

The House met at 2.05 p.m. and the Speaker was in the Chair

THE PRAYER

The Speaker read the Prayer.

GENERAL BUSINESS

COMMUNICATION FROM THE CHAIR

The Speaker: Honourable Members, the Business Committee will meet to programme business as usual at tea time in the Speaker's Chamber, here today. Tea time Business Committee, very brief meeting. Two, yesterday there was a matter that was raised concerning privileges of National Assembly and I promised to do a quick note which proceeds to read. It can only be provisional because as matters are, we have had no submission other than an inquiry and the matter has not been argued or litigated either side. But I understand that we can make some provisional observations.

The matter arose because the Chief Whip of UDF, sought clarification regarding immunities of Members of Parliament during meetings of Parliament. Specifically, it was to do with attendance of a court proceeding by Honourable Lucius Banda, Member for Balaka North. The law is as follows: That this matter of privileges for the House stems from the Constitution and other Statutes. Of course, Constitutions and Statutes but the business of interpreting them is a matter for the courts. However, because of interest of Honourable Members, you will appreciate that the Chair, your Chair may provide observations and provisional guidance.

In terms of the Constitution, Section 60 of Section 1, which provides that the Speaker, every Deputy Speaker, and every Member of the Assembly, shall except in cases of treason be privileged from arrest while going to, returning from or while in the precincts of the National Assembly and shall not in respect of any utterance that forms part of the proceedings in the Assembly, be amenable to any action or proceedings in any court, tribunal or body other than Parliament.

This provision prohibits arrest of a Member of Parliament when going or coming from the National Assembly and proscribes arrests of a Member within the precincts of the National Assembly. But this immunity does not extend to treason cases.

In addition, section 4 of the National Assembly, Powers and Privileges Act, provides as follows:

Section 4: No Member shall be liable to arrest for any civil debt whilst going to attending at or returning from a sitting of the Assembly or any Committee within the precincts of the Assembly while the Assembly or Committee is sitting for any criminal offence without the consent of the Speaker. Further, this Act, Section 5 stipulates that no process issued by any court, in exercise of its jurisdiction shall be served or executed within the precincts of the Assembly while the Assembly is sitting or through the Speaker, the Clerk or any officer of the Assembly.

Point to note is that the provision prohibits service and indeed execution of any court proceedings such as summons, subpoenas, writs, et cetera, within the precincts of the Assembly or through officers of the House.

International practice may also be referred to and in particular the House of Lords in the UK. I have emphasised that the purpose of such privilege against arrest is there merely to show that Parliament should have a first claim on the service of its Members. In the United States of America, the Supreme Court has similarly advised that the terms of immunity of

Members of Congress should be strictly construed to avoid stifling of process in other arms of Government.

I conclude then as follows: That no Member can be arrested except for treason cases whilst going or coming or within the precincts of the House.

Secondly, that no Member shall be served with any court process within the precincts of the Assembly during its Sitting nor shall any such process of court be executed within the precincts of the House. So, this however, does not prevent such service of execution outside the precincts of this House, as far as strict reading of the law provides.

I come to specifically the issue that triggered this matter. The issue that must be addressed is whether the Honourable Member was actually served with any court processes within the precincts of this House? Unfortunately, I have no way of determining this because the Honourable Member did not notify the Speaker, nor his officers of the House, of any detail. What I gather, and I am subject to correction, is that indeed the Supreme Court served the Honourable Member's lawyer with the notice of hearing. I cannot say whether or not the notice required his attendance. Definitely, it was not served on the Honourable Member within the precincts of the House and I am not informed whether the Honourable Member went to attend the court, although I am also informed that he did sit in the gallery at the court.

I cannot say what guidance his lawyer gave on the matter and whether really the matter was in the form of summons. The Honourable Member having not adequately notified the office for appropriate action, if needed be, I would have wanted to rest the matter there. But I must conclude by saying that this House has privileges and immunities which are prescribed both in the Constitution and the National Assembly Powers and Privileges Act. I know that other arms of Government will give due regards to the same in carrying out their various functions.

I also hope that time maybe ripe now for an appropriate mechanism of the House to be put in place for a re-look at the National Assembly Powers and Privileges Act. The Act, unfortunate is as old as 1957. This is the National Assembly Powers and Privileges Act. It was amended last in 1967; this is some 40 years ago. We are miles apart and maybe Legal Affairs Committee can begin to examine this matter. Thank you very much.

I have copies and this will be circulated and maybe if we had time at an appropriate time, Members might then be in a position to raise specifics. But in the absence of copies of the observations, it may not be worthwhile raising questions at this stage. Thank you.

GOVERNMENT BUSINESS

MID-TERM BUDGET REVIEW

The Speaker: Leader of the House, how are we proceeding this afternoon?

The Leader of the House (Honourable Chimunthu Banda): Thank you, Mr Speaker, Sir, as what is contained in the Order Paper.

The Speaker: Where are we?

The Leader of the House (Honourable Chimunthu Banda): Mr Speaker, Sir, we have now Item 3 (a) which is Mid-Term Budget Review—

The Speaker: And the Minister would like to wind up?

The Leader of the House (Honourable Chimunthu Banda): Yes, Mr Speaker.

The Speaker: Honourable Members, I beg for your indulgence (*Interjection: Point of Order!*). Time is not on our side. Would it be useful to curtail or what? Honourable spokesperson of MCP.

The MCP Spokesperson on Finance (Honourable R.P. Dzanjalimodzi): Thank you, Mr Speaker, Sir. I thought that it is a normal tradition that before you proceed to request the Minister to wind up, maybe there would a Motion that debate be curtailed because we were in the process of debating previously, and some of us, particularly I, not as Chairperson but as Spokesperson, have not spoken. And I thought that I would be given the opportunity to speak. Thank you, Chair.

The Speaker: Okay, let us deal with that matter first. Honourable Leader of the House and Honourable Minister of Finance. (*Interjection: Point of Order!*) Just one minute.

The Leader of the House (Honourable Chimunthu Banda): Mr Speaker, Sir, my understanding and indeed the understanding of a large number of us in the House was that general debate had been concluded—(*Interjection: When was that? No! No! No!*)... and that all that was remaining was for the Minister of Finance to wind up. We did agree that we proceed in that manner at that particular time and this is the more reason why the Order Papers, since that time, have been reflecting the winding up of debate. It was the same on yesterday's Order Paper and the Order Papers of the previous days.

Honourable Fwataki (MCPMc hinji West): Mr Speaker, Sir, if I can recall what the Leader of the House said when we were debating on this issue. He said let us adjourn this issue because so many people who would like to speak on this issue. That was the end remark made by the Leader of the House. Because there so many people, so many MPs who would like to speak on this subject, let us adjourn until— that is what you said. Thank you.

The Leader of the House (Honourable Chimunthu Banda): Mr Speaker, Sir, words are being put into my mouth. (*Interjection: Aaaaaah!*) Honourable Koloviko do not just say Aaaaaah! We can quote the Hansard, Mr Speaker, Sir, and my statement on this particular issue is there. Thank you.

The Speaker: The Honourable Member for Blantyre North was referred to by name; I think she should be referred to as Member for Blantyre North.

Honourable Koloviko (Blantyre North): Thank you, Mr Speaker, for recognising me. Yes, I have been called Honourable Koloviko but I am Member for Blantyre North Constituency. Definitely, I am complaining because I have not contributed to this Bill. So, please I will definitely need more time from you, Honourable Leader of the House, so that I can contribute. Thank you.

The Speaker: Thank you very much. (*Interjection: Point of Order!*) Can I just propose as follows that we grant the opportunity for some of our Honourable colleagues to take the floor, very briefly, in view of time while at the same time I could request Honourable Leader of the House and the leaders of political parties to confer in the Banana Room as to an amicable proposition? You could come back in a few minutes. Yes, the debate will continue momentarily but it is being suggested that the leadership should consult in the Banana Room. Thank you. Yes, we will proceed accordingly but meanwhile can the leadership of the House please have an early tea in the Banana Room? Honourable Member for Kasungu West, what is Out of Order?

Honourable Gulule (MCPK asungu West): Mr Speaker, Sir, I am seeking your guidance. Because we rose yesterday, the Speaker asked the Minister of Finance to tell us whether he was interested to move the Thyolo-Bangula Road Loan Authorization Project Bill

and it was said that, the Motion was agreed to that it is going to be moved today. So, I just seek your guidance as to how they have arranged business of today, how we are going to proceed because yesterday the Motion was moved that the Second Reading is going to be done today. So, I just want to ask the Government side to clarify.

The Speaker: Understood, Honourable Member. Honourable Minister of Finance.

The Minister of Finance (Honourable Goodall Gondwe): Mr Speaker, Sir, I would do as I am told. If you want to deal with debate, fine, but my understanding was that we would wind up today and have the voting and then after teatime, we would take up the Second Reading. That was how I understood.

The Speaker: Thank you. Being Government day you have chosen today to deal with two issues. Let us start with the issue on your priority which is the Mid-Term Budget Review. I would like to recognise speakers. I recognise the spokesperson of MCP on Finance.

The MCP Spokesperson on Finance (Honourable R.P. Dzanjalimodzi): Thank you very much, Mr. Speaker, Sir, and I want to thank the Minister of Finance for his presentation. We have noted that in his presentation, he has reviewed the implementation of the 2006/2007 Budget. He has also given projections, vote by vote, where allocations are expected to be adjusted, and he has made proposals with respect to revisions on a number of votes - and finally, he has sought Parliament's approval on the changes so that the Budget may be revised. Originally, it was K10 billion, but now it is K8 billion.

Mr Speaker, Sir, what the Minister of Finance has done is consistent with the Constitution provision that you read in the Constitution under Section 177, but we have to read the provision properly. It says that, *if in respect of any financial year, it is found that the amount appropriated by the Appropriation Action for any purpose is insufficient, or that a need has arisen for expenditure for a purpose for which your amount has been appropriated by the Appropriation Act, then he might propose amendments.* So, I thought that I should underline the fact that if it is seen that the amounts have been insufficient, and I believe that that is a burden on the part of the Minister of Finance and Government to indicate that the allocation that were made in the Appropriation Bill were insufficient. That is—*(Noise from Opposition side-*

The Speaker: It will come in a minute, Honourable Minister. I am sure, you will be very brief. There is a Point of Order from the Honourable Minister.

The Minister of Finance (Honourable Goodall Gondwe): I think I have made it very, very clear that, as a result of extra funds that were received from the HIPC resources, we would like to amend the expenditures. I did not say that these funds were insufficient, it's quite opposite.

The MCP Spokesperson on Finance (Honourable R.P. Dzanjalimodzi): Thank you, Mr Speaker, Sir, I grant the fact that the Minister of Finance indicated that the revisions are coming as result of grants that we have received through Debt Relief, and also as a result of increased collections through taxes. That I grant. But I think, it is important to also underscore the fact that when you are asking for additions, the Constitution provision is adhered to. *(Applause)*

I would like also to indicate that during the discussion of the 2006/2007 Budget, Government made an attempt to include in the Budget allocation of some of HIPC resources, and I think, let's grant that this was already done. But because additional resources have come, he is trying to provide justification. But what we are saying is that we need to see changes on the ground for us to be able to justify the additions. *(Interjection from Opposition side: Hear! Hear! Hear!) Easy!*

If you want us to talk about implementation, I can highlight issues about implementation in my own constituency. Road maintenance, for instance, is being promised; there is nothing on the ground. Water, no improvement in the provision of water, but we have been told by the Minister that he has started from somewhere. He is now in Nkhotakota, eventually he will be here. But I know that he has not finished using all the resources that were allocated to his Ministry. *(Applause)* So, why don't we wait until he implements the programme and then we move forward? *(Interjection from the Opposition Side: Heeeeeeee!)*

I would have wanted to speak quite a lot on this, but I thought that the Government side should take note of the provisions in here, and that we move together to make sure that these issues are being done properly, so that when we want to use additional resources, we know that these additional resources will bring improvement in terms of development projects in the country.

Right now, for instance, let's talk about health in my constituency, we have no facilities, and I don't want to argue about it now, but if additional resources are to be provided, we need to know what has been done on the ground. What is it that is going to be provided on health? So, this is really the issue that I thought I should highlight.

Now, Mr Speaker, Sir, regarding deficit and interest, I would like to commend Government for what has happened. Interest rates have reduced, and we have noted that there will be some savings in terms of deficit, and the amount that will be saved will be used for repayment of domestic debts. I think that the initiative that Government is taking, to re-pay domestic debts, is something that should be encouraged. Although debt relief has been achieved, we have been forgiven external debts. We have debts that we are owing to the local community, and I think that we must make every effort to re-pay the domestic debts so that this initiative can promote local businesses which will help in reducing unemployment problem that we have on the ground.

So, Mr Speaker, Sir, let me also talk about another issue. This issue is about domestic revenue. We have noted from the Minister of Finance, that there is a variance of K2.8 billion on tax revenue, which has been achieved through the increased collection of Value Added Tax (VAT). I would like to state, Mr Speaker, Sir, that where the increase in the revenue is as a result of improved tax administration, we would like to commend Government and the Malawi Revenue Authority for that. As Honourable Members will recall, last year, we had argued about the VAT rate being high, and that perhaps what should happen is that Government should consider a reduction on the VAT rate, but that was not accepted. But what we are now able to see, is that there is more revenue collected from VAT, which as far as I am concerned, is an indication that something could be done by way of reducing the VAT rate. *(Interjection: Katundu!)*

We indicated that if we had increased that VAT rate, for Pay As You Earn (PAYE) from K6,000 to K10,000, it might assist. I know that this was not accepted, but perhaps it will give us some food for thought so that come next Budget, we should consider this particular item. So, I thought I should highlight that, so that the VAT rate could be considered for a reduction, from the current 17 per cent to about 15 per cent or even 13 per cent.

I don't want to speak much about wages and salaries. This is an issue that many Honourable Members have spoken about. What is important is that we need to have a Civil Service that is properly motivated, and motivation is in many ways, including proper salary levels, and I thought I should underline that particular fact.

Now, with regard to development expenditure, Mr Speaker, Sir, we have noted that expenditure on development was lower than what was targeted by about K3 billion. This was in

fact due to delays in implementation of projects. Mr Speaker, Sir, I believe that this is a serious matter, and that Government should urgently deal with the issue of capacity, which I believe is one of the reasons why implementation of the loan projects has not been successfully carried out. We raised this concern last year, during the Mid-Term Review Budget, because at that time, development expenditure was below by about K2 billion, but what we have noticed this time, is that development expenditure is below by about K3 billion, and I think, that is a sign that we are not doing very well on that particular aspect.

But I understand there could also be another reason, and this additional factor, Mr Speaker, Sir, is affecting a historical sort of arrangement that is there. In development projects, there is a historical arrangement for contractors to be paid offshore in order to facilitate purchases of items that are available externally. You may not be aware, but this is what is happening. But experience on the ground is showing that some contractors do not use the money that is paid offshore in their foreign banks for the purchase of the items. What they do instead, is to borrow money locally, and this delays the implementation of the projects here. I thought I should only highlight this to the Minister of Finance in case he is not aware because we understand from people on the ground that this is one of the issues that happens—

The Speaker: Honourable Spokesperson for MCP, I know, I shouldn't interrupt. How long do you have to go? I allocated only 10 minutes.

The MCP Spokesperson on Finance (Honourable R.P. Dzanjalimodzi): Mr Speaker, Sir, I can summarise, because most of the issues have been spoken by my colleagues.

On the items where there have been adjustments, what I would plead with the Minister, is to ensure that sufficient reasons are given for the adjustments. It is not sufficient to simply say that because monies are available then let's add. I don't think that is the way we should move. The spirit of debt relief is to ensure that pro-poor expenditures are increased, and I think we need to focus on that. I thought I should underline this fact, and request that we be provided with sufficient reasoning, so that we can work together with Government, otherwise, it will be very difficult for us to support additional amounts when we are not satisfied that these are appropriate.

Thank you, Mr Speaker, Sir. (*Applause*)

The Speaker: Thank you. Honourable Minister of Finance, yes, Point of Order!

The Minister of Finance (Honourable Goodall Gondwe): Thank you, Mr Speaker, Sir, I think it is very important that the House, and indeed the country should know that this country has received some savings that have to be used in order to increase the welfare of the people in this country, particularly the poor. We are not saying ---(*Noise*)---that there are expenditures that have got to be made within the Budget that was approved last year. We are saying, as a result of additional resources, certain things that could not have been done, can possibly be done now. We did not have money for teachers' houses, we did not have money for marketing this country, and we did not have extra money for the provision of potable water in the urban areas. Now that we have additional funds, we are asking Parliament that those resources be used to improve the welfare of the people of this country. (*Interjection: Hear! Hear! Hear!*) (*Interjection: Point of Order!*)

The Speaker: Honourable Member, just a minute.

The Minister of Finance (Honourable Goodall Gondwe): Secondly, Mr Speaker, Sir, my colleague is saying that we have not used sufficient funds for us to ask for additional funds. Now, he was in the Ministry of Finance, he knows that at a review time, you do not wait until the funds are all spent. You project how the situation is going to be by the end of the year, and you

make certain changes. My colleague, the former Minister of Finance, whom I succeeded, has done that, everybody who has been a Minister of Finance has done exactly what I am doing now. *(Interjection: Hear! Hear! Hear!)*

I would like to beg the House, I sincerely beg the House to allow us to use the funds that have come to us. You may say N o” but there are some people in the villages who are waiting for that. *(Interjection from Opposition side: Aaaaaaaaaaaaah!)* *(Very loud noise)* *(Interjection: Point of Order!)*

The Speaker: I will grant it immediately after the Minister is through, I will grant it.

The Minister of Finance (Honourable Goodall Gondwe): The point Government is putting forward is that we were euphoric that we had HIPC relief; everybody was very happy because they thought that we would have additional funds to spend in order to improve the welfare of the people. We have come before you, to say that these are the funds, and these are the things that should be done to improve people’s welfare. It’s up to you to say “Ye s” or N o”.

The Speaker: Thank you. I will admit only two Points of Order. Very briefly, and that is from Member for Nkhotakota South, and another Point of Order from the other benches on the left.

Honourable Mbowani (MCPN- khotakota South): Thank you, Mr Speaker, Sir, the Minister who has just resumed his seat, is Out of Order to say that Government can absorb all the funds that have been made available through debt relief within three months, before next Budget, when the same Government has failed to make or to account for monies that were provided to them in the 2006/2007 Budget. Can the Minister furnish us with information on whether they have used all the funds that were made available to them before we talk about this? Thank you.

The Minister of Finance (Honourable Goodall Gondwe): Mr Speaker, Sir, yes, I can.

The Speaker: Honourable Minister, I was going to ask one more, the last one, and if need be, you can respond to both. Now, I have to see the other Points of Order. I said I would recognise only two. Member for Mangochi Malombe. That will be the end of points of Order.

Honourable Milanzi (UDFMa ngochi Malombe): Thank you, Mr Speaker, Sir, I rise on a Point of Order.

It is Out of Order for the Minister of Finance to say that they want this money to promote the welfare of people in the villages. I have a case, last year in this House, I raised a request for the rehabilitation of a bridge which was washed away, and I was promised a bridge would be constructed. And also the roads are not in good condition, there are no medicines in our hospitals, so what welfare is he talking about?

The Speaker: The Honourable Minister, I think you will answer that, and then we will go to substantive contributions. It will be the Honourable Member for Nkhotakota North-East, because there was a Member on the MCP side, I will go to the other extreme after the Honourable Minister.

Yes, Honourable Minister, would you like to respond to any of the two Points of Order?

The Minister of Finance (Honourable Goodall Gondwe): Mr Speaker, Sir, I would like to answer the Point of Order from my colleague from Nkhotakota South.

If you look at our Implementation Budget now, you will find that the amount of local resources, expenditure under local resources, in fact is K2 billion or so in excess, which means that, as far as local resources are concerned, we have in fact exceeded what was expected to be spent.

What has been the problem, and it's always the problem, is the donor-funded projects. Every year, and my colleague there will agree with me, I mean, he may not wish to agree with me because the expedient now is not to agree. *(Laughter) (Interjection: Hear! Hear! Hear!)* Yaaaaa! He knows that at every point, every year, we lag behind of the first half of the year on donor-funded projects because there are so many things that you have to do in order, as my colleague said yesterday, to make the loans effective. That is the problem. But, as far as expenditure on domestic funded projects is concerned, you will see that this year it exceeds far in excess of what was budgeted.

The Speaker: I was going to proceed to substantive contribution, unless it's pressing, because we are stuck on Points of Order. I would like to give Members as much time to contribute. *(Interjection: It's a Point of Order!)* Briefly!

The MCP Spokesperson on Finance (Honourable R.P. Dzanjalimodzi): It is Out of Order for the Minister of Finance to allege that I would not want to agree just because I am not in a proper form to agree. What I am highlighting here are facts on the ground. Firstly, regarding the donor financing; the issue for government not being able to access to donor financing is partly part of the problem that government is facing in terms of capacity. These are some of the issues that will be discussed later in the House when we present a report of the Public Accounts Committee. That's one.

Secondly, the issue about accessing the funds that are there. We have no problem about the request that you have made, but we think that the timing is wrong. Debt relief did not come only last month, but a long time ago, but government never thought it prudent that we should sit down and discuss on how we should use these monies. *(Interjection: Yeah! Yeah!)* They were waiting until now when we have only three months to go, and it does not make sense.

Now, in some of the areas, over-expenditures were made like in subsidized fertilisers. We are aware about it that there was over-expenditure. What do you want of K2 billion? What you want is for us to formalize that over-expenditure. Why didn't you call us then to discuss that matter? The Minister informed us that some of the fertiliser has gone back to the Bank, why? Why did you have to over-purchase so that you send it to the Bank? Some of these are the questions that we have! *(Interjection: Tchaya! Tchaya! Tchaya! Awuze amazolowera!)*

The Speaker: Honourable Minister of Finance, lastly commenting on supplementaries, then we will go to substantive debate. This is the very last. Thank you.

The Minister of Finance (Honourable Goodall Gondwe): Mr Speaker, Sir, I was dealing with the question as to whether we are capable of using the resources that we are asking for by June and they said, the indicator was that the amount that has been spent so far does not show so, and I am saying that they are using a wrong indicator. The indicator that shows how capable the government is, is the amount that you are spending on local resources, and I have just proved to you that we did that in excess. Therefore, by your own reasoning, that, therefore, we are capable of doing it.

As to the reason to say, why didn't we call Parliament before that has nothing to do with me. *(Interjection: Aaaaaaah!)* The law says the following: as far as I am concerned, even I can go on spending until Parliament meets, and I come to it and ask for permission to validate that. That's what I am doing.

The Speaker: Substantive discussions. Honourable Members, I now defer to substantive contributions. We have had enough of the Points of Order. I had pointed out the Member for Nkhotakota North-East, but I think on this issue, you have contributed already. So, I will go to the Members who have not contributed. Member for Blantyre City West?

Honourable Masiku (UDFB- lantyre City West): Thank you, Mr Speaker, Sir, for recognising me. I would like to make my humble contribution to the Mid-Year Review of the 2006-2007 Budget. Mr Speaker, Sir, it is most gratifying to observe that on the revenue side, tax revenue has registered a favourable variance of K2.880 billion. When one looks at the approved sum of K69.248 billion and that mid-year target of K32.996 billion, is less than 50 per cent of the approved sum. There is a high probability of collecting far more than K69.248 billion by the end of the financial year.

The K2.880 billion, better performance is 9 per cent of the mid-term target, and yet the annual revision of K74.479 billion is only a gross of 7.5 per cent. I am worried Mr Speaker, Sir, whether the reported gross is really due to the strong tax enforcement or a tactical underestimation calculated to give the impression of the better performance. In the absence of the detailed variance analysis, I am restrained to suggest that the over-collection should result in reduction of taxes to give more benefit to the tax-payers who are overburdened by our own tax regime, and is seriously stifling the business growth.

I would, therefore, ask that estimates of the revenue presented before this House should be realistic and not meant to window-dress so that appropriate decisions should be made. This observation becomes more evident when you look at the V.T.A. figures, which stand at K11.531 billion, approved with K10.689 billion mid-year target, and K12.848 billion mid-year actual collection.

Certainly, the mid-year collection is 111 per cent of the total year estimates. In the absence of detailed proposed revision on page 11, it is difficult to intelligently analyse the budget to eliminate delivery to look good scenario that looks obvious in this revenue budget. Mr Speaker, Sir, I also want to take you to page 4 of the document. I do not understand how the variances on the grants from EU, which is K410.50, billion, DFID which is K77 billion and Norway K435 billion, were arrived at?

Mr Speaker, Sir, I need your protection. There is so much noise in the background, please?

The Speaker: Please, that's a bit pressing for the Honourable Member to complain. Let's keep silence.

Honourable Masiku (UDFB- lantyre City West): Thank you so much. I am also lost to follow this document when under the same table, table three that is, you look at other under dedicated where K79.7 billion is hanging in the variance analysis when there is a figure of K79.7 million in the mid-year outturn column— *Interjection: A Phoya bola mwamva! Mwamva!* Don't disturb me, *mwamva!* I respect you.

Mr Speaker, Sir, on the expenditure side, I am extremely worried, especially with fertiliser operations. The exercise of fertiliser procurement for the current planting season is over, and the revision to K9.423 billion representing an increase of K2.423 billion is also expenditure equal to 33 per cent of what was authorised, and this is significant. The maize seed too, with an over-expenditure of K439 million are not expenditure items that should be treated like all others.

These are matters that are better dealt with under the Finance Management Act, as authority should have been sought before incurring the expenditure. The only twist to it is that, this is not the matter of the Controlling Officer, as it seems to be an illegality committed by the Minister of Finance himself. Parliament's authority should have been sought long before fertiliser and seed were procured at cost levels in excess of the authorized budget.

Mr Speaker, Sir, my honest feeling is that, Parliament cannot be part of this illegality, and it would be an abuse of the process. This matter is better dealt with under the provisions of the

Finance and Management Act than a covering over by parliamentary authorization process after the illegality.

Last but not least, Mr Speaker, Sir, I want to bring to your attention to the development expenditure which part 1, and it is on page 12. The expenditure is required to be revised to K43.691 billion from K40.683 billion. This is against the background that out of the mid-term target of K17.484 billion, only K12.445 billion is the mid-year outturn. This information is on pages(– *Interrupted*) I– am about to wind up Mr Speaker, Sir.

This information is on pages 7 and 12. The mid-year outturn is only 71 per cent of the mid-year target. Given this type of performance, what is the chance that increased allocation will be spent in the best interest of the nation? My feeling, Mr Speaker, Sir, is that, we need to treat trade consciously so as not to feed corruption and extravagant disposition.

Lastly, Mr Speaker, Sir, where the framework over-expenditure control is the much touted IFMIS and its sister, the central payment system that are meant to ensure that no expenditure is incurred without authority. I will not bore you with obvious errors in the document, for example on page 13, where the ORT on the Presidency is K12 million as approved, but K60 million as mid-term target. Thank you Mr. Speaker, Sir.

The Speaker: Honourable Member for Mangochi Masongola?

Honourable Yakiti (UDFMa ngochi Masongola): Thank you very much, Mr Speaker, Sir, for giving me a chance to contribute to the Mid-Year Review Budget. Mr Speaker, Sir, let me also thank the Minister of Finance for the economic achievements in the past six months. There is a mention of a single digit inflation rate. However, these economic gains should be translated into better living standards of people in the rural areas. (*Interjection: Hear! Hear! Hear!*) Mr Speaker, Sir, the period under review, the cost of basic commodities in the country, including my constituency, have gone up.

People are unable to access these basic things. Mr Speaker, Sir, for economic achievements to be meaningful, people should be able to buy day-to-day basic things like sugar and food just to mention a few. (*Applause*)

Mr Speaker, Sir, let me talk about health. I believe that only health people can develop the country, and I was very happy that the Minister of Health was given about K20 billion during the last budget sitting, but my constituency has not benefited much out of this. As I am speaking now, there is no ambulance at Namwera Health Centre, no Medical Assistant at Chumbengame, and there are no drugs. Sometimes expectant mothers give birth on hired pick-ups on their way to Mangochi District Hospital(– *Interjection: Abomination oooh!*) which is 42 kilometres away from Namwera Health Centre.

Mr Speaker, Sir, Namwera Health Centre registers about 1,000 patients per month. It, therefore, needs to be rehabilitated into a rural district hospital. Let me ask the Minister of Health to use Chigweje Mission Hospital(– *Interjection: Anakhwinda mukumva? Akukunenani!*) which is under the Ministry of Irrigation and Water Development as Namwera Rural Hospital. People from my constituency would be happy if this request could be included in the next budget.

Mr Speaker, Sir, on Agriculture, despite the achievements on the fertiliser subsidy programme, the implementation of the programme had a lot of shortfalls which government needs to look into. For example, many farmers in my constituency were in possession of the coupons, but by the time they wanted to buy the fertiliser, it was reported that the period for buying the fertiliser had been closed.

Mr Speaker, Sir, there was also a problem of rodents in my constituency. This meant that farmers had to plant twice or thrice, and there has been no rain for three weeks now. Therefore, people will have— *Interjection: Mbewa timadya! Zimafunika iwe Kutsaira udzakumbe mbewa zimenezi!*---

The Speaker: I don't want to be forced to rule the word *Mbewa* out of the parliamentary dictionary... (*Laughter*) but please let's listen to the Honourable Member.

Honourable Yakiti (UDFMA ngochi Masongola): Therefore, people will have poor harvest this year, and this means that people will need food aid.

Mr Speaker, Sir, let me talk of security. Namwera Police Station building was not meant for a Police Station. It was for the Works Department, and that was very, very, long ago, even before I was born. Therefore, Mr Speaker, Sir, the station needs very urgent renovation. It can collapse at anytime.

Staff houses have got cracks. They leak, and officers are working in bad conditions. They always do not have enough fuel to cater for the big catchment area. Sometimes the vehicle can be grounded for a week or two just because of lack of fuel. Officers are sometimes not able to attend to very, very important matters.

Mr Speaker, Sir, lastly, allow me to say something

Mr Speaker, Sir, lastly allow me to say something about education. The pupil-teacher ratio in my constituency is well above the recommended one. For example, at Chitumba Primary School, there is one teacher for classes in standards one to eight. How do you expect a teacher to perform under such conditions?

Mr Speaker, Sir, Government should make effort to motivate teachers so that they can move from urban areas to rural areas. They should be given incentives. (*Interjection: Akumanamizira ukwati!*)

Mr Speaker, Sir, with these few remarks, I reserve my support. Thank you very much.

The Speaker: Honourable Member on my right, the constituency isi...s it Chikwawa North? (*Interjection: Yes, please!*) Thank you. After that, we will come to MCP benches and I will recognise Ntchisi North.

Honourable Gobede (DPPC- hikwawa North): Thank you very much, Mr Speaker, Sir. I rise to support the Budget Review Statement that was ably made by the Minister of Finance, Honourable Goodall Gondwe.

Mr Speaker, Sir, I would like to applaud the visionary leadership of His Excellency Dr Bingu wa Mutharika. The developmental agenda of His Excellency the President needs to be appreciated on both sides of the House. The country is witnessing changes for the better in lives of people in all regions and walks of life.

Let me turn to agriculture, Mr Speaker, Sir. The fertilizer subsidy has brought surplus maize production in the country in the past year. Already in this current agricultural year, there are strong indications that maize production will surpass that of last year.

This is no mean achievement. All our smallholder farmers should be thanked also for working hard in the fields. Malawi is now the envy of some neighbouring countries because of its policies on food security.

I am sure all of us here recall that the months of December to March used to be a lean period year in year out not so long in the past. However, this is no longer the case. This certainly is a joint effort of this current Government and our farmers.

I would like also to salute the Bingu administration on the excellent work it has started in improving our road network in the country. The Kamphata-Nkhoma Road, the Mponela-Ntchisi Road, the Karonga-Chitipa Road, and roads in our cities and municipalities and other country roads have all witnessed some facelift.

It should be appreciated that this has been done in just a space of two years. Please continue the good work. People are seeing the good work you are doing.

The Public Works Programme has not only assisted in building and maintenance of our roads in the countryside, but has also helped the rural masses get some income which was used to acquire the subsidized farm inputs. I therefore urge the Government to continue with this programme.

Mr Speaker, Sir, on education, as I appreciated the load that the Ministry of Education and Vocational Training has, my constituency, Chikwawa North, has not been spared problems most constituencies are facing.

Let us leave partisan politics and work for the betterment of our nation. I urge both sides of the House to assist the Minister of Education and Vocational Training in improving education standards.

Mr Speaker, Sir, there are many junior primary schools in my area that need to be upgraded to full primary schools such as Gaga, Mtawa, Chigumula, Thabwa, Nkudzi, Kawaye and Namagondwa.

Communities in these areas are ready to mould bricks for the construction of school blocks and teachers' houses. My request to the Minister of Education and Vocational Training is to provide teachers and teaching and learning materials to these schools. Our teachers especially in primary schools need supervision. I know Primary School Advisors (PEAs) are doing this. However, I expect more from them.

Chikwawa Secondary School, the only district secondary school in the district, needs fencing. Mr Speaker, Sir, there is accommodation shortage for both boys and girls at this secondary school. I am asking Government to construct a girls' hostel at the school to keep the girl child in school. (*Interjection: Point of Order!*)

I now turn to health. Chikwawa District needs a new hospital. The present hospital is not only small, but it also needs to be reallocated away from the banks of the Shire River. The district has lost houses that were close to the bank.

The Speaker: Honourable Member, go towards winding up. After that, there will be a Point of Order.

Honourable Gobede (DPPC- hikwawa North): We do not want to wake up one day and find our hospital washed away. The shortage of drugs in our hospitals needs close attention. I have confidence in the Minister of Health that the system she is putting in place will ensure that our hospitals and Central Medical Stores are well managed for the betterment of poor Malawians.

I also urge the Minister of Health to revisit the mandate of the health advisory committees. Membership of some of these committees has over lived themselves. We need to put a cap on this period in office of these committees for effectiveness.

Mr Speaker, Sir, I also request the upgrading of Chavala Health Centre to a rural hospital. This health centre is 35 kilometres from the district hospital and from Chavala to Blantyre, 40 kilometres. People in this area find difficulties to assess medical care—

The Speaker: Time out!

Honourable Gobede (DPPC– hkwawa North): With these few remarks, I support the Mid-Term Budget Review.

The Speaker: There is a Point of Order before we proceed to Ntchisi North. What was Out of Order?

Honourable Luya (RPC– hkwawa South): The Member who has just resumed his seat is Out of Order by saying that the whole Chikwawa District has one secondary school. There are two secondary schools, Ngabu Secondary School and Chikwawa Secondary School.

The other point is that he is misleading the nation by saying that in Chikwawa, people will harvest a lot of food. I come from Chikwawa South Constituency. In his constituency, people are starving. There is no food. There is drought and people will not harvest much.

The Speaker: Ntchisi North. *(Interjection: Point of Order!)* Honourable Minister is it absolutely necessary. *(Interjection: Yes!)* Okay, the last Point of Order. I have ruled that that will be the last one to give chance to those who want to speak.

The Minister for Persons with Disabilities and the Elderly (Honourable Khembo): Mr Speaker, Sir, our fellow Member from Chikwawa South, Honourable Luya is Out of Order by alleging that Chikwawa people are starving this time. At this time, some years ago, people were in need of food. *(Interjection: Tikukamba zalero!)*

People were queuing at ADMARC markets but failed to buy even one bag. People are not starving now. That's not true. What are you talking about? It's not good to come here and talk lies about you. We are not starving! That's not true!

The Speaker: Member for Ntchisi North. *(Noise)* There is no follow-up on the Point of Order. I said that that would be the very last. I have recognised your colleague. I want him to speak.

Honourable Gadama (MCPN– tchisi North): Thank you, Mr Speaker, Sir. *(Noise)(Interjection: You are liars!)*

The Speaker: Order please! Order! *(Interjection by Honourable Luya: Amagawa chakudya Honourable Khembo ku constituency kwawo last week chifukwa chani ngati kulibe njala!)(Noise)* Honourable Members, please I don't want to be forced to take unpleasant measures.

It's not necessary. Silence in the House! *(Honourable Khembo stood up)* No, Honourable Minister. *(Interjection by Honourable Khembo: I have been called, I have been mentioned!)* Can the Honourable Minister sit down? I gave you the opportunity. *(Interjection by Honourable Khembo: I can sit down on your request!)* Honourable Member for Ntchisi North, take the floor! *(Interjection by Honourable Khembo: I have every reason to reply to that!)* Honourable Minister, kindly sit down! *(Interjection: 103!)* Please don't waste any more time on the floor. Get on to the speech.

Honourable Gadama (MCPN– tchisi North): Thank you, Mr Speaker, Sir. Indeed after a close analysis of the budget performance, especially the revenue budget for the first half of the financial year, 2007, I have observed the following, Mr Speaker, Sir:- the actual revenue exceeded the mid-year target of K32,996.3 million by K2880 million.

However, Mr Speaker, Sir, since the tax revenue is composed of PAYE, corporate tax and VAT on goods and services, it is therefore important to find out whether the real collection of specific tax revenue was indeed collected according to the six months period under review.

It is, however, highlighted that PAYE tax and other taxes thereto, contributed to the outstanding performance of the revenue collection.

But Mr Speaker, Sir, considering the little take home pay for employees in this country, let me call upon the Government through the Minister of Finance to consider increasing the level of income at which employees start paying tax from K6,000 to let's say, K10,000.

I am saying this, Mr Speaker, Sir, because although the budget performance on PAYE tax looks attractive, it is not a true reflection of the health of our economy, which is supposed to improve the living standards of people of this country. In other words, Mr Speaker, Sir, poverty is still increasing among people of this country.

Mr Speaker, Sir, coming to corporate tax, it is, however, observed that there was under-collection of this tax of K342 million. Normally, Mr Speaker, Sir, the under-collection of corporate tax arises because of either failure by Government to apply strong tax enforcement measure, or it is an indication of under-performance of the companies in this country, in that they are failing to break even.

Therefore, Mr Speaker, Sir, let me ask the Minister of Finance to explain to this Honourable House, indeed for public consumption, the reasons why taxes from companies were lower than budgeted for during this six month-period under review.

Let me now comment on the non-tax revenue performance, Mr Speaker, Sir. There was an adverse variance of K415 million of which only two specific reasons have been provided by the Minister of Finance. This is a Government policy of not selling the commercial maize, and wrong factor which was used on the safety net.

However, Mr Speaker, Sir, I would like to know from the Minister of Finance why there were no dividends collected from parastatals for the past six months. I am asking this, Mr Speaker, Sir, because if our economy grew during this six-month period, the growth could have accelerated activity performances of the parastatals.

Therefore, without any further explanation from the Minister of Finance, one can conclude that parastatal organisations that are supposed to give dividends to Government were less efficient and effective during this period.

If this is the case then, Mr Speaker, Sir, let me know plans or measures, financial and otherwise that Government is putting in place to ensure that parastatals in this country maximise their revenue performance which in turn will provide the much-needed dividends to the Government during the last six month-period of the 2006/2007 financial year.

Mr Speaker, Sir, coming to the performance of grants, it is a welcome situation in that the budget was positively more by K10,230.8 million. This indeed, Mr Speaker, Sir, maybe taken as an indication of donor community confidence in the country's fiscal management performance.

However, the project support has not performed well and I would like to urge the Government to always-timely draw donor funds in order to implement development projects accordingly.

Mr Speaker, Sir, on expenditure let me comment on development expenditure. I welcome the decision by Government to increase development expenditure from K47.813 billion to K52.490 billion.

I am supporting this development expenditure increase because the 2006/2007 Budget was formulated within the framework of the Malawi Growth and Development Strategy. Therefore, the main objective was to promote high economic growth, wealth and employment creation as a sustainable basis for poverty reduction.

Mr Speaker, Sir, since some amounts from this development expenditure will be used for the construction of teachers' houses, I would like to ask the Government to construct teachers' houses at the following primary schools in my Ntchisi North Constituency: Malomo, Mankhaka, Chakulanjala, Kanyulunyu, Sopani, Chikusa, Malambo, Mwinama, Chalundu, Mpalo, Mawili, Mvumo, Chikhota, Zaoneka, Chamwazi, Nkanire, Chipwapwata and Msolokera primary schools.

Mr Speaker, Sir, since some of the monies will be used for the purchase of drugs; I would like to ask the Government to provide drugs to Malomo and Chinguluwe Health Centres. Again, let me ask the Government to construct girls' hostels at Malomo, Mawili and Malambo Community Day Secondary Schools.

The Speaker: Two minutes and wind up please.

Honourable Gadama (MCPN- tchisi North): I am also glad Mr Speaker, Sir, to note that some of the resources from this increase on the development expenditure will be used to construct feeder roads.

I am therefore asking the Government to construct the following feeder roads in my Ntchisi North Constituency:- Chalunthi Turn-Off to Msolokera; Chimbiri to Khululu School; Chikuse to Masikole; Malomo to Magalanda via Sopani; Lukwa to Kamwaza via Chipinjika; Chalundi to Nkanika and Bumphula to Mzindo.

The construction of these feeder roads, Mr Speaker, Sir, will not only considerably reduce time, but also the cost of transportation of goods, thereby stimulating economic growth and development in my Ntchisi North Constituency.

Finally, Mr Speaker, Sir, the Minister of Finance has indicated that some of the development resources will be used to improve water supply in rural areas. Let me, therefore, ask the Government to drill boreholes in my seven councillors' wards in Ntchisi North Constituency.

I thank you, Mr Speaker, Sir.

The Speaker: I think I will go far north, is it Ntcheu South? (*Interjection: Point of Order!*) Honourable Minister, I will grant one Point of Order to one of the Honourable Ministers if necessary. Honourable Minister of Irrigation and Water Development.

The Minister of Irrigation and Water Development (Honourable Sidik Mia): Mr Speaker, Sir, I didn't want to inform the Honourable Member that instead of asking for more boreholes, he should at least appreciate for the 100 boreholes we have drilled in his Constituency. I thank you, Mr Speaker, Sir.

The Speaker: Ntcheu South. Is it a Point of Order Member for Nkhotakota Central?

Honourable Stambuli (UDFN- khotakota Central): No, Mr Speaker, Sir. I would want to speak on the budget. I haven't contributed ever since.

The Speaker: Okay, the opportunity is now for Ntcheu South.

Honourable Machado (UDFN- tcheu South): Thank you very much, Mr Speaker, Sir, for recognising me. I stand in order to contribute on the Mid-Year Budget Review of the 2006/2007 financial year.

Mr Speaker, Sir, let me first start with congratulating the Minister of Finance on the many achievements. Well done as Minister of Finance.

Mr Speaker, Sir, the Minister of Finance did inform this Honourable House that K100 million has been set aside for Ministry of Defence for aircraft maintenance and procurement of equipment.

Mr Speaker, Sir, these are very important and expensive programmes that require financial commitments. Mr Speaker, Sir, every action in these activities is dealt in dollars. In my opinion, the amount is very little.

Mr Speaker, Sir, I have been in aviation for more than 20 years and there is no shortcut in aviation. Aviation is very expensive. Mr Speaker, Sir, in order to have an effective and meaningful aircraft maintenance and procurement of public order equipment programmes, I request the Minister, to comply fully with the requirements given to you by the technicians, otherwise, no work will be done.

Mr Speaker, Sir, both aircraft and rotorcraft play very important roles in different configuration in modern security of any country.

Mr Speaker, Sir, the Minister of Finance did also inform this Honourable House that most of the Votes have been spent within the targets with the exception of security related votes.

Mr Speaker, Sir, what message---

The Speaker: Honourable Member, how long have you to go?

Honourable Machado (UDFN- tcheu South): I am contributing, Sir.

The Speaker: Yes, but how long? Just because I want an indication, you could either finish—

Honourable Machado (UDFN- tcheu South): Ten minutes.

The Speaker: Can you come back after tea and you will not have ten but about four minutes utmost. Thank you.

Honourable Members, before tea, two announcements: visitors in the gallery from Dowa South. They come from Group Village Kampelo, Kadango and Kalumba. There are also teachers and students, school committees from Kafumphe F.P. School. These are visitors of Honourable Chika, Member for Dowa South. Next, we have 22 visitors from all the way Chitipa South— (*Applause!*)--- comprising Group Village Headmen, party leaders, friends and relatives. These are visitors of Honourable Mwelekete Kalua. (*Interjection: Hear! Hear!*)

Could those groups please stand up? The first group as well as the second group, I would like to welcome our visitors to the House. Welcome the young aspiring Parliamentarians, namely the schoolchildren, but also welcome from very far, our visitors from Chitipa.

Thank you very much. (*Applause*)(*Interjection: Sabvala uniform ya chipani a Mwelekete walendo*)

Honourable Members, I will suspend proceedings for tea break. We will meet again at exactly 4.00 p.m.

Thank you.

The House was suspended for tea break at 3.30 p.m. to 4.00 p.m.

The First Deputy Speaker: Honourable Members, I am told there is a member holding the floor that is Member for Ntcheu South. You have four minutes to go.

Thank you.

Honourable Machado (UDFN- tcheu South): Thank you very much, Madam First Deputy Speaker.

The Minister of Finance did inform this Honourable House that most of the Votes have been spent within the targets with exception of security-related Votes.

Madam First Deputy Speaker, what message are we receiving from these Votes? One, they were under-funded. At the same time, they are telling us that there is no compromise in security. Madam First Deputy Speaker, I very much appreciate the job done by the Minister of Finance in handling these Votes, namely, the Defence, the Police, the Prisons and the Immigration.

Madam First Deputy Speaker, may I request the Honourable Minister, and the team which gives ceilings, to develop a culture of national security when funding these security Votes in line with their estimates for the enhancement of our national security to facilitate social, cultural, economic and political development.

Madam First Deputy Speaker, I am of the opinion that this Mid-year review of the 2006/2007 Budget, if passed, people of Ntcheu South Constituency will benefit. Why do I say so? Madam First Deputy Speaker, Ntcheu South was hit hard with *dambo* flooding. The most affected areas were: Najagwa, Sauzana, Matale, Senzani, Manjawira, Mwenye, Chikhasu, Mkonde, Tsikulamowa, Macheleza, Musa, Chalunda, Mpochera, Gagawako, Kasinja in S.T.A. Tsikulamowa and Bayani, Jumbe, Gawaza, Makwangwala, Mdzawira, Kanama, Faiti, Hauya, Kammwamba, Kammwamba 2, Bweleseka, Thala 2, Zidana and Chabwera in T.A. Phambala.

The First Deputy Speaker: Wind up, Honourable Member.

Honourable Machado (UDFN- tcheu South): Thank you very much, Madam First Deputy Speaker.

May, I now request the Minister of Agriculture and Food Security to provide my constituency with free seeds and fertiliser in readiness for winter cropping. The people are hard working.

With these few remarks, I thank you very much, Honourable First Deputy Speaker.

The First Deputy Speaker: Thank you, Honourable Member. Leader of the House.

The Leader of the House (Honourable Chimunthu Banda): Thank you, Madam First Deputy Speaker. Looking at a number of people that have taken to the floor as per earlier request, I would wish now to beg to move that debate be curtailed in order to give time to the Minister of Finance to wind up.

I beg to move.

The First Deputy Speaker: Thank you, Honourable Leader. (*Interjection: Point of Order, before the Minister winds up!*) Honourable Members, if no one wishes to speak, I now put a question. The question is that debate be curtailed in order to allow the Minister of Finance to wind up.

The Motion was agreed to. (Interjection: Point of Order!)

The First Deputy Speaker: Yes, a Point of Order? Member for Blantyre South-West, what is Out of Order?

Honourable Mponda (IndependentB- lantyre South-West): It is Out of Order for the Minister to wind up the Motion without telling the House the current position of domestic debts

because we are told that at the time Government took over administration, domestic debt was at around 60 billion, and there speculations that it is now over K100 billion.

The First Deputy Speaker: Thank you, you have made your point. I think the Minister will take note of that in his winding speech. Minister of Finance take note of that concern. Yes, Minister of Finance?

The Minister of Finance (Honourable Goodall Gondwe): Madam First Deputy Speaker, at the outset let me, through you, thank the Honourable House for what I consider to be an intensive and fair review of the Budget. My colleagues and I, now have clear view of how the extra resources that have become available, particularly from the HIPC exercise could be used.

I wanted, Madam First Deputy Speaker, from the outset, to define to the House what the issues are. The issue is as follows: We have an amount of close to about K8 billion, some of it we would like to spend on the reduction of the debt, and I will actually inform the Honourable Members what the remainder of the domestic debt is later. And some of it, the part of, we wish to spend on those things that could improve the welfare of the people in the villages that we were not able to do when we did not have the money. We now have money to start building teachers' houses in the rural areas. (*Interjection: Hear! Hear!*) (*Noise*)---

The First Deputy Speaker: Honourable Members, allow the Minister to be heard in silence please! (*Interjection: Aaaaaa!*) Order on my left.

The Minister of Finance (Honourable Goodall Gondwe): We now have the resources to build even more hostel for girls at Community Secondary Schools. We now have enough money to alleviate the poverty of our people as indicated by the very unhygienic markets in various cities. We now have the money to improve the drinking water conditions in the urban areas, in Limbe, in Lilongwe. The money is available. (*Interjection: Hear! Hear!*) (*Interjection: Point of Order!*)

The First Deputy Speaker: No, allow the Minister to finish.

The Minister of Finance (Honourable Goodall Gondwe): The money is available from the HIPC resources and the issue now is: can we go ahead with the programme?

Having said so, before I proceed with responses to various questions and comments from Honourable Members, I want to bring to the attention of the House the Audit Report of the 2005/2006 Budgetary expenditure on maize in response to the catastrophic maize shortages last year.

At the request of the House, I undertook to request the Auditor General for an extraordinary audit of the budgetary activities related to that crisis. I regret, Madam First Deputy Speaker, that the office of the Auditor General took a longer time to complete the work than I anticipated, but I thank them nevertheless, that the job has been done, and it has been possible for me to submit the to the House as I promised. I would advise Honourable Members to read the report against the document on the 2005/2006 Mid-Year Budget Review, which contains detailed information, which I provided to the House on the maize purchases by Government on resources and grants from the donor community.

The House will recall that in that document, I reported that a total of K10.3 billion was spent on maize, and that a further K1.3 billion was spent on pulses and oils. Among other things, the Audit report confirms an expenditure of the K11.6 billion on the food relief programme. Therefore, as Members will see, Madam First Deputy Speaker, the Auditors have confirmed the figures that I submitted to the House.

In his contribution to the discussions, the Leader of the Opposition raised the same matter again by requesting that this report be submitted. Now that it has been produced and submitted to the House, I hope that this matter can be put to rest. It would be even more satisfactory if a similar audit report for the 2002 maize scam was submitted to the House—*(Interjection: Hear! Hear!)*—so that this matter can also be brought to rest. It is necessary that the so-called 2002 maize scam be explained as adequately as the Auditor General has explained how the Government responded to last years' crisis.

Now, Madam First Deputy Speaker, let me go back to 2006/2007 Mid-Year Budget Review. As could be expected, there were a number of questions and comments on economic developments which Malawi is experiencing. I would like to point out that last year; there were doubts as to whether the projection of the Government growth rate of 8.5 per cent could be reached. I now wish to confirm that Malawi indeed did attain the 8.5 per cent growth rate.

I would, particularly, like to respond to a comment made by a number of Honourable Members who asked whether the high economic growth of 8.5 per cent that was achieved is being translated into the reduction of poverty around the country. The Honourable Member for Mangochi South, in fact ascertain that people in the streets have less money in their pockets now despite the high growth. Madam First Deputy Speaker, obviously we have different views on what economic growth is and the indicators of the economic development that is being experienced now. Economic growth means that people have more goods and services than before. It can be in form of money, food and services.

In our case, for example, growth has manifested itself through increased food supplies. The fact that now we had production of 2.6 million metric tonnes of maize against 2.1 million metric tonnes of maize the year before means that economic growth was translated in more food.

In short, this is what the former President Ngwazi Dr Kamuzu Banda used to say; economic growth must be seen in terms of how well people dress, whether they live houses that do not leak and other various ways.

In short, because of the high expenditure on agriculture, Malawi managed to register this very impressive growth rate.

On the same theme, the Leader of the Opposition asked for a comment on how Malawi's performance can be compared with other SADC countries. I would like to say that apart from Angola, which continues to benefit from the huge exports, the House would be pleased to note that this year, Malawi enjoyed the highest economic growth rate of all the countries in SADC. *(Interjection: Hear! Hear!)*

The average economic growth in SADC was 6 per cent, compared with 8.5 per cent in Malawi. This means that we have started catching up with other countries. *(Interjection: South Africa!)* South Africa, as a matter of fact was, 3.5 per cent.

Honourable Members should know that all in all, the performance of our economy is improving at a fast rate, and if we can continue to maintain the fiscal discipline, and continue with the present level of agricultural production, assuming other sectors continue to do the same, we are on our way to recovery.

As expected, another theme of discussion that occurred was the management of fertiliser subsidy programme. Here, Madam First Deputy Speaker, I would like to remind the House that in economic management, the larger the subsidy of a commodity that is in short supply, the more difficult it is to manage.

In Malawi, the subsidy seeks to achieve two things. The first and foremost is the objective of boosting agricultural production, principally, the production of maize, the second one is to distribute subsidised fertilisers fairly and equally to all smallholder households.

We have achieved the first objective with flying colours as illustrated by the high production of maize last year, and this year, when we are poised to produce an historical quantity of maize, perhaps as much as 3.1 million metric tonnes. This has never been achieved ever since Malawi or Nyasaland, as our country used to be called, was ever founded. (*Interjection: Hear! Hear!*) We can, therefore, be proud of having achieved this laudable objective of the subsidy.

However, we are still in search of a system that will enable us to achieve the second objective of fair distribution of fertilisers. There is still a vexing argument as to whether the coupon system can enable us to achieve this better than the club system or vice versa. It is unlikely that in this heated political atmosphere, where discussions are polarised among political parties, we can find a system that will be satisfactory to both sides.

The government, therefore, would like to agree that a selected technical and politically neutral team of people within Malawi could look at this problem without being prejudiced by political considerations. It is hoped that both parties will find recommendations from such team palatable so that we can move on with this very important programme. I hope this can be done before the House considers the 2007/2008 Budget. (*Interjection: Hear! Hear!*)

There was also a general concern that while both, the Judiciary and the political leadership have had salary increased by 20 per cent, the salaries for civil servants have not been increased. It is important, therefore, that I review, yet again, the medium term policy on salaries that the government is following. This five-year policy programme was started in 2004/2005. It is hoped that at the end, all salary scales in the public service will be harmonised.

Since the 1990s, there have emerged a number of salary scales in the public service, where the Judiciary, the Civil Service, the Army, the Anti-Corruption Bureau, the Parliamentary staff, etc, have their own salary scales. Hence, for example, a clerk with similar experience and qualifications in the Judiciary or in Parliament still earns almost twice as much as his counterpart in the civil service, even after large salary scale increments to the latter. Generally, the salary scale in the civil service is lower than other scales. This system was developed in the 1990s. The policy now seeks to change this over a period of five years. When harmonisation is completed, we will have returned to what was the case prior to 1999.

In order to achieve harmonisation, there has been a more rapid increase of salaries in the civil service so that during the past three years, the civil service has received larger and more frequent salary increases than other groups within the public service.

For example, the minimum salary scale, which was K2,500.00 per month in 2004, in fact has almost tripled to K6,500.00 per month. (*Interjection: Hear! Hear!*)

Another problem that was found in the 1990s was the emergency of a huge distortion within the civil service salary scale, where between P4 and P5 levels, there was a difference of 500 per cent, so that if you are promoted from P5 to P4, you got 500 per cent increase. We also wish to rectify this.

Therefore, you will find that salaries at the lowest part of the civil service have increased faster than at the top.

Honourable Members, led by the Leader of the UDF in the house, queried the proposal to reduce Other Recurrent Transactions (ORT) for the National Assembly Vote by K200 million. I admit that this is an emotional subject.

However, Madam First Deputy Speaker, it would be recalled that the K200 million was earmarked for a possible salary increase for Members, and that when the salary is awarded, either the whole or part of it would be transferred to personal emoluments, depending on the amount of the salary increment. The balance would be used elsewhere within the vote. This has been done and what is being proposed is that the balance should augment the resources for the Parliamentary building, which require more resources. I hope that this explanation is now clear.

Madam First Deputy Speaker, there was also concern from a number of Members over the dilapidating university buildings. As Members are aware, Government has more than tripled the budget allocation to the University of Malawi over the past two to three years. Moreover, this year, over and above the subvention, we have allocated K180 million for the rehabilitation of the University buildings and improvement of various teaching facilities, such as laboratories, library, etc. So far, as it can be seen, a considerable amount of the money has been used to rehabilitate the buildings. We will continue to allocate resources for the rehabilitation programme, and to ensure that the university keeps pace with modern academic requirements.

But, Madam First Deputy Speaker, as I have quite often emphasised, the resources we provide to improve the quality of education has to be paralleled with good management. It is sad to see that buildings that were the envy of many, 20 years ago, are in such a terrible state, largely because of lack of attention to maintenance needs.

For example, Chancellor College's dining room has had no chairs for sometime now, and students eat outside the cafeteria. The library has not been supplied with books for a long time nor has it had the periodicals that are so necessary for research as well as undergraduate studies. I very much hope that the money being provided will make a difference. Government on its part is determined that the university should be rehabilitated to the standard that it used to enjoy.

Now, Madam First Deputy Speaker, let me deal with some specific questions that were raised by Members. Honourable Members led by the Leader of the Opposition asked how much fertilisers could be produced than budgeted. The reason for this was that, unlike in the past when the programme was administered by SFFRM and ADMARC only, which could be controlled by government, this year a number of private fertiliser companies were involved in the distribution of fertilisers.

The Leader of the Opposition also asked for a breakdown of the distribution of fertilisers by region and by district. I would like to call the attention of Members to the 2006/2007 Budget Review document in which we provide the House with information on fertiliser distribution by region, district by district and constituency by constituency.

On vendors, the government recognises the need to provide better premises where they can conduct their businesses. As I pointed out, we regard this as very important such that we have proposed to use HIPC resources to construct flea markets in Lilongwe and Mzuzu, where such facilities are considered to be in bad shape. (*Interjection: Hear! Hear!*) My colleague, the Minister of Local Government and Rural Development has convinced us that this is one of the most urgent matters we have to attend to.

Similarly, I have dealt with a number of concerns that were raised by the Leader of UDF in the House and many other Honourable Members, including the Honourable Member for

Nkhotakota North-East, particularly I would like to emphasise to her that the increase shown against the Presidency, relates to salary increases that the incumbent has received like any other elected political leaders.

Under the State Residences, there is need for more renovations and repairs, particularly in Zomba and Sanjika. Last year, the Leader of UDF in the House, as a matter of fact, emphasised the need for a proper upkeep of these facilities. The technicians feel that the money that was allocated was not enough.

The Leader of UDF, who is also a Member of Parliament for Likoma, also asked how proceeds of MTL were used. Let me repeat, yet again, that the resources that remained after the payment of terminal benefits to the staff are being used for the construction of Parliament, along the resources that have been provided by the Government of Taiwan.

The Deputy Leader of PPM raised a number of crucial tax issues, particularly in connection with duty and tax waivers that were withdrawn, and according to him, makes investment in Malawi unattractive. I would like to refer the Member to the various tax laws of the country, each of which has its own comprehensive neutral tax incentives.

He also questioned why the government continues to subject non-performing parastatals, in particular, he expressed concern that the government was providing resources to Shire Bus Lines, and implied that ADMARC is also receiving money from the government. I would like to take the opportunity to inform the House that Government is not providing any resources to Shire Bus Lines.

However, we have discussed with the board and management of that company on how to improve its financial viability. It is possible, Madam First Deputy Speaker, that it may have to undergo some basic changes to turn it around. It appears to us that the negligence and assets stripping that took place in that company for a long time, has devastated it to an extent where drastic measure have to be taken if it is to continue to operate.

It is indeed possible that we may have to reconstruct a completely new company to provide services that the public expects from this company.

As regards ADMARC, as I have repeatedly said, the reforms it has undergone are intended to revert it to instil 1972 mode of operations. Government does not provide resources to ADMARC, contrary to popular belief. The money that appears in the budget for the purchase of maize is allocated to NFRA and not to AADMARC.

Madam First Deputy Speaker, a number of Honourable Members have noted various small changes in budgetary allocations, particularly reductions of personal emoluments of various votes, and have wondered whether this will entail a reduction of the activities of the Ministries involved.

I wish to emphasise that these changes are normal at this time of the year, when it becomes obvious that the vacancies will not be filled by the end of the Fiscal Year and that the money can be used elsewhere for development purposes.

I noted that among those who pointed this out was the Member for Lilongwe North-West, and the Member for Nkhotakota North-East, who was concerned that some vital institutions are being downgraded. I wish to assure the Honourable Members that we are in touch with these institutions to ensure that next time they will be able to recruit the staff they need. We have also allocated money to the Human Resources Management Department for the institutions that will find personnel to fill the vacancies.

A good number of Honourable Members sought clarification on the proposed increase of K700 million for the Office of the President and Cabinet (OPC). The House should note that these resources are for the on-going World Bank funded project called Financial Management Transparency and Accountability Project (FIMTAP) meant for among other things for the rehabilitation of the civil service. For some time the Bank and ourselves have been discussing the possibility of using these resources for the closure of foreign missions in Canada, France, Namibia and Libya. Government has wished to do this for sometime but failed because of lack of resources. The World Bank has now agreed that the resources be used for the purpose of closing the embassies. Parliament is being requested to give retrospective approval of this expenditure, which is already approved in principle in the closure of embassies.

Madam First Deputy Speaker, I wish to inform the House that for quite some time now, the Government has been considering the possibility of changing the fiscal year in order that it may fit into the need for preparing the country for the agricultural season. There is also need that we should be in line with the majority of the SADC countries. There is need for us to start, as my Colleague from PPM mentioned, that there is need for us to prepare for the fiscal year early. If this were to be adopted, the next Budget would cover a period of six months up to 31st December 2007. Thereafter, a full Budget for 2008 will be submitted for Parliament's consideration in November/December 2007.

Honourable Members for Zomba Ntonya and Lilongwe West requested that line Ministries should present to the House Activity Performance Reports for the first six months of the year but we also give an account of how they intend to use additional resources that are proposed. This matter was also raised at the meeting I had with the Budget and Finance Committee. We are very willing to do this and I would like to propose that we look at how this can be done in the coming year. (*Interjection: Aaa!*) This is so because the present Standing Orders do not permit that. You can look at the Standing Orders and you can look at our various documents, the procedure does not allow us to do this. This will also enable my colleagues to approach the Mid-Year Budgetary Review with this task in mind. However, we find that it requires a long prior notice and re-organisation of our parliamentary work. I am informed by the legal experts, that we would have to readjust a number of documents in order to do this and if I may say, so we would be one of the few that require subjecting ourselves to this sequence.

Lastly, may I strongly recommend the proposed budgetary changes for the consideration of this House and the approval. In particular, I recommend for Parliament's approve that the HIPC relief funds be used on the reduction of poverty on enabling Malawi to achieve the MDGs. This would be beginning of the use—

The First Deputy Speaker: Honourable Minister of Finance, before you beg to move, may I be allowed to attend to one Point of Order which might need some explanation.

The Minister of Finance (Honourable Goodall Gondwe): Just one minute.

The First Deputy Speaker: Now, before you beg to move, please. There was a Point of Order from the Honourable Member for Machinga North-East.

The Minister of Finance (Honourable Goodall Gondwe): I accept that.

The First Deputy Speaker: Yes, I know.

The Minister of Finance (Honourable Goodall Gondwe): As I said before—

The First Deputy Speaker: No, but it was a Point of Order pertaining to his speech.

The Minister of Finance (Honourable Goodall Gondwe): As I said before a Budget of some K15 billion per annum will contribute and is at our disposal for the next 25 years. The

proposals, therefore, are a good beginning of a change fiscal regime for which we have waited for so long. I beg the House that we pass the Motion which will enable us to do some service to the welfare our colleagues, the poor in the rural areas.

Madam First Deputy Speaker, I—

The First Deputy Speaker: Before you beg to move, Honourable Minister, there was a Point of Order from the Honourable Member for Machinga North-East.

Honourable Muluzi (UDFMa chinga North-East): Thank you very much, Madam First Deputy Speaker. My Point of Order is incredibly important because the Minister of Finance has made it very clear to this House and in fact to the nation, in statement, that the debt relief has impacted on the poor. Now, that is even before giving us details from the Ministries as requested. We can't appreciate what impact it has had on the poor. Even on this particular point, Madam First Deputy Speaker, we have requested from this side of the House—

The First Deputy Speaker: Honourable Member, what is Out of Order?

Honourable Muluzi (UDFMa chinga North-East): What is Out of Order, Madam First Deputy Speaker is for the Minister not giving to this side of the House the figures for the domestic debt with accrued interest. The reason why I ask this Madam First Deputy Speaker—*(Interjection: Anthu akumudzi ndiye atituma!)* *(Interjection: This is unprocedural!)*

The First Deputy Speaker: You have made your point, Honourable Member. Honourable Minister of Finance—*(Interjection: DFID! Charles Kindler and Sons would like more clarification!)* Honourable Member for Mangochi North, I rule you out of order. Minister of Finance.

The Minister of Finance (Honourable Goodall Gondwe): Madam First Deputy Speaker, here is the information that is required. In the first place, I did not say that the debt relief funds are having an impact on the poor. I am saying that if this Motion is approved, they will have an impact on the poor. *(Interjection: Hear! Hear!)* If the resources are approved they will have an impact on the poor. At the moment we have not started using them on the poor and I want this to be done.

Now, I propose to answer my Colleague from Blantyre South-West because he asked a similar question on how about what we are doing now as regards domestic debt. We have done exceptionally well. We have moved the figure from K60 billion, which you talk about, to K51 billion but that is not the important thing in economics. What is important is the relationship of that figure to the total of GDP. It used to be 25 per cent, at the time when we had the Budget, it was 19 per cent and we expect that it will be 12 per cent in June. These are not the figures that I am bringing up, these are the figures are being compiled by the international community. *(Applause)* I can assure you and you can go to any other country that have this problem and you will not find many that have done as well as we have done. *(Applause)* If you want to ask me more, can you do so? I will also tell you by the way that we have moved now from K10 billion arrears that were left by the previous Governments down to K3.5 billion. *(Applause)* We are now negotiating to place a long term paper in lieu of payment of cash to these people. I can give you tables. I never say something that is out of the table. I can give you tables. Yes, perhaps you will not even understand them.

The First Deputy Speaker: Can the Honourable Minister of Finance move the Motion?

The Minister of Finance (Honourable Goodall Gondwe): I beg to move. *(Interjection: Point of Order!)*

The First Deputy Speaker: No more Point of Orders. *(Interjection: It is only one!)* Honourable Members, I now put the question that following additional resources that have become available principally from the HIPC Initiative, expenditures of 2006/2007 Budget be increased to K148,258 million, which is an increase of K8,362 million as detailed in Table 7 and Annex 1 of the Mid-Year Review of the 2006/2007 Budget and be referred to the Whole House to consider and adopt.

Honourable Members, we shouldn't use the microphone. I will ask the question again. Please, we don't allow the use of the microphone or whistling. I just need your voice.

The Motion was defeated. (Several Members from the Government Side stood)

Honourable Members on my right, why are you standing? *(Interjection: Point of Order! Division!)* Do you want Division? *(Interjection: Yees!)* I grant you Division. *(Interjection: Before division)..* Honourable Members, we are in a Division. Division granted. *(Interjection: Before Division!)* *(Interjection: Iwe Atupele! Enafe anatilemba ganyu! You have been in the palace for ten years! There are poor people out there!)* *(Interjection: Kwathu kulibe chipatala!)* Honourable Members, I will wait for the five minutes to elapse and ---*(Interjection: Anatituma kubwela muno! Anati lemba ntchito! Tisayitenga Parliament ngati yathu!)* The bells ---*(Interjection: Mulira! Chakachake ndichino! Ku Constituency kwathu kulibe chilichonse! No, no, you have been in the palace for ten years, there are poor people out there! Anthu akwathu alindi umphawi! Bwanji tikufuna ngati ife ndiye ma!.. Kumamvera Tembo! Ifenso tili ndi anthu akwathu! Malo moti adzituma enawo akutuma mwana! Bweletsani ma-list-wo kuti tiwone zimene mwatchita! Mwachita chiyani? Tell us! Chilenje is happy!)*

Order! Honourable Members, order! Order, Honourable Members, on my left. The five minutes has elapsed. I now order the gates to be closed. *(Interjection: What is there to celebrate?)* Can the gates be closed now? *(Interjection: Palibenso kukuwopani! Mabenzi aja palibe! Mulungu adzakulangani, mudzamudziwanso!)*

Order, Honourable Members. Order, on my left. Order, on my right. Honourable Members, can I verify the question. *(Interjection: Abwana athu ndi anthu akumudzi!)* Order, Honourable Members. Can I now verify the question? The question is those Honourable Members who are for the adoption of the Motion should say 'Yes' *(Interjection: Ndizimene Speaker amafuna!)* and those Honourable Members who are against or who don't want the Motion to be adopted should say 'No' *(Interjection: Point of Order! Point of Order!)* There is no Point of Order in Division. *(Interjection: You must mention the Budget!)* It's a Motion *(Interjection: Amene wakana Budget anene 'No' amene akufuna Budget anene 'Yes' That's the question! That's the Motion?)* Do you want me to repeat the Motion? *(Interjection: Yes! What type of a Motion? Elaborate! Interjection: Budget!)* For clarity's sake let me just repeat the Motion. The Motion is that following additional resources that have become available principally from the HIPC Initiative, expenditures of 2006/2007 Budget be increased to K148,258 million, which is an increase of K8,362 million as detailed in Table 7 and Annex 1 of the Mid-Year Review of the 2006/2007 Budget and be referred to the Whole House to consider and adopt.

Those who are for the adoption and consideration should say "Ye s" and those who are against consideration and adoption should say, "N o." That is the question. Thank you --- *(Interjection: I have something to say!)* *(Interjection: Aaaaaaah!)* You can start ---*(Interjection: Mukufuna kuba ndalama imwe!)* *(Interjection: Point of Order!)*--- No Points of Order in Division, we are in the voting process now.

May I ask all the Honourable Members to switch off their mics; we are in the voting process now. Thank you ---*(Interjection: You gave Atupele the floor, why not give her? Why are you being discriminatory?)*--- Minister of Women and Child Development, you are Out of

Order please. I rule you out of Order ---(*Interjection from the Minister of Women and Child Development: I will tell you the Standing Order, I am not out of Order! Can I share with you Madam Deputy Speaker!*)... We are in Division. Order! Can we listen in silence? Order! Can the Minister resume her seat please, we are in the voting process ---(*Interjection: I want to share with you the Standing Orders!*) (*Interjection: Kodi ayambila Aleke Banda?*)

Honourable Members, we will now start calling the names.

Honourable Shamil Asibuh	-	No
Honourable Aleke Kadonaphani Banda	-	-
Honourable Benjamin Isaac Banda	-	Yes
Honourable Ellock Maotcha Banda	-	-
Honourable Henry Chimunthu Banda	-	Yes
Honourable Jimmy Bruce Banda	-	-
Honourable Joyce Banda	-	Yes
Honourable Lucius Banda	-	-
Honourable Oliver Anderson Banda	-	No
Honourable Hubert Bande	-	No
Honourable John Francis Bande	-	Yes
Honourable Lingson Belekanyama	-	No
Honourable Dr. Jabulani Beza	-	-
Honourable Robert Nason Bondo	-	No
Honourable Ishmael Filimon Chafukila	-	No
Honourable Kashion Z. Chakwantha	-	No
Honourable Ronald Chanthunya	-	No
Honourable Dr. George Chaponda	-	Yes
Honourable Daniel Chibwana	-	No
Honourable Augustine Suwedi Chidzanja	-	No
Honourable Alfred Chika	-	-
Honourable John Alfred Chikalimba	-	No
Honourable Winston Chikalimba	-	No
Honourable Bellings Chikhadwe	-	No
Honourable Esther Mcheka Chilenje	-	Abstain
Honourable Boniface John Chilomo	-	Abstain
Honourable Lyford Chilunjika	-	No
Honourable Calister Chimombo	-	Yes
Honourable Adison Chimphamba	-	-
Honourable Stanley M. Chimphonda	-	No
Honourable Boniface Chimpokosela	-	Yes
Honourable Jones Vincent Chingola	-	Yes
Honourable Blessings Chipilingu	-	No
Honourable Alinane George Chipwete	-	Yes
Honourable John Bright K. Chirwa	-	Yes
Honourable Clement Chiwaya	-	-
Honourable Joyce Chiyendausiku	-	No
Honourable Roy Aafi Chizimba	-	-

Honourable Nelson Sitima Chuthi	-	No
Honourable Roy Commsy	-	Yes
Honourable Trifornia Dafter	-	No
Honourable Eugene Dzanjalimodzi	-	No
Honourable Raspicius Dzanjalimodzi	-	No
Honourable Laiton Dzombe	-	No
Honourable David Elijah Faiti	-	No
Honourable Henry Fwataki	-	-
Honourable Hamilton Gadama	-	No
Honourable Rashid Gaffar	-	Yes
Honourable Harry Limited Genti	-	No
Honourable Alfred Gobede	-	Yes
Honourable Peter Gonani	-	Yes
Honourable Goodall Gondwe	-	Yes
Honourable Loveness Gondwe	-	No
Honourable Juliana Josephine Guga	-	Yes
Honourable Sailesi John Gulule	-	-
Honourable Willard Alfred Gwengwe	-	-
Honourable Gerald Mtenje Jere	-	No
Honourable Carrington Yoramu Jimu	-	-
Honourable John Edison Joswah	-	Yes
Honourable Alexander Nelson Jumbe	-	No
Honourable Friday Jumbe	-	No
Honourable Benos Kachala	-	No
Honourable Khumbo Hastings Kachali	-	-
Honourable A. Namathanga Kachikho	-	Yes
Honourable Lewis Kadam'manja	-	Yes
Honourable Elvas Kadzako	-	No
Honourable Kate Kainja Kaluluma	-	Yes
Honourable Good Herbert Kaira	-	Yes
Honourable Bernard Kalambo	-	Yes
Honourable Tedson Kalebe	-	Yes
Honourable Patricia Annie Kaliati	-	Yes
Honourable McDonald Friday Kalisinje	-	-
Honourable Elvy Kalonga Mtafu	-	-
Honourable Passmore Kaluba	-	Yes
Honourable Harry Fabiano Kamba	-	No
Honourable Veremu Kamiyala	-	No
Honourable Steven Kamoto	-	No
Honourable John Allan Kampezeni	-	Yes
Honourable Dyson Kamphambe	-	No
Honourable Langton Nkhosa Kamwendo	-	No
Honourable Henderson Kapenda	-	No
Honourable Silvester Kasambara	-	-

Honourable Davis Chester Katsonga	-	Yes	
Honourable Billy Kaunda	-	Yes	
Honourable Symon Vuwa Kaunda	-		Yes
Honourable Rodrick Kavuta	-		Yes
Honourable Bitwell Kawonga	-	-	
Honourable Levison Kayera	-	-	-
Honourable Babu Khamisa	-	Yes	
Honourable Bob Khamisa	-	Yes	
Honourable Clement Khembo	-	Yes	
Honourable Ettinor Pamela Koloviko	-	No	
Honourable Killioti Kufuna	-	No	
Honourable Frank Kuseni	-	No	
Honourable Bintony Kutsaira	-	Yes	
Honourable Mah'mudu Lali	-	-	
Honourable Berson Henry Lijenda	-		No
Honourable Assan Shadrec Lipande	-	Yes	
Honourable Dr Ken Lipenga	-		Yes
Honourable Martha Chanjo Lunji	-	No	
Honourable Charles Moses Luya	-	-	
Honourable Thomas Peter Machado	-	No	
Honourable Beston B.C. Majoni	-	-	
Honourable Steven Smart Malamba	-	Abstain	
Honourable Enerst Malenga	-	-	
Honourable Justin Chimera Malewezi	-	Yes	
Honourable Leonard Kenne Mangulama	-	No	
Honourable Olive Wellington Masanza	-	-	
Honourable Nickson Masebo	-	Yes	
Honourable Bertha Gertrude Masiku	-	No	
Honourable Ebbie Mathanda	-	No	
Honourable Ibrahim Imed Matola	-	No	
Honourable Abubaker Mbaya	-	No	
Honourable Adden Mbowani	-	No	
Honourable Charles Mchacha	-	Yes	
Honourable Inna Mezalumo	-		No
Honourable Bazuka Mhango	-	-	
Honourable Mohammed Sidik Mia	-		Yes
Honourable Maxwell Maulana Milanzi	-	-	
Honourable Mosteyn Mkomba	-	-	
Honourable Daniel Hector John Mlomo	-	No	
Honourable Brown James Mpinganjira	-	-	
Honourable Gerald Mponda	-		No
Honourable Richard Msowoya	-	Yes	
Honourable Dr George Nga Mtafu	-		No
Honourable Patson Mthyoka	-	No	

Honourable Austin Mtukula	-	No
Honourable Felton Mulli	-	Yes
Honourable Atupele Austin Muluzi	-	No
Honourable Chizamsoka Oliver Mulwafu	-	Yes
Honourable Henry Mumba	-	Yes
Honourable Edward Zizwa Munthali	-	Yes
Honourable Luwi Musongole	-	-
Honourable Henry Amon Robin Mussa	-	-
Honourable Jaffalie Mussa	-	Yes
Honourable Uladi Mussa	-	Yes
Honourable Yunus Mussa	-	Yes
Honourable Papano P. Mwafulirwa	-	-
Honourable Richard Maxwell Mwaila	-	Yes
Honourable Alice Mtodwa Mwale	-	No
Honourable Elliot Emmanuel Mwale	-	No
Honourable Everson Mwale	-	Yes
Honourable Vitus Dzoole Mwale	-	-
Honourable Gift Rodwell Mwamondwe	-	-
Honourable Alfred Mwechumu	-	-
Honourable Frank T. Mwenifumbo	-	Yes
Honourable Joshua Mzembe	-	Yes
Honourable Steven Namacha	-	Yes
Honourable Sinalo Nchingula	-	Yes
Honourable Ref. Wilson Ndomondo	-	No
Honourable Marjorie Eleanor Ngaunje	-	Yes
Honourable Watson Makala Ngozo	-	No
Honourable Davie Ronald Ngulinga	-	Yes
Honourable Kizito Ngwembe	-	-
Honourable Joseph Njobvuyalema	-	No
Honourable Sandulizeni Situdi Nkhoma	-	No
Honourable Pisho Fred Nkhwazi	-	Yes
Honourable House Nyalugwe	-	-
Honourable Gertrude Nya Mkandawire	-	Abstain
Honourable Folger Gibson Nyirongo	-	Yes
Honourable Lillian Estella Patel	-	No
Honourable Boniface Kadzamira Phiri	-	No
Honourable Gertrude Kamange Phiri	-	Yes
Honourable Mark Katsonga Phiri	-	-
Honourable Henry Duncan Phoya	-	Yes
Honourable Mc Jay Salijeni	-	Yes
Honourable Aaron Sangala	-	Yes
Honourable Michael Jeremiah Sato	-	No
Honourable Samuel Wilson Selenje	-	Yes
Honourable Jean Sendeza	-	No

Honourable Henry Shaba	-	Yes
Honourable McJones Willings Shaba	-	Yes
Honourable Rabson Chihaula Shaba	-	Yes
Honourable Abbie Shawa	-	-
Honourable Roger Sithole	-	No
Honourable Clement Gabriel Stambuli	-	No
Honourable Anderson Steppe	-	No
Honourable Allan Makowa Tembo	-	No
Honourable John Z.U. Tembo	-	-
Honourable Nancy Gladys Tembo	-	No
Honourable Dr Kenneth Thindwa	-	Yes
Honourable Ernest Yahaya	-	No
Honourable Moffat Yakiti	-	No
Honourable Cannan Kaphamtengo Yona	-	No
Honourable Angela Zachepa	-	No
Honourable Divellas Zaipa	-	No
Honourable George Charles Zulu	-	No

The First Deputy Speaker: Order Honourable Members! Can we be Orderly Honourable Members? Order! I have the results now. The results of the vote are as follows:

Absenteeism	-	23
Abstain	-	4
Yes	-	74
No	-	86

This means, therefore, that the Motion has been defeated.

The Motion was defeated.

The First Deputy Speaker: I now adjourn the House to tomorrow 15th March, 2007, at 9.30 am.

The House adjourned at 5.15 p.m. to Thursday, 15th March, 2007 at 9.30 a.m.