenya Revenue Authority (KRA) can now provide information about beneficiaries of university loans. Some of us, and I speak for myself and the young man across the Bench, have fully paid our loans.

Mr. Omingo: On a point of order, Mr. Temporary Deputy Speaker, Sir. Is the Member in order to claim that we have young men and boys in this House?

The Temporary Deputy Speaker (Mr. Ethuro): Order, Mr. Omingo! He never talked about "young boys!"

The Assistant Minister for Foreign Affairs (Mr. Wetangula): Mr. Temporary Deputy Speaker, Sir, it is obvious that my friend, hon. Omingo, wants to make an issue over nothing.

Mr. Temporary Deputy Speaker, Sir, I was actually making reference to my university room-mate, hon. Muturi with whom I know we have fully paid our university loans so that the money can be circulated to other needy members of our society.

Mr. Temporary Deputy Speaker, Sir, the fact that KRA is now involved means there will be more money recovered from persons who benefited from the scheme. There will, therefore, be more money available for on-lending to more needy students and there will be less pressure on Members who are always visited by their constituents in need of university fees.

Mr. Temporary Deputy Speaker, Sir, I want to urge the Minister that, in his subsequent Budget next year, he should make a deliberate provision to enlarge the Higher Education Loans Board portfolio so that loans can be extended to students of tertiary institutions like medical colleges,

teachers colleges and polytechnics, so that we reduce the little money that goes to the constituencies for purposes of bursaries to students.

Mr. Temporary Deputy Speaker, Sir, nothing has visited untold humble banking industry in this country than insider borrowing. You recall in the 1970s and 1980s when people set up banks, collected deposits from NSSF and borrowed the whole money. In fact, they stole it, because they took it with no intention whatsoever of paying it back, and they got away with it. Some of them eventually wound up the institutions; others declared themselves bankrupt and fled the country. With a rule that bars insider borrowing by directors of banks and finance institutions, this is going to instil probity and discipline in the banking sector. We may need a retrospective effect so that those who collected deposits from NSSF and other public institutions and pilfered it, are made to account for it.

Mr. Temporary Deputy Speaker, Sir, I want to say something about the zero-rating of VAT on LPG, maize flour and milk. The tragedy in this country is that even when the Minister zero-rates commodities that are already on the market, you will not see tomorrow that the off-the-shelf value of these products will go down.

In fact, you need some enforcement mechanisms because every time there is tax break that is meant to benefit the ordinary man, it becomes a profit for traders. All they see is a windfall. They will now put the taxes under the table and proceed to make obscene profits. Nothing is more glaring in this regard than in the field of medicine. I urge the Minister, in liaison with the Ministry of Health, to check on the cost of drugs.

Mr. Temporary Deputy Speaker, Sir, I was recently in Ethiopia and I learnt that generic drugs from India and Asia that cost Kshs600 in this country, cost about Kshs75 in Ethiopia. This is because Kenya has given a free hand. Even as we zero-rate commodities, we have no mechanism for checking on profiteers to the extent that those who import things in this country decide what price marker to put on.

If a generic drug in Ethiopia is costing Kshs75 and the traders are making a profit after importing it from India, how do you explain the same drug in Kenya to cost Kshs600? Those drugs are also zero-rated here. You can see how *wananchi* are suffering. You only need to go to any pharmacy with a prescription and you realise how the other side of this country suffers. They are not suffering because the cost of drugs is unaffordable but because we have let middlemen and profiteers loose on the population. We need to check this. If we do not, these briefcase traders are all over. They are participating in every tender, corrupting people around and doing all sorts of things to the detriment of *wananchi*. I think it is the duty of the Minister for Finance, as the overall custodian and manager of our public finances, to liaise with Ministers in other line Ministries to ensure that these obscene profiteers and reckless business people do not visit unnecessary exploitation and untold misery on the population. Indeed, if that was checked, you can imagine how many billions of shillings we will save on drugs and how many drugs will then be available to everybody in the country, almost for free. This is what we should be looking at.

Mr. Temporary Deputy Speaker, Sir, the Minister has talked about improving the sales of coffee. I represent a constituency where we also grow coffee. For a long time in this country, we have had the Kenya Planters Co-operative Union (KPCU) as the last gap between the international market and the farmer. For instance, there is a firm in Thika called Thika Coffee Millers that does not enjoy a very good name. However, it is doing something different from the KPCU.

Mr. Temporary Deputy Speaker, Sir, societies in my constituency that sold their coffee through Thika Coffee Millers were paid Kshs18.60 per kilogramme. Societies that deliver the same coffee to the KPCU are being paid Kshs8 a kilogramme. The KPCU is more or less a State organ yet it is at the forefront of exploiting the coffee farmer.

Mr. Temporary Deputy Speaker, Sir, as the Minister for Finance tries to streamline the marketing of coffee, we need the Minister responsible for this to ensure that the benefits come down to the farmer. He should also ensure that while we liberalise the market, we should not create monsters

that exploit the farmer.

In general terms, I would like to tell Kenyans that we have seen from the operations of the Constituencies Development Fund (CDF) that it pays to pay taxes. When Kenyans pay taxes, funds will be available to deliver services. I say this because, in my own constituency, my CDF allocation went up by 30 per cent. I believe this is because of good tax collection. If all of us urged Kenyans to pay their taxes on time, there would be enough money to plough back and make roads, equip our hospitals and make sure that Kenyans live a better life every other day.

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

ADJOURNMENT

The Temporary Deputy Speaker (Mr. Ethuro): Hon. Members, it is now time for the interruption of business, The House is, therefore, adjourned until tomorrow, Wednesday, 2nd November, 2005, at 9.00 a.m.

The House rose at 6.30 p.m.