

# NATIONAL ASSEMBLY

## OFFICIAL REPORT

Wednesday, 1st November, 1995

The House met at 2.30 p.m.

*[Mr. Speaker in the Chair]*

## PRAYERS

## PAPERS LAID

The following Papers were laid on the Table:-

Annual Report and Accounts of Nyayo Bus Services Corporation for the year ended 30th June, 1993 and Certificate thereon by the Auditor-General (Corporations);

Annual Report and Accounts of Lands Limited for the year ended 30th June, 1991 and the Certificate thereon by the Auditor-General (Corporations);

*(By the Assistant Minister, Office of the President  
(Mr. Manga) on behalf of the Minister of State,  
Office of the President)*

Annual Report and accounts for Kenya Railways Corporation for the year ended 30th June, 1994 and the Certificate thereon by the Auditor-General (Corporations);

*(By the Assistant Minister, Office of the President  
(Mr. Manga) on behalf of the Minister  
for Transport and Communications)*

Annual Report and accounts for Kenya Trypanosomiasis Research Institute (KETRI) for the year ended 30th June, 1992 and the Certificate thereon by the Auditor-General (Corporations);

Annual Report and accounts for Kenya Industrial Research and Development Institute (KIRDI) for the year ended 30th June, 1993 and the Certificate thereon by the Auditor-General (Corporations);

Annual Report and accounts for Kenya Marine and Fisheries Research Institute (KEMFRI) for the year ended 30th June, 1994 and the Certificate thereon by the Auditor-General (Corporations);

*(By the Assistant Minister, Office of the President  
(Mr. Manga) on behalf of the Minister for Research,  
Technical Training and Technology)*

Annual Report and accounts of Industrial and Commercial Development Corporation (ICDC) for the year ended 30th June, 1994 and the Certificate thereon by the Auditor-General (Corporations);

*(By the Assistant Minister, Office of the President  
(Mr. Manga) on behalf of the Minister for  
Commerce and Industry)*

Annual Report and accounts of Kenya Tourism Development Corporation (KTDC) for the year ended 30th June, 1993 and the Certificate thereon by the Auditor-General (Corporations);

Annual Report and accounts of Kenya Tourism Development Corporation (KTDC) for the year ended 30th June, 1994 and the certificate thereon by the Auditor-General (Corporations);

*(By the Assistant Minister, Office of the President  
(Mr. Manga) on behalf of the Minister)*

*for Tourism and Wildlife)*

## ORAL ANSWERS TO QUESTIONS

*Question No. 646*

### KANO/NYAKACH BOUNDARY

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

(a) whether he is aware that the Provincial Administration in Nyanza Province has refused to help sort out boundary dispute between Kano and Nyakach using the surveyor's old maps, in terms of District Development Committee recommendation, and has stopped demarcation process of Kano side declaring it State land; and,

(b) if "a" above is in the affirmative, what steps he is taking to ensure that the demarcation process continues and relevant maps are used to retrace the boundary between Kano/Nyakach to stop eminent clashes.

**The Minister of State, Office of the President** (Mr. Kalweo): Mr. Speaker, Sir, I beg to reply.

(a) I am aware that the Nyanza Provincial Administration officials are making effort to demarcate the area using the original map and no land has been declared State land as alleged by the hon. Member.

(b) All the necessary efforts are being made including using the original map to retrace the boundary between Kano and Nyakach areas.

**Mr. Karan:** Mr. Speaker, Sir, if the position would be what the Minister is talking about then I would not have brought this Question here. The Kisumu District Commissioner had gone public in a baraza declaring this land State land and they have stopped the demarcation exercise which was going on on Kano side. Can the Minister tell this House exactly what the position is because this is a sensitive issue and people have been slashing each other in this region so that we can know the true picture? Can you confirm to the House that what you are telling this House is the truth and not what the District Commissioner announced in the baraza?

**Mr. Kalweo:** Mr. Speaker, Sir, I request the hon. Member to be satisfied with my reply because it is not district commissioners or provincial commissioner or any individual that has the mandate to declare land State land. What I have said here is what is right and if that District Commissioner announced that, it is wrong.

**Mr. Akumu:** Mr. Speaker, Sir, can the Minister explain to us what the difficulty is in demarcating this area. The two areas were demarcated before the First and the Second World Wars and there is a map to show this. What is the difficulty in getting the original map from Nairobi and demarcating the boundary? We have all agreed to that. I and the hon. Members have sat in the District Development Committee (DDC) and we have agreed that the Government should bring a map and have this demarcation done. Instead of letting people carry spears and fight why can the Government not do this to bring to end this conflict?

**Mr. Kalweo:** Mr. Speaker, Sir, River Nyando always changes course, but that should not be the reason. What happened is that we are using the map to locate the old boundaries because maps are there. We are sticking to the facts as they should be and I refute anything else, but if hon. Members have got any information which they might like to give to me they can do so. I am not going to allow that land to be declared State land.

**Mr. Gitonga:** Mr. Speaker, Sir, when will this demarcation be completed if you are already using the old maps?

**Mr. Kalweo:** Mr. Speaker, Sir, it is not my office which is demarcating this land. I am coming in because of the boundary problem.

**Dr. Otieno-Kopiyo:** On a point of order, Mr. Speaker, Sir. If there are old maps which are being used, it implies that the demarcation has been completed. So, what is the Minister saying? He is saying that there is a boundary problem as well as admitting that there are old maps. Which is which?

**Mr. Kalweo:** Mr. Speaker, Sir, they are all here. I am not in the Ministry of Lands and Settlements I only come in because of the dispute of the boundaries. So, we instructed that those old maps should be used to trace the boundaries, of course, with the assistance of the local leaders.

**Mr. Speaker:** Next Question, Mr. Mutani.

*Question No.875*

### ILLEGAL ALLOCATION OF PLOTS

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

- (a) whether he was aware that the District Officers in Mwimbi, Muthambi, Chuka and Igambang'ombe divisions of Nithi Constituency have no Government vehicles and currently use matatus when going for administrative duties in their respective divisions; and
- (b) whether he is further aware that there are no regular buses serving in the interiors of this constituency and that the status of these officers is greatly eroded when attending public functions in over-crowded open pick-ups/matatus; and
- (c) if the answers to "a" and "b" above are in the affirmative, whether he will provide these officers with Government vehicles.

**The Minister of State, Office of the President (Mr. Kalweo):** Mr. Speaker, Sir, I beg to reply.

(a) I am aware that the DOs have no official vehicles currently, but arrangements are being made to provide them with vehicles.

(b) As stated above, the officers sometimes use public means when they are attending official duties.

(c) Arrangements are presently being made to purchase vehicles for three Divisions and other administrative areas very soon.

**Mr. Mutani:** Arising from the answer given by the Assistant Minister, these officers used to be very impartial in the past and of late things have changed because they seem to have been instructed to destabilise all meetings of the Opposition parties as it was done in Mwea ---

**Mr. Speaker:** Order! Order, Mr. Mutani. You must be relevant to the Question you put to this House. If you are not relevant, I will stop you under the rule of irrelevance.

**Mr. Mutani:** Mr. Speaker, Sir, I was preparing for the Question.

**Mr. Speaker:** You are either prepared or you are not.

**Mr. Mutani:** I was saying, things have now changed because these people now are harassing the Opposition parties and things are going to change very soon.

**Mr. Speaker:** Order! Order! Next Question. What is it Mr. Wamalwa?

**Mr. Wamalwa:** Mr. Speaker, Sir, I am sure that the Minister is aware that what is true of Tharaka-Nithi, is true of many other districts where DOs do not have vehicles and yet the Government continues creating more and more districts. Would he say the fact that senior administrative officers like DOs are lacking vehicles due to faulty planning and proliferation of more districts?

**Mr. Kalweo:** There is nothing to compare here with the creation of new districts, locations or divisions. There comes famines and people continue eating. What I am saying here is that I am making arrangements to equip my officers in the field.

**Mr. Leshore:** Could the Minister tell us how much he has budgeted for these vehicles during this year 1995/96 because even my constituency is also affected?

**Mr. Kalweo:** I do not have the figures and even my own DO does not have a vehicle and I am making all the efforts to assist him.

**Mr. Achieng-Onoko:** Mr. Speaker, Sir, it is understood that most DOs are immobile in their divisions. Why should the Government not consider supplying bicycles because most of these DOs are very young people who can ride bicycles?

**Mr. Kalweo:** I think we do not have to go as far as supplying bicycles. We will be able, very soon, to provide vehicles.

**Mr. Wamae:** Mr. Speaker, Sir, realising that DOs have no vehicles, the police have no vehicles and when they have them, they have no petrol, could the Minister agree that this is the reason for the increasing insecurity in the country?

**Mr. Kalweo:** No, Mr. Speaker, Sir.

**Mr. Speaker:** Next Question, Mr. Kamuyu.

*Question No.289*

POLICE ARRESTS IN MOLO

**Mr. Speaker:** Mr. Kamuyu is not here yet? Next Question, Mr. Salat.

*Question No.562*

COMPLETION OF VETERINARY PROJECT

**Mr. Speaker:** Mr. Salat is not here? Next Question, Mr. Murungi.

*Question No.550*

RATIFICATION OF INTERNATIONAL TREATIES

**Mr. Speaker:** Mr. Murungi also not in? Next Question, Mr. Munyasia.

*Question No.872*

COMPLETION OF POWER PROJECTS

**Mr. Munyasia** asked the Minister for Energy:-

(a) whether he is aware that Kimilil-Teremi-Chwele-Mayanja; Chwele-Namwela-Sirisia, rural electrification projects had posts laid sometime in 1990; and

(b) what plans the Ministry has to complete these projects so as to boost development in Sirisia Constituency.

**The Assistant Minister for Energy** (Mr. Marita): Mr. Speaker, Sir, I beg to reply.

(a) I am aware.

(b) Work on implementation and completion of the project which have been mentioned above will start as soon as the planning is completed and the necessary funds are secured.

**Mr. Munyasia:** The projects I am talking about were started in 1990 and the Assistant Minister says that he is aware that the posts for those electricity lines were laid in 1990. What kind of planning is this that has not completed from 1990 to date?

Could the Assistant Minister tell us why they have not started putting the posts into the holes and putting up the lines?

**Mr. Marita:** Mr. Speaker, Sir, I have already answered that question. I have already stated that when we have funds, these projects will be done and at the moment survey is being carried out and when that money which I have said will be available, then hon. Member will be very happy when this projects will be completed.

**Mr. Rotino:** I think the Assistant Minister is not being very frank. This is not only common in Sirisia, it also common to other areas. Could the Assistant Minister be specific and tell us when those plans are going to be ready and when he is going to vote enough money for rural electrification? We need electricity.

**Mr. Shikuku:** On a point of order, Mr. Speaker, Sir. I thought that when we have a Question on the Order Paper, the supplementary questions to that should arise from the original Question. Could the Assistant Minister not be reminded that supplementary questions must be relevant to the questions on the Order Paper?

**Mr. Speaker:** Point taken. That is how it should be.

**Mr. Marita:** Mr. Speaker, Sir, may I thank the hon. Member, Mr. Shikuku, son of Oyondi, who has stayed in this House for a length of time and knows what is to be done. Let me inform the hon. Members that at the moments we are having, problems in managing the economy of this country, but anytime we get the money, it is we, the Ministry who have done the survey for these projects. We have the posts there and when we are lucky to get money these projects will be completed.

**Mr. Wamalwa:** Mr. Speaker, Sir, the fact that the electricity poles were laid on the ground meant that there had been some planing and money had been set aside for that project and the surveying had been made. Since the Assistant Minister is saying that it will be done when money becomes available, would he be good enough to tell this House what happened to the original allocation that was made before the poles were laid along the ground.

**Mr. Marita:** Mr. Speaker, Sir, what the hon. Member is saying is right. You can expect to get money and whenever you have got little money you make use of it. When money will be available, we shall complete the project.

**Mr. Maore:** On a point of order, Mr. Speaker, Sir. The Assistant Minister is being asked a specific question, but he does not want to admit his lack of knowledge on the Question that he is trying to answer. He is trying to twist matters and personalise the issue raised by hon. Wamalwa.

**Mr. Speaker:** Talking about who?

**Mr. Maore:** Mr. Speaker, Sir, he has been asked about a specific question. He has admitted that money was budgeted and the project was started. He is now being asked about the whereabouts of the original allocation? Instead of saying that the money was frozen or something else---

**Mr. Speaker:** Well, I do not see the point of order in that!

**Dr. Lwali-Oyondi:** On a point of order, Mr. Speaker, Sir. This same Assistant Minister under instruction

of his senior, Mr. Mbela, in the month of June this year said that there was Shs.5.4 million in the estimates during this financial year. He said that shs.5.4 million has already been made available for this project. I am quoting from the HANSARD. Mr. Speaker, Sir, why should the Assistant Minister mislead this House and say that there is no money when his Minister told us this year that Shs.5.4 million has been made available during this financial year.

**Mr. Marita:** Mr. Speaker, Sir, the hon. Member should know that one can put money in the Budget, but before it has not been released from the Treasury, one cannot complete that project. So, I have said that any time we get the money the project will be completed.

**Mr. Wetangula:** Mr. Speaker, Sir, can the Assistant Minister tell this House how much money is required for this project?

**Mr. Marita:** Mr. Speaker, Sir, the money required for this project is really a huge amount of money amounting to is Shs.77 million and over. So, if we can get some money, we shall construct the road step by step.

**Mr. Munyasia:** Mr. Speaker, Sir, at the moment, we are not so much concerned with Shs.77 million that the Assistant Minister is talking about, but his Minister said in July this year that Shs.5.4 million during this financial year has been set aside for this project.

Mr. Speaker, Sir, could this Assistant Minister be serious with us since Shs.5.4 million has already been set aside by this House for this project and tell us when they are going to implement this project?

**Mr. Marita:** Mr. Speaker, Sir, the hon. Member has asked a good question, but I would like to inform him that one can set aside some money in the budget, but that money might not be forthcoming. So, I have said that when the money will be made available this project will be completed.

**Mr. Wamalwa:** On a point of order, Mr. Speaker, Sir. Is this Assistant Minister in order instead of answering a specific question put to him to start speculating?

**Mr. Speaker:** Do you have money for that project or not?

**Mr. Marita:** Mr. Speaker, Sir, I have no answer to that.

**Mr. Speaker:** Next Question.

*Question No.825*

PROVISION OF PUMPING UNITS

**Mr. Farah** asked the Minister for Land Reclamation, Regional and Water Development:-

[**Mr. Farah**]

(a) whether is he aware that Gurufu, Shanta-abag and Kumahumato in Garissa District do not have stand-by borehole pumping units; and,

(b) what measures has he taken to provide stand-by pumping units in these areas.

**Mr. Speaker:** Is there nobody from the Ministry of Land, Regional and Water Development?

Next Question.

*Question No.857*

ILLEGAL ALLOCATION OF PLOTS

**Mr. Ndilinge** asked the Minister for Lands and Settlement:-

(a) whether he is aware that some plots in Makueni County Council were illegally allocated, particularly at Emali, Sultan Hamud and Makindu; and,

(b) whether he could declare the said allocation null and void and re-advertise the plots for more transparent allocation.

Before he answers this question, he should bear in mind that this is---

**Mr. Speaker:** Order! This is Question Time and all what you have to do is that you put the question and then every thing will flow from there.

**The Assistant Minister for Lands and Settlement** (Mr. Kaino): Mr. Speaker, Sir, I beg to reply.

(a) I am not aware that plots in Makueni County Council were illegally allocated particularly at Emali, Sultan Hamud and Makindu.

(b) I cannot declare the said allocation null and avoid and re-advertise the plots because the allocations were done legally by the Districts Plot Allocations Committee which met on 20th July, 1994 under the Chairmanship of the District Commissioner.

The plots were advertised in the Kenya gazette vide notice No.998 of 11th March, 1994 and plots have been allocated. Allottees have allotment letters and if the hon. Member wants to get more details on that he can see the officer who is in charge of that. He will actually explain to him further.

**Mr. Ndilinge:** Mr. Speaker, Sir, arising from the reply given by the Assistant Minister, is he aware that some few weeks back, I asked some questions concerning the date when these people were supposed to be evicted by some individuals who were allocated plots which were meant for public utility.

Mr. Speaker, Sir, is the Minister aware that the allocation of these plots was done at mid-night?

**Dr. Otieno-Kopiyo:** On a point of order, Mr. Speaker, Sir. The hon. Member is alleging that the plots were allocated at mid-night. May I ask him this: What is wrong with mid-night since it is part of the day!

**Mr. Speaker:** What are talking about?

**Dr. Otieno-Kopiyo:** Mr. Speaker, Sir, the hon. Member is asking whether the Assistant Minister is aware that those plots were allocated at mid-night. I am wondering whether mid-night is not part of a 24 hours day!

**Mr. Speaker:** Mr. Ndilinge, when did you ever became a Minister? The question was directed to the Assistant Minister, Was it part of the day, mid-night or what?

**Mr. Kaino:** Mr. Speaker, Sir, as I said earlier, the plots were advertised in the Kenyan gazette notice No.998 of 11th March, 1994. We do not know the time when the District Allocation Committee met. The Questioner did not ask about the time they met. If the hon. Member wanted to know the time, probably that will be another different question.

**Mr. Ndilinge:** Mr. Speaker, Sir, this is issue is very serious because when the Committee knew that I was about to ask this Question, I was given a plot without asking for it. I want to put it clearly to them that I do not want that plot. There were some plots that were allocated to able people in a cemetery. They are afraid that they may be evicted.

**Hon. Member:** What time?

**Mr. Ndilinge:** At night, Mr. Speaker, Sir.

**Mr. Kaino:** Mr. Speaker, Sir, I am surprised that the hon. Member is not grateful for being given a plot, even if he was not there. Whether you are in Opposition or Government, if the Land Allocation Committee meets and they know probably you do not have a plot and they allocate you with the plot, I think that one should have been appreciated instead of complaining. So, mine---

**Mr. Magwaga:** Mr. Speaker, Sir, on a point of order.

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

**Mr. Magwaga:** Mr. Speaker, Sir, my point of order is: Is the Assistant Minister in order to state that he can allocate a plot to somebody who did not apply?

**Mr. Kaino:** Mr. Speaker, Sir, the basis of allocation of plots is that the Ministry of Lands and Settlement advertises the plots, and people apply. I do not know whether the hon. Member applied for a plot but he was allocated.

Mr. Speaker, Sir, if he does not want it, he can write a letter to say that he does not want the plot.

*(Laughter)*

**Mr. Speaker:** Final question, Mr. Shikuku.

**Mr. Shikuku:** Mr. Speaker, Sir, I am sure all of us who have got ears have heard the Assistant Minister loud and clear. Is it normal for plots to be dished out to people like the hon. Ndilinge, who had never applied for them. This was done at night, whereby he was told, "this is your plot". Is that the way this Government operates and is that not the clearest manifestation that corruption is rampant in this Government and the Assistant Minister himself is not even sad. You can see he is smiling.

*(Laughter)*

This is a very serious matter. This is manifestation that this Government is very corrupt! Do not laugh!

**Mr. Kaino:** Mr. Speaker, Sir, I am confident that these plots were allocated legally and the allocation will never be nullified because we do not know whether the hon. Member had applied for this plot or not. Nobody knows unless, we check in our records---

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

**Mr. Speaker:** Overruled! Question No. 636, Mr. Mumba!  
Order! I do not expect hon. Ojode to heckle at the Chair. Will you from now on carry yourself with due dignity and order. Proceed Mr. Mumba!

## MAINTENANCE OF BAHARI ROADS

**Mr. Mumba** asked the Minister for Public Works and Housing:-

(a) what plans he has to tarmac the Mariakani-Kaloleni-Mavueni Road which passes through rich agricultural lands of Bahari and Kaloleni constituencies;

(b) whether he is aware that this year no roads in Bahari Constituency were gravelled with additional murrum and as a result the old murrum was washed away rendering the roads impassable; and

(c) whether he will ensure that all the roads in Bahari Constituency are gravelled with murrum so that farmers may harvest and market their produce without difficulties.

**The Assistant Minister for Public Works and Housing** (Col. Kiluta): Mr. Speaker, Sir, I beg to reply:-

(a) Yes, the Ministry is aware that Mariakani-Kaloleni-Mavueni road passes through agricultural as well as tourism areas and is, therefore, soliciting funds to tarmac this road. Meanwhile some Kshs30 million will be spent during the current Financial Year to regravell the road.

(b) I am also aware that no roads were re-gravelled in year 1994/95 in Bahari Constituency. However, the roads whose gravel has been washed away will be attended to during this Financial Year.

(c) The Ministry will utilise Fuel Levy Fund under Minor Roads Programme to reshape and gravel the worst sections of roads in Bahari Constituency in this current Financial Year to enable farmers to harvest and market their produce without difficulties.

**Mr. Mumba:** Mr Speaker, Sir, no tarmac road has been built in Kilifi District outside the towns since 1972, when the Mazeras-Kaloleni road was built. This is a very serious matter. What criteria does the Ministry or Government use when prioritising roads which should be tarmacked and those which should not be tarmacked because this is a very important road. It covers a rich agricultural area, it is the heart of Kilifi District agricultural activities. What criteria does the Ministry use which made the Ministry not prioritise this one in a high category?

**Col. Kiluta:** Mr. Speaker, Sir, the criteria used here is: First the road must be prioritised by the relevant District Development Committee and secondly, it must meet the minimum requirements of vehicles passing through that road within a given period, for it to be considered for tarmacking.

**Mr. Badawy:** Mr. Speaker, Sir, can the Assistant Minister, tells us the minimum number of vehicles required to qualify a road to be given that priority and whether that assessment has been done for this Kaloleni-Mazeras road?

**Co. Kiluta:** Mr. Speaker, Sir, those hon. Members with good memories will remember that yesterday, I said that the minimum number of vehicles that is required to pass through a road for it to be tarmacked is 300 vehicles per day. Currently, the road in question has got less than 100 vehicles per day.

**Mr. Speaker:** Final Question, Mr. Mumba!

**Mr. Mumba:** Mr. Speaker, Sir, I am doubting the figures that have been given by the Assistant Minister, but nonetheless, I am pleased that they are soliciting funds to tarmac the road. He has assured me that they will use Fuel Levy Fund under Minor Roads Programme to re-gravel the roads in Bahari Constituency. Will the Assistant Minister, tell the House why this was not done last year, because the Fuel Levy Fund was there, the Minor Roads Programme was there or is it because Bahari Constituency is so loyal to the Government that they are not a threat to anybody?

*(Laughter)*

**Col. Kiluta:** Mr. Speaker, Sir, last year, this road was not a priority. It came up this year and we do appreciate that the Bahari Constituency people are loyal to the Government and we will look after them in due course.

**Mr. Wamalwa:** Mr. Speaker, Sir, I am just wondering whether the criterion that the Assistant Minister has given is the sole criteria for tarmacking a road because I happen to know of roads in this Republic that do not even have traffic of 50 vehicles a day and they have been tarmacked and I can name many in the Rift Valley. Is that really the real criteria for tarmacking a road or are there other considerations?

**Col. Kiluta:** Mr. Speaker, Sir, there are other considerations, especially the productivity of the area. That is over and above what I said earlier on.

**Mr. Speaker:** Question No 691 by Dr. Kituyi!

*Question No. 691*

## REGISTRATION OF WELFARE ASSOCIATION

**Dr. Kituyi** asked the Attorney-General:-

(a) whether he is aware that the Assistant Registrar of Societies denied registration to Westlands Children's Ministries on the 5th April, 1995 on the purported grounds that *"the interests of peace, welfare or good order in Kenya is (sic) likely to suffer prejudice by reasons of (their) registration as a society*; and

(b) what way the registration of this street children rehabilitation society could prejudice the interests of peace, welfare and good order in Kenya.

**The Attorney-General** (Mr. Wako): Mr. Speaker, Sir, I beg to reply.

(a) I am aware that the Registrar of Societies refused registration to Westlands Children's Ministries on 5th April, 1995 for reasons stated in the Question.

(b) The decision of the Registrar was based on the information in his possession. However, if the Society felt aggrieved by this decision, it should have exercised its rights of appeal to the Minister as provided for under Section 15 of the Act.

**Dr. Kituyi:** Mr. Speaker, Sir, firstly, you notice that the hon. Attorney-General has not given a reply to my Question. What are the specific reasons, for the sake of national interests that are being achieved by giving an answer like "for reasons given in the Question". I have asked for an amplification of those reasons. But be that as it may, the people behind the registration of Westlands Children's Ministries, came out in the public on a matter that may have not pleased some people. For instance, they tended children who included K'Anampiu, a street boy who was killed in Ngara and that they were the first to bring to public the attention the fact that Nahashon Chege had been killed under police torture in Pangani Police Station. I do know, if according to the Attorney-General, this constitutes a threat to national interest. But could the Attorney-General answer this question? If he believes that there was a possibility for this NGO to be registered if they had appealed to him, will he give an undertaking, that using the discretion of the Minister, he can still listen to an appeal launched by this group?

**Mr. Wako:** Mr. Speaker, Sir, first of all, let me state that this particular NGO was not registered for the reasons stated by the hon. Member of Parliament. This House, is of course aware, that the Attorney-General did take firm decisions in that matter and prosecuted the Police Reservist, who killed the street boy. Therefore, it cannot be for that reason.

Secondly, as stated in the Question, it was refused on security grounds and I think there are Standing Orders which prohibits discussions of this nature in Parliament.

Thirdly, the Minister does have the discretion to admit the appeal out of time. I would, therefore, advise the NGO to file their appeal and it will be considered in the usual way.

**Mr. Murungi:** Mr. Speaker, Sir, this is not the first time that the Registrar of Societies has refused to register a society for protection of children. Way back in 1989, the Registrar of Societies refused to register ANCAN (The African Network for Prevention and Protection of Children Against Child Abuse and Neglect) and the Attorney-General is very well aware of that.

The Registrar had registered the Regional Chapter of ANCAN, but when we presented the Kenya Chapter for registration, the Registrar refused to register it on the grounds that it would be dangerous to the good Government of Kenya.

Can the Attorney-General, now that he is in the saddle, ensure that the Registrar exercises his powers in a consistent and judicial manner instead of this erratic and unexplainable decisions?

**Mr. Wako:** Mr. Speaker, Sir, I am of course aware of ANCAN and I am also aware that it is registered because the correct procedures were followed. The refusal led to an appeal to the Minister, who then made a decision.

The Registrar of Societies in exercising those functions, is really acting in a quasi judicial function. The law provides a machinery for addressing the grievances caused by his decision. That is why in this particular Question, the Westlands Children's Ministries are advised to follow the machinery and appeal to the Minister.

**Dr. Kituyi:** Mr. Speaker, Sir, I wish to thank the Attorney-General for at least giving this group a ray of hope that they can be followed. But, in his supplementary reply, the Attorney-General did mention how much he is also concerned about the plight of street children and he has been opening most fora on street children in this country, which is very encouraging. But since he is so concerned, and I mentioned the death of two different children, first was K'Anampiu and the second one was Nahashon Chege, who was battered until he died at Pangani police station, can he give an undertaking to this House that he will try to follow this as much as his recent interest in children affairs can be attested to?

**Mr. Wako:** Mr. Speaker, Sir, all issues which result in loss of life, be they of an adult or of street children,



are taken very seriously by the Government and by my office and appropriate investigations are undertaken which are normally followed either by an inquest or by a charge of murder. These will continue to be of great concern and commitment on the part of the Government and my office.

**Mr. Speaker:** Mr. Kamuyu's Question for the second time!

**Mr. Kamuyu:** Mr. Speaker, Sir, I do apologise for coming late and I beg to ask my Question.

*Question No. 289*

POLICE ARRESTS IN MOLO

**Mr. Kamuyu** asked a Minister of State, Office of the President:-

- (a) whether he can explain the reasons behind enormous arrests that have been going on in Molo Constituency especially between the period of 15th December, 1994 to 15th March, 1995; and,
- (b) whether the searching and arresting Police Officers have valid warrants to carry out such exercise which is humiliating to people of Molo.

**The Minister of State, Office of the President**(Mr. Kalweo): Mr. Speaker, I beg to reply.

(a) No enormous arrests have been carried out by the police in Molo Constituency as alleged. However, following a spate of house breaking and robberies the police have occasionally raided suspected criminals' hideouts in order to put an end to these criminal activities.

(b) The police are empowered by Section 26 of the Criminal Procedure Code to carry out raids on criminals' hideouts and conduct a search without a search warrant.

**Mr. Kamuyu:** The period here in question is between 15th December, 1994 to 15th March, 1995 around which period you will recall is when hon. Njenga Mungai was also arrested. Can the Minister tell us why his Ministry is discriminating in administration of law, by arresting, without an explanation, members of only one tribe, mainly the Kikuyus only? The *mungiki* is one of the examples and right now there are 2,000 people from Molo in various remand prisons. What is the explanation for all these things?

**Mr. Kalweo:** Mr. Speaker, Speaker, when searches are done, we do not follow ethnicity. Following is list of those charged with robberies:- Mr. Patrick Kamau Chege, Joseph Kimani Njoroge, Geoffrey Njege Hagoi and those accused of house breaking are: Robert Wesonga, Charles Okech, Joseph Kangethe and many other different names. The police only carry out raids to try to stamp out criminals after getting reports from wananchi in areas where robberies have taken place.

*(Several hon. Members stood on points of order)*

**Dr. Lwali-Oyondi:** Next Question?

*(Dr. Kituyi moved to the microphone on the Table)*

Order, first, Dr. Kituyi! Dr. Lwali-Oyondi, may you be warned that the Chair knows what discretion it uses in calling the next Question? First and foremost, even an hon. Member should come late, he should not expect---

**Mr. Kamuyu:** My six minutes are still on!

**Mr. Speaker:** Order! You must now behave yourself. You should not interject.

**Mr. Kamuyu:** I am still within my six minutes! Where are my six minutes?

**Mr. Speaker:** Order! Mr. Kamuyu, for that you are disorderly and you must leave.

**Mr. Kamuyu:** Where is my six minutes? I do not have---

**Mr. Speaker:** Order! You must leave!

**Mr. Kamuyu:** My six minutes are still on!

**Mr. Nyanja:** Why have you denied Mr. Kamuyu a chance to ask questions?

*(Mr. Kamuyu left the Chambers)*

**Mr. Speaker:** Order! I detest hon. Members who treat this House like a kiosk. It is not.

**An. hon. Member:** Bw. Nyanja, toka!

**Mr. Salat:** Mr. Speaker, Sir, I apologise for coming late and I beg to ask Question No. 562.

*Question No. 562*

## COMPLETION OF VETERINARY PROJECT

**Mr. Salat** asked the Minister for Agriculture, Livestock Development and Marketing:-

- (a) whether he is aware that Veterinary Investigation Laboratory Project in Garissa has been abandoned;
- (b) how much has been spent on the project and how much is required to complete it; and,
- (c) when the projected will be completed.

*(Loud consultations)*

**The Assistant Minister for Agriculture, Livestock Development and Marketing** (Dr. Misoi): Mr. Speaker, Sir, first of all I request protection from that side!

Mr. Speaker, Sir, I beg to reply.

(a) Yes, I am aware that work on the Veterinary Investigation Laboratory Project in Garissa has been suspended since 1992. The suspension was as a result of contract variation by the then Ministry of Public Works at a time when 75 per cent of the work had already been done.

(b) Work on the laboratory started in July, 1987 with the aim of it serving as a satellite laboratory for the Mariakani Investigation Laboratory and was being funded by the European Economic Community and the Government of Kenya. The original contract sum was Kshs 4,036,000/- which has now been revised to Kshs 8,717,501/- As at 1991, the remaining works were valued at Kshs 902,784/-, but this figure has now been revised to Kshs 5,584,215 following this contract variation.

(c) It is anticipated and projected that the project will be completed by the end of 1997, having been given priority in the 1995/96-1997/98 Financial Years.

**Mr. Salat:** Mr. Speaker, Sir, I think it is the third or fourth time I am asking this House since I came to this Question. Interestingly, the answer the Assistant Minister is giving is contrary to the previous answers which the Ministry has been giving. First of all, I want to correct the impression given by the Assistant Minister that the project was abandoned in 1992, because it is not true. The project was abandoned well before 1989, since when no work has been done. He says that there was a variation of the contract after 75 per cent of the work had already been completed. Can he now tell the House what necessitated the contract variation and what the variation was?

**Dr. Misoi:** Mr. Speaker, Sir, additional information on the cost is quite substantial. First of all, to complete the laboratory complex would require over Kshs 700,000/-. The low land type "D" house would require Kshs 234,837. The servant quarter would require Kshs 91,000. The low land type "F" house would require Kshs 464,000/-.

**Mr. Salat:** On a point of order, Mr. Speaker, Sir. The Assistant Minister does not seem to have understood my question and so I will repeat it. He says that when the project was 75 per cent complete the contract was varied. This means that the contract was changed to include or incorporate something else. What were these changes in the original contract that now need Kshs 8,000,000/- to complete, and what necessitated them?

**Dr. Misoi:** Mr. Speaker, Sir, I have given an answer that there was a variation in the contract which, I think, is always provided for in terms of construction work. So, because of this variation work on the project was stopped. I have said that the project is on and that the cost has now increased. As for the details of the variation, I do not have them.

**Mr. Farah:** Mr. Speaker, Sir, as the hon. Member puts it, work on this project was stopped in 1989. The Assistant Minister knows very well that livestock is the mainstay of the living of the people of Northern Kenya. The least that the Government can do is to have a laboratory so as to be able to investigate diseases. As it is now, samples of blood have to be brought all the way from Mandera to Nairobi for examination of diseases. Can the Assistant Minister tell the House now that the money was stolen, nothing was initiated and that he is going to call upon the Criminal Investigation Department (CID) officers to carry out investigations with a view to arresting and prosecuting civil servants who were responsible for that stealing? That is what happened! We come from that place and know that nothing has been done!

**Dr. Misoi:** Mr. Speaker, Sir, I know nothing about what the hon. Member is telling the House. But I have said that project is on for the years I have stated.

**Mr. Speaker:** Mr. Farah, ask your Question

**Mr. Farah:** Mr. Speaker, Sir, hon. Murungi's Question comes before mine.

**Mr. Speaker:** Yes, I do agree with you. I am sorry for the mix-up. Yes, Mr. Murungi.

**Mr. Murungi:** Mr. Speaker, Sir, I apologise for not being in the House when the Question was first called.

*Question No. 550*

RATIFICATION OF INTERNATIONAL TREATIES

**Mr. Murungi** asked the Minister for Foreign Affairs and International Corporation why the Kenya Government negotiates and ratifies international treaties, sometimes with far-reaching consequences for the country, without reference to Parliament.

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

There is no constitutional requirement for reference to Parliament whenever the Kenya Government negotiates and ratifies international treaties.

**Mr. Murungi:** Mr. Speaker, Sir, it is true, as the Assistant Minister says, that Kenya follows an outdated and medieval foreign policy in which the negotiation and conclusion of treaties is the sole prerogative of the Crown. You will recall that Mount Kilimanjaro was part of Kenya at one point in our history, but it was given away by Queen Victoria as a birth day present without consulting anybody.

Mr. Speaker, Sir, we also have the information that President Mobutu of Zaire has leased one fifth of his country to a foreigner without consulting the people of Zaire and the rent goes to him. In view of these grave consequences of this kind of foreign policy and the---

**The Assistant Minister for Agriculture, Livestock Development and Marketing**(Dr. Misoi): On a point of order, Mr. Speaker, Sir. Is it in order for hon. Murungi to tell us about Zaire instead of asking his question? He is out of order!

**Mr. Speaker:** Order, Dr. Misoi! That is a frivolous point of order! You must withdraw from the Chamber.

*(Dr. Misoi remained seated)*

Order, Dr. Misoi! You must leave the Chamber because we have to be serious in this House.

*(Dr. Misoi left the Chamber)*

**Mr. Murungi:** Mr. Speaker, Sir, in view of the grave implications of this primitive Foreign Policy, could the Minister for Foreign Affairs consider, first, introducing legislation which will involve Parliament in the negotiation and conclusion of treaties in this country?

Mr. Speaker, Sir, secondly, could he refer all the pending treaties to the Foreign Affairs Committee of this House before they are signed or ratified by the relevant officials of the Government?

**Mr. Muchilwa:** Mr. Speaker, Sir, first of all, I do not agree that the Foreign Policy of this country is primitive. That is a very unfortunate remark by the hon. Member who is a lawyer. What I know is that negotiation, signing and ratification of treaties is a function of governments. Procedures vary from State to State, as long as they are in line with the relevant international legislation. It is a pity that the hon. Member tried to equate Kenya with another country, but in this country, what the hon. Member talked about cannot happen because the procedure, since Independence, is that before any international convention is ratified, it must get approval of the Cabinet. That has worked very well and we will continue with it.

**Dr. Kituyi:** Mr. Speaker, Sir, arising from the Assistant Minister's reply which really ducked the principle issue, it is common knowledge that the conduct of Foreign Policy by the Kenya Government has been a major embarrassment to the population of this country. It is also true that in normal, civilised and democratic societies, a government which believes that it has reason to justify on international affairs has no reluctance to bring before the National Assembly and defend its position before it ratifies such a convention. Given the inability of this Government to rise up to the challenges of its responsibilities internationally, what is so difficult to bring your developing policies to this House to be helped to develop them into something more justifiable?

**Mr. Muchilwa:** Mr. Speaker, Sir, I do not agree with that sort of abusive question. The Foreign Policy of this country is very good and there is nothing wrong with it. I have said that the procedures of ratifying international treaties and conventions vary and, I have also explained how we tackle ours and how it has worked well for us since

Independence. It is not a requirement under international law that negotiations and ratification of international treaties be ratified by Parliament.

**Mr. Speaker:** Next Question, Mr. Farah!

*Question No.825*

PROVISION OF PUMPING UNITS

**Mr. Farah** asked the Minister for Land Reclamation, Regional and Water Development:-

- (a) if he is aware that Gurufa, Shanta-abag and Kumahumato in Garissa District do not have stand-by borehole pumping units; and,
- (b) what measures he has taken to provide stand-by pumping units in these areas.

**Mr. Speaker:** Is there anybody here from the Ministry? There is nobody. This question is deferred to Tuesday, next week.

*(Question deferred)*

**QUESTIONS BY PRIVATE NOTICE**

INCREASE OF HARVESTING CHARGES

**Mr. Aluoch:** Mr. Speaker, Sir, I beg to ask the Minister for Agriculture, Livestock Development and Marketing the following Question by Private Notice:

- (a) Is the Minister aware that South Nyanza Sugar Company (SONY) has unilaterally increased harvesting charges to cane farmers/out-growers from Kshs95 to Kshs119 per tonne of cane since last month?
- (b) Is he further aware that this has reduced farmers' earnings and will definitely discourage cane growing, create more room for importation of more sugar into this country and flood the market with cheap sugar?
- (c) Can the Minister order the company to revert to the old harvesting charges of Kshs95 per tonne and refund any deductions that have already been made to the affected farmers?

**The Assistant Minister for Agriculture, Livestock Development and Marketing** (Mr. Maundu): Mr. Speaker, Sir, I beg to reply.

- (a) Yes, I am aware that the SONY Sugar Company made an increase of Kshs23.50 per tonne to sugar farmers in June, 1995. This was the first increase since June, 1994 and it was as a result of increased harvesting costs.
- (b) There is no decline in requests from farmers to supply cane. On the contrary, requests for land development for sugar-cane purposes have increased to date. It is, therefore, not true that the increase has discouraged farmers from planting sugar.

(c) As it happens with any other enterprise, cost increases are a common phenomena and the sugar sector is no exception. Costs increases are periodically passed on and met by the farmers on all estates. The miller, SONY Sugar Company, will continue to co-ordinate harvesting and transport functions as is the case with other sugar millers.

**Mr. Aluoch:** Mr. Speaker, Sir, it is very unfortunate that this company is allowed to increase the charges by Kshs23.50 per tonne without corresponding increase in the price of sugar-cane supplied to the factory. What it means is that the farmers are being "sucked" further, and this will mean that there will be no incentive for them to grow sugar-cane. The truth of the matter is that the company wants to capitalize on the supply of forage to these cane harvesters which was normally being supplied, courtesy of the farmers. Now, SONY Sugar Company has found it fit to trade on the farmers' money. Can the Assistant Minister order SONY to revert to the old charges of Kshs95 per tonne?

**Mr. Maundu:** Mr. Speaker, Sir, I regret that it is not possible to revert to the old charges. Costs have escalated over the period and it is not possible nor economical to operate on those charges. The charges that are being levied currently are very minimal and are reasonable in all circumstances.

**Mr. Achola:** In view of this unreasonable increase, could the Assistant Minister consider asking SONY Sugar Company to allow farmers to do their own harvesting?

**Mr. Maundu:** Mr. Speaker, Sir, as you are aware, sugar-cane harvesting should be a co-ordinated development and, so far, we have not considered it fit or even necessary to allow individual farmers to do their own harvesting.

**Mr. Aluoch:** Mr. Speaker, Sir, I am not satisfied with the answer to section (b) of the Question because it is

not proper. Right now, in the SONY Sugar Company stores, we have over 8,000 tones of sugar that have not been sold. This is because some big "fishes" in the Government have imported sugar and now sugar has flooded the market. As a result, we are unable to sell sugar and the farmers are not even getting their money. Can the Assistant Minister stop this importation of sugar?

**Mr. Maundu:** Mr. Speaker, Sir, part (b) of the Question has been answered properly. The increases that the hon. Member is complaining about have not affected sugar development or sugar farming. However, if, for any reason, he thinks that there has been any importation that has discouraged farmers and which has caused the stocks that are now being held in SONY Sugar Factory stores, I deny that particular fact.

**Mr. Shikuku:** Mr. Speaker, Sir, arising from that reply by the Assistant Minister to the effect that this has not affected the farmers, is he aware that because of the importation of this sugar into the country, the sugar-cane in the farms cannot be harvested and, as a result, they flower? Once sugar-cane flowers, it loses weight and, therefore, the farmer cannot get what he expected to get. Is it not within his power to ensure that we do not import commodities that affect and even kill our own farmers? I am sure that when there will be elections, he will need the votes from the farmers.

**Mr. Maundu:** Mr. Speaker, Sir, where I come from, we do not grow sugar, we grow cotton. However, I am conversant with the matter at hand. The Questioner wanted to find out whether these increases have affected the earnings of the farmers. The effect on the farmers' earnings is not as a result of the stocks that are lying at the factory. So, I have answered this Question very well. The question on the importation of sugar does not arise in the circumstances of this Question.

**Mr. Speaker:** Mr. Mcharo's Question!

#### TRANSLOCATION OF ELEPHANTS

**Mr. Mcharo:** Mr. Speaker, Sir, I beg to ask the Minister for Tourism and Wildlife the following Question by Private Notice.

Since the people of Taita-Taveta District have for many years suffered a lot from destruction caused by the large number of elephants in the Tsavo National Park, could the Minister immediately order the Kenya Wildlife Service to stop the translocation of elephants from the Mwea National Reserve to the Tsavo National Park?

**The Minister for Tourism and Wildlife (Mr. Ngala):** Mr. Speaker, Sir, I beg to reply.

Before I do so, Mr. Speaker, Sir, I think, there is a little correction that I would like to make on Roman Four. The word "Taveta" should be deleted and replaced with "Voi."

*(Laughter)*

Mr. Speaker, Sir, I beg to reply.

It may not be necessary at this stage to order Kenya Wildlife Service to stop the translocation of elephants from the Mwea National Reserve to the Tsavo National Park for the following reasons:

(i) Kenya Wildlife Service has found it necessary to reduce the number of elephants in Mwea National Reserve from 48 elephants to 22 elephants because they occupy 48 square kilometres which is too small for sustaining the ecosystem of the reserve.

(ii) The reserve is completely surrounded by farms and human population which prevent elephants from migrating naturally.

(iii) The elephants have been translocated in Tsavo East National Park where there is enough room for them and is far from any farming communities.

(iv) The people of Taita-Taveta will not be affected by this translocation because the elephants are being released in the Northern part of Tsavo East, Kitui District, more than 200 kilometres North of Voi.

(v) The elephants which are being translocated will be fitted with the special radio-callers and their movements will be monitored to ensure that they stay in the park.

**Mr. Mcharo:** Mr. Speaker, Sir, the Minister has tried very hard to justify the translocation of these elephants from the Mwea National Reserve to Tsavo National Park which is in Taita-Taveta District mainly. The Minister knows very well that for many years the people of Taita-Taveta have suffered a lot from destruction of life and property by the elephants. Now, while he is looking after the welfare of the elephants, what is he doing to ensure that life and property of the people of Taita-Taveta are protected permanently from destruction by the elephants?

**Mr. Ngala:** Mr. Speaker, Sir, it is true the Taita-Taveta people for a long time have suffered from destruction by elephants, crops have been destroyed, people have even been killed. We know that fact. What we are doing as a Ministry through Kenya Wildlife Service, we are doing fencing. At the moment the programme is in

process. I would also like to assure the hon. Member and the House that it is the obligation of the Kenya Wildlife Service to put the welfare of the people first. So, we are considering to assist the people a lot.

**Mr. Mbui:** Thank you very much, Mr. Speaker, Sir.

**Mr. Speaker:** Order! Order! Mr. Ndwiga.

**Mr. Mbui:** We know there is a problem of elephants. They have very increased in number and they are causing damage almost everywhere in the country. Can the Minister allow the shooting of these animals so that we may reduce their number and then we sell the ivory rather than burning the ivory?

**Mr. Ngala:** Mr. Speaker, Sir, I will not permit the shooting. It is Government policy that shooting or arrowing of elephants is not allowed. I do want to tell the hon. Member that, yes, the elephants have increased and we are doing everything within our means to try and see that they are kept within their areas of habitat so that they can continue to live without harassing people and this exercise is given top priority and I hope soon we shall be free of this problem.

**Mr. Leshore:** Mr. Speaker, Sir, since translocating of elephants to Tsavo National Park is a very expensive exercise, can the Minister consider paying compensation to these farmers who have been affected because this is not only prevalent in Mwea, it is also happening in Maralal and in Isiolo? Can the Minister now consider this seriously and compensate the farmers?

**Mr. Ngala:** Mr. Speaker, Sir, I have said that we are aware of the problems that are caused by the elephants. Right now, the Government does not compensate crops. We compensate people who have been killed and injured and the Government is actively looking into ways of how to compensate in future for crops, but there has got to be a system to be looked into.

**Mr. Nyagah:** Mr. Speaker, Sir, I am very surprised; this Minister and I went to school together. We grew up together. He is depriving me of a very important animal. Mwea National Park is surrounded by 55,000 acres of land that is inhabited. That is a fact in Gachoka Constituency. We also know that tourism is a very important sector of our economy. We know there is very low inflow of tourists into the country. Until we could like to see a scenario of where you have North Eastern circuit from Embu into Meru, into Isiolo, into Nyeri and back into Nairobi. Mr. Minister, here is a Member of Parliament who represent animals and people and I want those animals. Could you as a matter of courtesy put an electric fence around the 48,000 acres to maintain these animals in Mwea National Park for the sake of old good schools days, please?

**Mr. Shikuku:** Can we really allow that on the Floor of this House for hon. Members to address each other remembering the school days?

*(Laughter)*

**Mr. Speaker:** Order! Order! Order! I will not allow that. It is on record in this House on several occasions that I have ruled that Members are not allowed to personalise debate and all addresses shall be made to Mr. Speaker, and Mr. Speaker never went to school with any Member.

*(Laughter)*

**Mr. Ngala:** Mr. Speaker, Sir, I want to assure the hon. Member for Gachoka that we have left some of the elephants. There are 22 elephants that we have left. We removed 22 and we have left others to stay behind. The reason I said earlier is because of the ecosystem. When they get too many crowded together, they damage the ecosystem and, therefore, this can also have far reaching effects on the wananchi of that area if the ecosystem is affected. So, we have left a few for the tourists.

**Mr. Speaker:** Next order.

## BILL

### *Second reading*

THE EXCHANGE CONTROL (REPEAL) (BILL)

*(The Minister for Finance on 31.10.95)*

*(Resumption of debate interrupted on 31.10.95)*

**Mr. Speaker:** Dr. Kituyi was contributing.

**Dr. Kituyi:** Thank you very much, Mr. Speaker, Sir. I do not intend to take long on this Bill. Like I said yesterday, I believe that it is a positive move, and the assessment of the consequences can be best addressed when looking at the pieces of legislation that will come in the next business where we shall discuss substantively the adequacy of the new measures.

Mr. Speaker, Sir, before I go into that resumption, I wish to mention that at the rise of the House yesterday, I did say before this House, that a senior official in the Central Bank of Kenya had used resources of the Bank in the development of a house which he has then leased back to the Bank. I did say that I will substantiate this matter.

Mr. Speaker, Sir, I have looked at the kind of information I received for the purpose, and I am not satisfied that it is sufficient for that substantiation, and I wish to withdraw it at this point.

**Mr. Speaker:** Very well. There is a point of order. What is it, Mr. Shikuku?

**Mr. Shikuku:** On a point of order Mr. Speaker, Sir. I am rising on a point of order to call upon you to put the House in order because I am interested in that statement. I do remember challenging the hon. Member to substantiate who was this big official in the Central Bank who committed those sins, and he has still not substantiated.

**Mr. Speaker:** Order. What was your complaint? I did not hear you.

**Mr. Shikuku:** Mr. Speaker, Sir, I was rising on a point of order to ask you to call the House to order, because there was too much consultations and I could not hear the substantiation being made by the hon. Member.

**Mr. Speaker:** Order! Order! Obviously, Mr. Shikuku, you are right. I did not even hear what your point of order was. So, order!

**Dr. Kituyi:** Having said that, I wish to say very few things now.

Number one, it is important and we should not tire of saying this, that at the time when we were liberalising the regime of management of foreign currency in this country, it is important that the celebration or the removal of the Exchange Control Department, should also be accompanied by a readiness to embrace other more civilised measures in monitoring the movement of foreign currency, in such a way as to exclude money laundering in this country.

As I said yesterday, it is important that leaders in the Government should be the ones to protect the Central Bank in its attempts to strengthen this monitoring, particularly of laundered money. It is very unfortunate to see senior people in Government advocate measures that are irrational and unjustifiable in replacing what was otherwise being done through the Exchange Control Act and business measures. It is unfortunate if leaders in Government want to define enabling environment for business to be an environment that enables the corrupt to move monies laundered and drug money without the possibility of instruments like the Central Bank to monitor such movements.

With those few remarks, I beg to support.

**Mr. Speaker:** Mr. Shikuku, what is it?

**Mr. Shikuku:** Mr. Speaker, Sir, I think the hon. Member has forgotten to substantiate. He was telling us about a certain officer---

**Mr. Speaker:** Order, Mr. Shikuku. At that time, you were unable to hear, because there was loud consultations. The hon. Member stated on the outset that he was at the stage he was when he rose to speak, unable to acquire those documents and consequently, he withdrew his remarks against the Central Bank.

**Mr. Shikuku:** I am okay now.

**Mr. Speaker:** Very well. What are you standing for, Mr. Shikuku? Has hon. Dr. Kituyi finished?

**Hon. Members:** Yes.

**Mr. Speaker:** Ooh, I see. You can start contributing, Mr. Biwott.

*(Laughter)*

**Mr. Biwott:** Thank you, Mr. Speaker, Sir, for giving me this opportunity to contribute to the abolition of the exchange controls in this country.

First of all, the first and foremost credit must go to His Excellency the President who abolished this tax about two years ago. He was well ahead of time. The exchange controls as they were at that particular time were not even contemplated in view of being repealed. But the President with his foresight saw the necessity to abolish those controls. It took so much time for this House to catch up with its formal legal abolition processes. Now, we are formally abolishing those controls in this House.

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

**Mr. Speaker:** What is it, Mr. Michuki?

**Mr. Michuki:** Mr. Speaker, Sir, my point of order rises from what the hon. Member is saying. Is it in order

for the hon. Member to stand in this House and allege that this law was repealed before what the hon. Members are doing now, which is to debate the law? If I understood him correctly, is he in order to allege that?

**Mr. Biwott:** Mr. Speaker, Sir, I think my old friend should either go to school or refresh himself with the actual words which I said. All I said is that the idea of repealing the Exchange Control Act in this country was first voiced through a statement from the State House. After that, the process of liberalising those exchange controls started, with the process of introducing reforms in this country. That has accelerated to the state where things are now or where we are finally formalising the abolition of those regulations in this House through this abolition Bill.

Mr. Speaker, Sir, that being the case, I will also like to congratulate those officers who had been fully involved in this process, that is the hon. Minister for Finance and his Governor, Mr. Cheserem from the Central Bank of Kenya, and all the other officers who work with him, including those from the Ministry of Commerce and all the others who participated.

It is necessary to free the exchange controls in order to bring the economy of this country into line with other mature economic systems in the world where capital markets operate. Therefore, we could say that Kenya has become mature economically and it is now able to compete and operate like any other advanced countries which do exist in this world. In doing so, we are also recognising the fact that we have passed from donor dependence economy to an economy that must from now on be run by private investments through private capital inflows which is competitive and which goes through the capital markets through the stock exchange.

Mr Speaker, Sir, we know that money that goes through the stock exchange is very competitive, and it is very sensitive. Therefore, a climate that is conducive to the free operation of such markets must be established, and this is one way of ensuring that the climatic conditions for the economic development and prosperity of this country, must have a principle factor containing free movement of capital.

Mr Speaker, Sir, it is necessary, however, that we must realise that 100 per cent free movement of capital may be dangerous. We saw the problem of Mexico, where through the same process of moving money from market to market, that country was really brought into a state of bankruptcy, and it had to be bailed out by the American economy, the World Bank, and IMF and so on. So, in doing this, I hope the Minister would have provided or ensured that some form of safety net is provided, so that the abolition of this exchange control does not expose us to such contingent possibility.

In administrating anything of this kind, there is need for a mechanism whereby people who are aggrieved of any kind of mischief can appeal to. So, that anything that is managed and administered by human beings, must essentially have an element of witchhunt, victimisation, or unfair treatment of certain individuals. In order to ensure that everybody gets a free and fair treatment, it is necessary that there should be some kind of an appeal like the tribunal where the Minister for Finance or any other body, can listen to complaints of such nature. Otherwise, I would like to support this amendment that we repeal the exchange control provision that inhibits the free flow of capital because it is necessary for a capital market to develop. We would not succeed in our stock exchange operations unless we have massive in-flow of capital from abroad.

I hope that, in addition to the abolition of exchange control, we would also do something with our own mental outlook because we tend to argue for a 100 per cent Kenyan control economy and, at the same time, ask for private investment from abroad. If we want private investment to come from abroad, and you are going to facilitate free movement of that money, we must also allow that free capital to be managed and run by the people who have brought the money in order to make them secure to do so for the good of this country. In which case, we need to accept one fact, that these people who come to this country, must come to invest in this country in order to benefit themselves, first, because they would not come otherwise, through profit, and through free repatriation of that money. Secondly, to create both employment and infrastructure for our own people, and to create capital formation in this country which will not move out of the country. Perhaps, the best thing that we can do is to insist that any investors coming from abroad must be sponsored by Kenyans in varying degrees of participation, it could be 10, 20, 30, or 50 per cent or it could be even more depending on the appropriate venture, of which particular venture. But to insist that foreigners must not own anything or must not do anything, is to negate precisely what we are trying to achieve by abolishing such facilities.

What we need is to ensure that the machinery that facilitates the flow of capital, is cleaned up, so that it is free of corruption, or individuals who are selfish and who are not interested in fostering the common good of the people. It is also free of individuals who will not look at this free in-flow of capital to this country as a means to advancing themselves, but it should come to advance the general welfare of the mwananchi. In other words, it should aim at the general standards of living of the ordinary Kenyans, and it should reach to the countryside.

Mr Speaker, Sir, we have been building electricity to various parts of this country, partly to enable the people to stay in their own areas, markets, and to develop the Jua Kali type of business in that area, and also to shift industries



away from town to the rural areas. I think, those who are involved in planning for investment, should look at the areas of congestion in the country and ensure that large investments are directed to places like, for example, Kakamega, Central Province, in the hinterland and to small towns, so that Nairobi, for example, in fact, we should ban any future investment in Nairobi here and direct the investment to the rural areas where people are found without jobs and where the standards of living is gradually going down. So, much so, that today, for example, if you were to go to the rural areas and ask for even Kshs.1,000.00 for bursary, you will find it very difficult. In fact, if you look at the way the Harambees are also conducted, you will find that the majority of the people who donate the money, live in towns or they are employed in towns. But the common man, who should be contributing, is not able to do so, because he does not have enough money. We would also find that those who have got the money, are the ones who have benefited from prior investments, like in their tea zones.

I remember once upon a time, we used to push that money to those areas like in the Central Province, Eastern Province and a little bit in the West, and also, in the sugar belt. We find, for example, in Mumias, or South Nyanza, it is easy to raise money, or in the Chemelil because of the sugar which we developed in the initial stages when development was being done according to a development plan. Today, most Members come here to beg, as if their living part of the country is not part of the entire country. I think, we should revert to the original system where we look at the entire country and plan accordingly, and stick to that plan, so that we can predict what type of development process will evolve over time. All these can only be made possible if there is money in-flowing, if there is money other than the one we are following most of the time, that is the World Bank money because the World Bank money even if it is 100 million, or 200 million or 300 million, it is not enough. We need billions, and that billion today can only come through private enterprise. It can come only when the climate is conducive for that money to come, in other words, it will be similar to the conditions operating in Paris, London, New York, Hong Kong or Johannesburg, and this is one way of ensuring that, that money will be attracted to this country. It is also important that once we remove such controls, money will be flowing from places to places and as the Minister had said before, a lot of that money could also be fraudulent money, it could be the drug money, money that is not really productive in this particular country. I am grateful that the Minister has seen the necessity to find a mechanism where such money are actually rejected one way or another in order to avoid this country becoming a centre of crime, and the Kenyans should be wary of anything that relates to drugs.

And drugs also follow such type of monies. I would again emphasize the need to ensure that the actual rules that will regulate the management of a free Exchange Control system in the country will be done in a such a way that will promote a smooth movement of capital and administration and also it will avoid any occurrence of a situation where nothing, but fairness will have an impact on the administration of the system; in other words to ensure that there will be no victimisation, and that every Kenyan will be given an equal treatment and equal opportunity to operate freely and to ensure that whenever it is done, it is done to enlarge our capital market in order to attract the necessary capital that we need to build this country.

With these few remarks, I beg support.

**Mr. Mwiraria:** Thank you Mr. Speaker, Sir, for giving me the opportunity to support this Bill.

Let me, first of all, comment on a point made by the previous speaker who has said that Kenya has become mature economically by the mere liberalisation of Exchange Control. On the contrary, the repeal of the Exchange Control Act and the general liberalisation of the economy has taken Kenya backwards economically. I want to suggest in supporting this Bill that the Government takes positive steps to protect our fledgling industries from goods that are being bought cheaply from other countries all over the world. It is one thing having foreign exchange to spend and completely another to give the people the freedom to use that foreign exchange to import things that are going to kill the industries which we have started in this country. We have numerous examples of these. If we look at the Textile industry, we have virtually lost all the industries which were in existence. We may have to start from scratch.

Another area is the leather industry. Due to liberalisation, these days, it is easy for any Kenyan to export leather to China and once we do this, we are killing the leather industries in Kenya. We have many tanneries which then go without leather for tanning. We have many industries for leather goods which then will have locally tanned leather to manufacture and at the end of the day, we end up supporting the tanning and the shoe industry in China and India that leather making industries elsewhere and not in Kenya. So, what I am saying is that the Government should consider the industrialisation of Kenya as a necessary component to the future economic development of this country. No country in the world has been able to develop without industrialisation and what we are doing to our country today through the liberalisation measures that have been adopted is turning Kenya into a trading nation. I think the Government should take positive steps to protect the few industries we have and when we talk about repealing the Exchange Control Act so that investors can come from outside to invest, I agree with that. But which investor will come to invest if there is no market for his goods? We need to take action. We have already taken a very bold step in

repealing the Exchange Control Act, but we need to take an equally bold and, perhaps, a little more painful one of deciding what goods we will allow to be imported into the country, the conditions under which those goods will be imported so that our local industries are not thrown open to dumping from other countries. Unless we do that, and go a step further to strengthen the East African Common market and COMESA, Kenya will not be an attractive investment country for outside investors. It is really regrettable that after the Government had signed an agreement with Uganda and Tanzania for the revival of the Community after all that fanfare, nothing seems to have happened. Kenya was given the job of appointing the Secretary-General of the East African Community...

**Mr. Speaker:** Mr. Mwiraria, you realize that, that Question is coming tomorrow in the afternoon. We deferred that Question yesterday to tomorrow afternoon.

**Mr. Mwiraria:** Mr. Speaker, Sir, I will skip that point then.

**Mr. Speaker:** Very well. Proceed.

**Mr. Mwiraria:** The second point which I want to make is that if we really want to industrialize, we must begin immediately to standardize the imports we bring into the country. One example which unfortunately seems to be getting destroyed by liberalisation is the motor vehicle assembly plant. Today, one will find cars made in every country of this world here in Kenya. Surely, even to keep the inventory of spare parts is going to be a very expensive process, foreign exchange wise, to the nation. So, my suggestion is that the Government seriously looks at limiting the number of models of vehicles that will be imported. This should not be too difficult and once this is done, then we can assemble those models locally and begin making spare parts available within Kenya so that ultimately, we can have a motor vehicle manufacturing industry in this nation. If we throw open the flood gates as we appear to have done, then we are making a retrogressive step. We are not helping to build the economy of Kenya.

The third point I want to make, Mr. Speaker, Sir, is that, we need to make the Central Bank of Kenya independent; completely independent, so that, the Governor is free from pressure, free from coercion, free from influence from anybody, including the Minister for Finance.

Mr. Speaker, Sir, I am making this statement, because, I know that, unless the Governor has got the legal power to say "no" to the dictates of the Government, then the country will not have a sound monetary policy which is what the Central Bank is really set up, to give to the country.

Mr. Speaker, Sir, we hear of occasions when, for instance, our currency has started losing value against stronger currencies and we have on occasions been told of Kenyans who hold large sums of foreign exchange abroad, making windfall gains, because, somehow they happen to know that, the shilling was going to fall. But, I am sure if the Central Bank was completely independent, maybe, some of these things would not leak in advance and no Kenyan would reap windfall gains from the miseries of others, because when the currency is devalued, the ordinary mwananchi suffers from high inflation, but, the few individuals who get more shillings for their foreign exchange, make money at the expense of the mwananchi.

Mr. Speaker, Sir, I would like to conclude by emphasising the fact that, now that we have completely removed the foreign exchange regulations, it is imperative that the Government, the Ministry of Finance, the Ministry of Commerce and Industry, draw up rules and regulations to govern the importation of goods into the country in order to avoid the flooding of our market with cheap-dumped goods from other economies. We do not need to be told that, for everything Kenya can produce, China can produce it cheaper, because it has already got a very large home market and it is already industrialised. So, whether we like it or not, we need a system of promoting, or I may use what we perhaps we do not want to use today of protecting our fledgling industry. We have no lease and once again, for those of hon. Members and Kenyans who have had opportunity to go to India, we all know how long it took India making the old Fiat 1100 before they were able to go to the manufacture of motor-vehicles. But, they were able to do it just because they standardised on a few vehicles, like the Morris Austin on the Fiat 1100 and the TATA track. That is why we are able to have TATA, or other vehicles, but India does not have a quarter of the number of motor-vehicles that this country has.

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

*[Mr. Speaker left the Chair]*

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

**Dr. Lwali-Oyondi:** Thank you, Mr. Temporary Deputy Speaker, for allowing me to have a few comments on this Bill. It is a Bill that actually should have come long time ago. In that, the Ministry of Commerce and the Central Bank tried to control the economy and the foreign exchange, and it resulted into what we have heard; a lot of hardships for traders and actual corruption whereby, there were importers that were actually not importers. We had

people who went round asking, "what do you want to import?" I will make sure that you go through very quickly. These people demanded a percentage that was ranging from two to 10 per cent of the total import one was to make. It is good that now that the exchange controls have been liberalised, people can collect money from anywhere and import whatever that one can import. In essence, instead of losing the foreign exchange that the Central Bank was trying to preserve, it has resulted into actually having more foreign exchange. I remember, Mr. Temporary Deputy Speaker, Sir, the Bank and the Government in general, was very fussy at one time when you are found with a one dollar bill or two, or five dollar bills in your pocket, you had to explain how you got it then people like my friend, Mr. Waruru Kanja, had to go to jail because of having a few dollars in the pocket. Now, those are bygone days and we have seen the benefit in that actually we had a flood of foreign exchange into Kenya. Those who had exported money, actually brought it back without being shy and afraid of being asked questions of how they got the money and yet they went out with less money, because it used to be endorsed - on the passport. So, at the moment, things according to me are very good and the only thing that we ought to do is, we ourselves, particularly the Kenya African himself has to have a bit of discipline so that, we do not cause the shying away of this foreign exchange. I was glad to hear that, now the Minister was firm in whatever changes that are coming and there would be no interference whatsoever. Once people are not afraid of a sudden clump on their money which they have gathered somehow, there will be no need for them to run away with it. It is just like we allow tourists to come in the first place and go out. If we had to force them to remain in, they would never dare to come in, and the same applies to money. When we allow it to come in and get out, people will not be worried about trying to either store it out there, wondering whether they will be able to get away with it after they have brought it in. The only things that we have to look after is only stability.

The Government talks of stability all the time. We in the Opposition are trying as much as possible to be stable, or to make sure that this country is stable. The country can never be made stable by simply talking of stability. Stability comes about as result of seeing a Government which has confidence. Once you are confident nobody will worry about you, nobody will worry about a Government which has no confidence in itself can be created by allowing people to talk about what they like so long as it is within the law, doing things transparently and making sure that you oppress nobody. As at the moment, when we are being oppressed in the Opposition, and the oppression is now extending to not only the Back-benchers of the Government, or the KANU side, it has touched Assistant Ministers, and time is not long when Ministers will be snatched microphones and be told not to address certain meetings. Personally, I have gone through it and I am completely immune, I do not---

**The Assistant Minister for Local Government (Dr. Wameyo):** On a point of order. Mr. Temporary Deputy Speaker, I do not know whether what he saying is consistent to the Bill? What does oppression got to do with Exchange Control Bill?

**Dr. Lwali-Oyondi:** Mr. Temporary Deputy Speaker, Sir, I think Dr. Wameyo was not paying attention and just suddenly had to rise on the spur of the moment. The reason why we are having to do away with exchange control is that it will allow free flow of foreign exchange into this country. If that foreign exchange can only come if there is stability and stability can only be enhanced by having a free country where there is no oppression. Once there is oppression, people will resist one day that oppression, and therefore, there will be an element of instability. Once there is an element of instability, the foreign exchange is very shy like little birds which will fly away anytime there is a hassle. Therefore, this has a lot to do with it and I hope the Dr. Wameyo has understood my connection. It is a high time that both the Opposition and the Government met, even if it was not in Parliament, or somewhere else with experts so that we can talk about the economy of this country, and lay the ground for improving upon it because you need not to be an economist to know that we are in economic doldrums. There is completely no economic improvement going on, and this can be seen by the fact that there is complete unemployment in the country, most Members of Parliament are haunted by *wananchi* who have no jobs and those who have no education at all, to primary finishers, secondary finishers and tertiary finishers, because those who have been trained even as teachers have no jobs and those in the universities.

There are many people now with degrees who have no hope of getting any employment because the economy cannot support them, it has deteriorated from what it was a few years ago. And it is a high time we sat together and mapped out very soberly what we are going to do about it before it goes beyond help, and once we have got this exchange, we are supposed to have this labour, those people who are employed have no assurance of having that employment for long. That is one area we have to look into and our workers can never be sure now. Most of them are employed by industrialists, and the industrialists are mostly Asians, and these Asians have got a lot of tricks which they play on their workers. First, they make sure that those who have worked for them for long, 10, 20, and even 30 years, have to lose their jobs somehow, they are accused of all things they have never done and they are sacked; some the industrialists pretend that they have got a problem in getting rid of their wares and so they declare a state of redundancy and they get rid of those who have worked for long only to re-employ them again on contract, so in other words, they try to avoid payment of terminal benefits.

I am glad the Minister for Labour is around. I think the Government has to protect our people against this. We have industries in Nakuru whereby this sort of play is going on, the sacking or laying off, and then re-engaging them under contract for, say, two or months later on.

Another thing they have adopted also is to have what they call "casuals", or casual workers for 10 or 20 years, but the only thing they do now is to keep on getting them off for a week or so. We have to make sure that these industrialists have to be of any use, they will have to give labour or jobs to our people so that they are stable. It is very frightening to have a job today and then you are "floating economically" and next day you have no job, and that is not only with you, it is your family, your wife, children and all the relatives that you support.

If we are to have a stable Government, and a stable economic system, we shall have to support the labour and it must be assured and be stable. If possible, the workers should buy shares in these undertakings in these industries so that it becomes part and parcel of the workers so that they support it as a whole. This is a method which has succeeded in places like Japan and I do not see the reason why the Government should not support that or try it here. We have a lot of these co-operative societies which could use some of the money in trying to buy shares in some of the stable industries.

Mr. Temporary Deputy Speaker, Sir, also, in order to let not a few people, the banks, and other financial institutions from exploiting or forming cartels which will put the country at ransom, particularly when it comes to selling of foreign exchange, there should be complete liberalisation in forming these bureaus of exchange, whether they are attached to banks or individuals, so that there will be competition and people not forming cartels which can be used to either inflate the prices of foreign exchange or lower it at will. I hope the Government will allow as many people as possible to also hawk foreign exchange on the borders. I think that will also help in making sure there is stability in the exchange rate. Another thing that has been referred to and which would help us to keep these exchange rates stable is our own budget. The budget deficit. These are things that we talk of being careful about, but in the end we always waste a lot of money and end up with a budget deficit and of course once we have a deficit, the Government goes in for borrowing money and when it does so, of course, it has to attract that by having to float interest rates in the Central Bank that have been very embarrassing particularly in the last few years whereby they were giving money up to 80 per cent interest rates and, therefore, people had to take the money there and in that way they inflated the local banks lending rates to the detriment of traders. In fact this has resulted into banks making money from wananchi. The commercial banks are no longer interested in the ordinary mwananchi. They go to make money in the Central Bank and that is why some of them are saying now if you do not have Kshs10,000 you cannot open a bank account, if you do not have Kshs5,000 you cannot open a bank account. This is simply because they have got a ready supplier of money which is Central Bank through the Treasury Bills and I do not think that is improving the economy at all and wananchi too because of the high rates they go into the financial houses not to invest money into buildings or anything else but for speculation purposes they get the money into the financial houses and even into the Treasury bills so that the money that is being made is not economically benefitting this country. It is just a question of people playing about with figures here and there and the banks too will have to be checked upon as I have just said because they can just decide to say "Well, now the dollar is up by one shilling" and that is a lot of money when it comes to billions of shillings which the bank transact in. Now another thing in connection with this is that the payments generally must be launched into this economic system. They cannot launch themselves as I have said because of these high interest rates and therefore the Government has to do something in launching Kenyans into this business including the selling of foreign exchange. I would suggest that there should be certain areas or certain buildings within towns, or within city centres whereby Africans who have already achieved a certain amount of commercial undertakings like having shops, kiosks and so on; could get into bigger shops. These shops are usually not very easy to get in the centres of these towns and cities and, therefore, I would suggest that the Government could put up a certain building with very small shops whereby these people who have been having kiosks can graduate into those shops and those who have been hawking can take over the kiosks left behind.

**The Assistant Minister for Finance** (Mr. Keah): On a point of order Mr. Temporary Deputy Speaker Sir, I am straining very hard while taking notes to clearly find out whether he is saying has relevance to this Bill and I am finding it very difficult. I wonder if he could certainly help those of us taking notes by keeping within the Bill.

**Dr. Lwali-Oyondi:** Yes, the Bill has actually got only one line and I am sure the Assistant Minister knows that. So, we are keeping within there Bill because the Exchange Control has something to do with trade and the exchange control per se has very little to help. We are trying to get into commercial undertakings and we have already agreed it is going to be repealed and we are just giving you ways and means of improving the economy so that we can get more and more of this foreign money.

In conclusion, I would also like to refer to printing of money. This is the naked and ugly fact; that there is printing of money, the actual manufacture of money for which nobody has worked. This will not enhance our exchange rates. It will result into inflation and this inflation will result into very high costs of foreign exchange and

high costs of foreign exchange will result into very high prices for imports on which we depend and, therefore, make life very miserable for wananchi who have got their students out there, children who are learning and who must buy things from overseas like medicines and, therefore, the Government has to be careful for Heaven's sake not to print money for political purposes for bribery and corruption or for running around with it doing Harambees and trying to impress upon people that you can give out millions and billions of shillings. Wananchi know very well your economic status and they know that no African can produce a million bob and give it out just like that. It is all fake and it a phantom and, therefore, we ask the Government not to make use of De la Rue at Kasarani to print money for distribution. The Government is supposed to gather taxes from wananchi who work and then fairly use that tax for improving their lives. They are the ones that generate money not we. We have no industries, we have no way of generating money so that when I come up with my Kshs50,000 or Kshs100,000 or Kshs500,000, that is a lie or rather untruth.

No politician can produce millions of shillings. We should desist from this act as this is what brings inflation. It also leads to stealing of money or obtaining money by false means from the Treasury and the Central Bank. In this way, we have a lot of billions of shillings being stolen. The stealing is done by people who are used by some politicians and the money ends up in the hands of politicians. If politicians keep on dishing out money every day and every night, that does not help this country. That is why we are becoming poor and poorer every day. This is like trying to get fat by eating your own flesh. Therefore, we are trying to advance ourselves money by trying to steal from ourselves and that is not contributing to our economy, but only bringing poverty and that is why we are where we are.

With those few remarks, I beg to support.

**Mr. Shikuku:** Mr. Temporary Deputy Speaker, Sir, this time I will speak in English. I am glad you have given me this opportunity to say a few words about this infamous Bill.

It will be recalled that once upon a time I stood in this very spot and tried to draw the attention of the powers that were at that time and they are still there because it is still KANU Government that is in power, to the effect that money was being syphoned from this country into foreign banks. It is nice to recall some of the things that we were taught at school. I was taught one thing, that the truth never rots and that the truth is God and God is the truth. That has made me live up to this time. If you go by the truth you can last long in this game: The game of Parliament which is the headquarters of politics; a game that has no rules or regulations; a game that has no order, and to last in that game which has not rules and no order, you must be good.

**The Temporary Deputy Speaker (Mr. Wetangula):** How does that help the repeal of Foreign Exchange?

**Mr. Shikuku:** I am coming to that because I do recall that when I complained in this House that money was being syphoned from this country it was denied until I substantiated here by quoting the IMF Report which at that time, 1987, showed that an amount of Kshs 80.6 billion had been stashed out of this country by the citizens of this country. Now, that is the truth. It was denied and substantiated. Now we all know that even His Excellency the President said so in 1992, after I had substantiated in 1987. He said, "Yes, money left this country and was stashed outside this country and that it will brought back". To date, I have not heard or seen this money coming back. The aim of this Bill is to enable - and it came from the Minister's mouth- those that have stashed this money outside to bring it back because there is no more fear of being arrested or prosecuted for doing so yet this very Government takes every opportunity in the radio to call upon our friends from outside to invest money in this country when the outside world knows that we stole our own money and stashed it outside. Are we not sick? We are a sick society. A society or a nation that can steal from itself, keep the money out and ask those outside to bring their money here must be sick!

**The Assistant Minister for Information and Broadcasting (Mr. Nassir):** On a point of order, Mr. Temporary Deputy Speaker, Sir. Can my old colleague, hon. Shikuku be specific when mentioning people and things. He likes talking in general about issues. He has been doing that for many years now. He keeps on repeating old stories that he has been giving since he came to this Parliament. He does not mention names of people who have done what he alleges. He should give us names of those who have done wrong so that we can pin them down.

**Mr. Shikuku:** I will ignore that because it is not worth being commended because they say, "Kumwashia kipofu taa ni kuharibu mafuta". That is the language he understands.

**The Temporary Deputy Speaker (Mr. Wetangula):** Mr. Shikuku, Standing Order No. 73 (3) states:- "It shall be out of order to use offensive or insulting language whether in respect of Members of the House or other persons".

To use words that cast aspersions and insinuations that hon. Nassir is equal to or is a blind person is insulting.

**Mr. Shikuku:** Mr. Temporary Deputy Speaker, Sir, I am aware of that Standing Order and equally aware that you can quote from the sayings or methali, and I happen---

**The Temporary Deputy Speaker (Mr. Wetangula):** Order! It is offending within the context within which you have quoted. It casts an insult and therefore improper motive.

**Mr. Shikuku:** Mr. Temporary Deputy Speaker, Sir, I have no reason to argue with the Chair, but from your own observation my friend is ---

**The Temporary Deputy Speaker (Mr. Wetangula):** The Chair is always right, hon. Shikuku.

**Mr. Shikuku:** Yes but you could see that the hon. Member was quite happy but nevertheless I will take the ruling.

Mr. Temporary Deputy Speaker, Sir, we are talking about the repeal of the Exchange Control Act and this involves money siphoned out of this country. Money that was taken out. There is one thing I know that whatever I am talking about is true because the other day - not last year - the Ambassador of the United States of America - she has repeated that twice - said, "Yes, we are ready to come and invest in this country if you can bring back the money you have repatriated out of this country". Is there anything more logical than that? If you keep money outside, and I know you have done that and ask other people to invest here, is it not illogical. You being an African you know that if I have got a piece of land and I do not have enough grass for my cows, you can keep my cows for me. All you have got to do is to milk them I do not mind whether you drink it or not but they will have enough grass to graze, but it will be very ironical to invite hon. Masinde to bring his cows to my village which has no grass when I have taken my cows to your land for grazing. That is what we are doing. We have taken our cows elsewhere and inviting somebody to bring his cows when we know that we have no grass.

So, first and foremost, it is for us to return this money now and that is why this Bill is being repealed, then you can ask other people to invest in this country when you have returned your own money to your own country. What does the hon. Government of ours think? It thinks we are loved by those outside there who know that you have kept money there? That is why I said that this is a sick nation. Therefore, I want to say, in the name of liberalisation we are now repealing this Act to liberalise foreign exchange. Do you know, Mr. Temporary Deputy Speaker, Sir, that siphoning of money from this country is still continuing? That is the ironical part of it. The other day I substantiated here that there was a film to be shot by some people from India who did not pay even a single cent and over Kshs100 million left this country and will never come back - not even a single cent - yet the film was shot in Kenya. Transportation of those actors and actresses by Kenya Airways was paid for in our own money. They spent nothing here at all and then the agreement says that when this film goes to India, not a five cents will be remitted to Kenya. We have not stopped from siphoning money from this country into foreign banks and those are doing that are citizens of this country who are holders of Burning Spear.

**The Assistant Minister for Information and Broadcasting (Mr. Nassir):** Mr. Temporary Deputy Speaker, Sir, after hearing the same story about corruption and people taking money, would I be in order to move that the mover be now called upon to reply so that we may proceed to do our businesses in this country and serve our poor people?

**Mr. Shikuku:** Mr. Temporary Deputy Speaker, Sir, the hon. Nassir came here just a few minutes ago. Some of us have been sitting here making notes.

We are doing a good job to repeal this Act, but I am only telling them that it is not going to be in the interest of this nation, because we still have these characters who are siphoning money still using every means. Kenya is a great country, it should have collapsed by now. If we could keep all our money here, we would be happy people. Today many people are going without food, many people are hanging around hon. Nassir's office with different problems and he gives them Kshs20 or Kshs30. These people would not be around his office or my home if they were able to get their own money and uphold their own dignity than being reduced to beggars because we have messed up our own economy, stolen our own money.

I am happy also that the law is being repealed because you can remember one day when the hon. Kanja was found with a few US dollars, he went to jail. Those days when you arrived at the Airport you had to make sure that every foreign currency is surrendered and you are trembling while my poor friend, a nationalist of high status in this country, a freedom fighter, ended up in jail because he was found with a few dollars on him. We know that billions and billions of dollars have left this country. What a society? What a nation? He was due to be hanged, but he escaped by the skin of his teeth here from Nairobi Prison. Today, he goes to jail because for having in his possession foreign exchange. I am sure that wherever he is, he must be smiling. Now that has gone. This Bill ought to have been brought here many years ago, but credit must be given to the IMF and World Bank which have managed to get hold of this hon. KANU Government and brought it to its senses. When we are removing this, it is not an open door now for the corrupt fellows to do their evils. We are a Parliament our job is to create a good atmosphere, so that businessmen and women are free to do their business without interference. We must make the beehive and put it in the right place and leave it to the bees to come in and make honey and then after a certain period we go and get that honey.

That is what we are supposed to do, to create an atmosphere of stability which is very essential. I want to emphasise again that stability cannot come when elected representatives of the people are being hunted down like antelopes by the very system called Government. We are not here to defend wrong-doers, they must be apprehended tried and convicted and sent to jail. We do not like old citizens like myself

being harassed. My record is clear for all these 43 years. Why should a young man come along with a tear gas canister and hurl it at me? Inhaling tear gas at this age is a terrible thing. I am no longer a young man; I am a man who brought Uhuru to this country and now being hurled tear gas at and then you expect stability to create an atmosphere which is conducive to the investors to come and invest. Yet, the country is corrupt and this afternoon a Minister told us of somebody who was given a plot he had never applied for it was hon. Ndilinge. He said that he did not want a plot, but they insisted on giving him and said that if he did not want it he could return it. How could they give a plot to somebody who never applied for it? That is corruption. I am glad hon. Ndilinge refused and we should have many "Ndilinges" in this House. If we all refuse to be corrupt and to be bribed, then this nation would be safe. The Minister was saying it smiling as if he is saying nothing and he did not know that he was saying something terrible. It is corruption that has killed this nation and has brought poverty. We are poorer than we were during the colonial days in the name of "Serikali ya KANU".

**An hon. Member:** Of which you were a party to!

**Mr. Shikuku:** An hon. Member says, "which you were a party to". Yes, I was and when I was there I was still resisting corruption, and records of this House will bear me out. Even if when they appointed me an Assistant Minister many times, that never controlled me, I still spoke my mind.

Mr. Temporary Deputy Speaker, Sir, we would like to have the "Jua Kali" people because that is the beginning of trade. I wish we had "Jua Kali" before we Africanise the trade when we gave the Asians quit notices. Today, these people are doing a good job. They have got the experience now. If they are given that opportunity to africanising the trade in this country, they will do far much better. However, they are not allowed by the very Government to do it. Why? The plots are grabbed by the "big boys" and wherever they are, they are being chased around. Their kiosks are demolished by this very Government.

**The Assistant Minister for Information and Broadcasting (Mr. Nassir):** On a point of order Mr. Temporary Deputy Speaker, Sir.

**The Temporary Deputy Speaker (Mr. Wetangula):** Order! There is a point of order, hon. Shikuku!

**The Assistant Minister for Information and Broadcasting (Mr. Nassir):** Mr. Temporary Deputy Speaker, Sir, Mr. Shikuku being one of those people who fought for this Independence, does he know how many Kenyans today are in this business?

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

**The Assistant Minister for Information and Broadcasting (Mr. Nassir):** He is fooling people! Kenyans today are in this business. They have got houses of their own. If you want to remain talking about politics throughout your life when the rest of your friends are owning houses, buildings and shambas; it is up you!

**The Temporary Deputy Speaker (Mr. Wetangula):** That is not a point of order.

*(Loud consultation)*

**Mr. Shikuku:** Mr. Temporary Deputy Speaker, Sir---

**The Temporary Deputy Speaker (Mr. Wetangula):** Order Mr. Shikuku! Hon. Nassir is out of order to use a point order as a pretext to advance an argument.

**Mr. Shikuku:** Mr. Temporary Deputy Speaker, Sir, again I will ignore him. Yet, he is the father and grandfather of children; what a shame!

Mr. Temporary Deputy Speaker, Sir, I was saying that Africans must be given an opportunity to rise up. One can start as a kiosk owner and go on and at the end he will be a shop owner. One can start as a "Jua Kali" artisan and at the end one ends up with a small industry, but if one is given the opportunity. Does this Government give wananchi opportunities? The only opportunity one is given is that kiosk he has tried to build is demolished and all the goods taken away. That is done by this Government. One might think that the colonialists have come back. Why are they demolishing kiosks owned by their fellow---

**The Minister for Labour and Manpower Development (Mr. Masinde):** On a point of order Mr. Temporary Deputy Speaker, Sir.

**The Temporary Deputy Speaker (Mr. Wetangula):** Yes, Mr. Masinde.

**The Minister for Labour and Manpower Development (Mr. Masinde):** I am sorry, Mr. Temporary Deputy Speaker, Sir, but hon. Shikuku seems to think that he is still fighting colonialists. Is he not misleading this House when he says that the Government is not caring for about the "Jua Kali" artisans when we have a Ministry, specifically for looking after "Jua Kali" sector. The kiosk people must also be orderly. When they get licences they are shown where to operate their businesses. They cannot be operating in front of shops, and we call them orderly fellows.

**Mr. Shikuku:** Mr. Temporary Deputy Speaker, Sir, I hope the reporters have heard what the hon. Member has said. The press should report him very well. I am talking about kiosks which are not built in front of the shops. Kiosks which are being demolished are not in front of big shops. Probably he is confusing that with the hawkers or those fellows who move around with watches and other wares. I think that is what he means. I am not talking about those hawkers. But even those hawkers have a right to live. Where does the Minister expect them to go? Where does the Minister expect them to earn their living, when they have no jobs and when they steal they are arrested. He is the Minister for Labour and Manpower Development? Very many Ministers for Labour normally never come back after the General Elections.

*(Laughter)*

During the last 30 years and over, I have seen many Ministers for Labour and Manpower Development going through that door and never coming back.

**The Temporary Deputy Speaker** (Mr. Wetangula): Mr. Temporary Deputy Speaker, Sir, it is unfair to use your experience to intimidate others.

**Mr. Shikuku:** I am sorry, Mr. Temporary Deputy Speaker, Sir.

*(Laughter)*

Mr. Temporary Deputy Speaker, Sir, what I was trying to say is that our people have got every right to be given the opportunity to make money, but when you demolish their kiosks you are not making them rich; you are making them poorer. They will not blame anybody but the Government. It is the policy of this Government to impoverish the people so that they have no say. They will always go on begging and are given "ngorongoro" to vote. "Ngorongoro" is a two kilogramme of maize. He is given two kilogrammes of maize and he votes for KANU. Then *anatingisha kidole* almost breaking it.

*(Laughter)*

**The Assistant Minister for Information and Broadcasting** (Mr. Nassir): On a point of order Mr. Temporary Deputy Speaker, Sir.

**The Temporary Deputy Speaker** (Mr. Wetangula): Order! There is a point of order from hon. Nassir.

**The Assistant Minister for Information and Broadcasting** (Mr. Nassir): Mr. Temporary Deputy Speaker, Sir, is the hon. Member in order to say that KANU gives something to people in order to vote for it? Is one of them who had 'sima' in KANU office?

*(Loud consultations)*

**Mr. Shikuku:** Mr. Temporary Deputy Speaker, Sir, once upon a time Mr. Churchill, said: "Let the sleeping dogs lie; I have laid my hand upon the flower and I shall not look back". So, I am moving on to talk on behalf of mwananchi, who is denied opportunity. The hon. Member is interjecting me only to talk. Why was he brought here to come and sit here without talking? We are paid to talk. He does not know why he is here. He should go back and take some coffee to Mwembe Tayari.

**The Assistant Minister for Finance** (Mr. Keah): On a point of order, Mr. Temporary Deputy Speaker, Sir.

**The Temporary Deputy Speaker** (Mr. Wetangula): Yes, Mr. Keah.

**The Assistant Minister for Finance** (Mr. Keah): Mr. Temporary Deputy Speaker, Sir, is it in order for us to be entertained across this very distinguished Table by two hon. Members? The two hon. Members are trading over personal business. Is this business of the House?

**Mr. Shikuku:** Mr. Temporary Deputy Speaker, Sir, I am looking for your protection now because I think hon. Nassir is hell-belt in interfering with my debate although I have never interfered with his debate in this House.

**The Temporary Deputy Speaker** (Mr. Wetangula): Mr. Shikuku you are fully protected.

**Mr. Shikuku:** Next time he will be thrown out.

Mr. Temporary Deputy Speaker, Sir, flowing of the money into this country and flowing of the same out of this country must be accepted by us. Whoever is going to flow it in should equally be allowed to flow it out. The only thing we have got to make sure is that he does not flow his money and flow double what he flew out of this country. Who is going to help us to do that? Where are we going to get these people to help us? This is something



when the Minister stands up to speak, he must give us a full proof so that we can make sure that the flowing out has not doubled the flowing in. Who is going to control that?

Mr. Temporary Deputy Speaker, Sir, unless we change this system, because the leaders of this country have feelings for this country. We are doomed because they are supposed to see further. If you look at the last Public Accounts Report, you will find some of the people who have taken these billions were not staff of the Central Bank itself. What are we going to do about that?

Hon. Members and other people who are interested in the economy of this country should sit down and device a system in such way so that we will be able to get people who can be able to control and manage our finances, particularly in the Central Bank itself and in the Ministry of Finance. They are repatriating money outside the country.

They are also withdrawing the tax-payers' money. They are the same people who are telling us in this House day in day out that because of the scarcity of money, they are not able to build that road, or, get medicine or get the other thing. Yet it is the very Ministry of Finance that is messing up this nation.

I would like to appeal to this Government to have a policy on land. There was even a Motion in this House about the "big men" grabbing everything. They are not satisfied with one, two or even 100 plots. They go on grabbing everything. Let us remember and adopt the policy of live and let live. Let her eat, let him eat, let us eat, let them eat and we shall co-exist. But with all this grabbing of money, where will they go with it? When they die, they will be buried six feet below the ground without the money. What is the point? There is a disease that we must cure which is called "grabbiosis". We must get medicine to cure that terrible disease called "grabbiosis." People want billions of shillings, and if an hon. Member like hon. Nassir is given a billion shillings, he cannot finish it. He can do everything, but he will not be able to finish it. What do they want these billions for? He is so old that he will kick the bucket before he does anything to a billion shillings. Even hon. Shikuku cannot finish a billion shillings.

**The Assistant Minister for Information and Broadcasting** (Mr. Nassir): On a point of order, Mr. Temporary Deputy Speaker, Sir. I am wondering whether hon. Shikuku is praying for me to have a billion shillings or whether he knows that I have a billion shillings. I think he is saying that because he hears my name over the radio giving out Harambee contributions.

**Mr. Shikuku:** Mr. Temporary Deputy Speaker, Sir, I was giving an example of hon. Nassir, but I did not mean him.

But, the issue about all this money, and I am glad about that. One day and I hope that he lives longer, he will be asked where he got it from. That will be the day he will regret that he was ever born. That will be the day when we shall know who have robbed this country. That is the day, we shall gnash your teeth in darkness.

With those few remarks, I beg to support.

**The Assistant Minister for Information and Broadcasting** (Mr. Nassir) Bw. Shikuku---

*(Laughter)*

Nisamehe, Bw. Naibu Spika wa Muda. Hakuna makosa kutaja jina la mhe. Shikuku kwa sababu nimezoea kusikia sauti yake kwa zaidi ya miaka ishirini. Ni sauti ile ile tu juu ya ufisadi au kwamba watu wanaiba na kadhalika. Lakini, nia ni kujenga nchi. Nia ni kuwafanya wale wengine ambao watakuja waje wastarehe katika nchi yetu.

Ukweli ni kwamba kuna mazungumzo juu ya kutaka Mswada huu upitishwe. Kwanza ni jukumu letu kuondoa fikira. Ikiwa kuna watu wabaya na wanajulikana ni heri tuwaseme. Ikiwa mtu yeyote anajua kuwa yeye ni Mbunge au ni mtu mmoja shujaa na aseme fulani, hata ikiwa ni mimi mhe. Nassir, ana makosa fulani ili tuweze kuyarekebisha.

**Dr. Otieno-Kopiyo:** Nidhamu, Bw. Naibu Spika wa Muda. Ningependa kujua mhe. Nassir anaongea juu ya Hoja gani, anamjibu mhe. Shikuku au anaongea juu ya Mswada wa Exchange Control?

**The Assistant Minister for Information and Broadcasting** (Mr. Nassir): Bw. Naibu Spika wa Muda, ningependa kujibu swali hilo na kusema kwamba mhe. Shikuku ndiye alianza maneno hayo alipokuwa akichezea kama mpira na wewe ukamwambia sivyo. Ningekubali kuulizwa swali hilo lakini---

**Mr. Shikuku:** Jambo la nidhamu, Bw. Naibu Spika wa Muda. Ninakumbuka wewe ulikuwa kwenye Kiti na ungaliko. Wewe uliniona nikifanya mchezo hapa? Uliniona nikicheza mchezo kama vile mhe. Nassir anavyofanya. Nafikiri mhe. Nassir anafaa afukuzwe Bungeni.

**The Assistant Minister for Information and Broadcasting** (Mr. Nassir): Bw. Naibu Spika wa Muda, ilikuwa ni kwa sababu suruali yake ilikuwa anamvukavuka hivi kidogo ndipo nikasema kwamba nilipata mambo mengi kutoka kwake. Lakini, nia ni kwamba wale wahe. Wabunge ambao waliona jinsi Uhuru ulivyopiganiwa wazungumze mambo ambayo yataweza kutusaidia. Ningependa Mswada ya aina hii ipitishwe kwa sababu watu wetu wana taabu. Kusema kwamba mtu mmoja tu, ana makosa si kitu kikubwa. Tunataka tuwe na mipango ya unyunyuziaji maji, watu wakopeshwe pesa kutoka mashirika, hospitali na shule zaidi zijengwe na kadhalika. Wakati

huu kuna wanafunzi wa vyuo vikuu ambao wanataka msaada ule utawezekana. Hamu yangu kubwa ni kuona kwamba tunawasaidia wananchi. Wananchi hawatakula maneno yetu. Wao hawali mimi maneno yangu ikiwa ninamtaja mhe. Shikuku au kuutaja sana uovu wa mhe. Shikuku. Wanataka wakitaka mambo ambayo yatawasaidia katika nchi.

Bw. Naibu Spika wa Muda, mimi nimesema mengi kuhusu barabara za Mombasa. Kuna watu wengi ambao hawawezi kusafiri kwa sababu barabara za Kisauni, Changamwe na nyingine zimeharibika. Tuombe msaada katika Bunge hili ili tuweze kusaidiwa.

Tuna taabu ya karo za shule za upili. Shule hizi pia ni chache. Ni lazima tuombe sote, kwa sauti moja, ili tuweze kujengewa shule za upili. Tumefanya Harambee na tutaendelea kufanya Harambee lakini ni lazima kuwoko na mpango ili huyu mtu maskini aweze kuwasomesha watoto wake. Huyu mtoto maskini atasomeshwa vipi? Tujaribu kutafuta njia ya kutoa msaada wa elimu. Tutafute njia, hata ikiwa ni sharti langu ambalo litatozwa kiwango cha shilingi moja au zaidi, ili maskini apate kusoma. Lakini hawa wezangu wote wanajua jinzi wanavyobishiwa milango asubuhi nyumbani; "sina karo ya shule, sina unifomu na kadhalika". Kwa nini basi, kama tunajua kuna taabu hizo, hatuwezi kuketi na kupitisha Hoja ambazo zitawafanya masikini nao waone raha?

Tutafuteni njia, kama wahe. Wabunge ili watu wetu waweze kukopa pesa katika benki au mashirika; uwapeleke watu wetu wakakope nao pesa! Vile vile tuwaonyeshe watu wetu vile wanavyoweza kupata mashamba. Wengine wetu husema "mimi sikupata shamba" Lakini tukiangalia rekodi tutaona kwamba hakuna hata mmoja wetu ambaye hana shamba. Labda yule mtu anataka kusema tu, lakini wengi sote tumepata mashamba. Basi ikiwa sisi tumepata mashamba ni heri tuwatafutie njia ili wengi wao wapate mashamba. Isiwe njia ya kuzungumza tu! Nia ya Bunge hili sikuchekesha na kufurahisha watu. Nia yake ni kupitisha mambo yatakayowasaidia wananchi maskini.

Kwa hivyo, Bw. Naibu Spika wa Muda, leo ni siku nzuri kwa sababu watu wanafikiria mambo ya kuwasaidia wananchi na kutazama mambo ya pesa zetu. Tukisema kuwa kuna ufidadi, magazeti yataandika ni nani aliyopeleka pesa hizo katika nchi za nje?

Basi ni kuandika, na hadi jina letu la nje---

**Dr. Lwali-Oyondi:** On a point of order, Mr. Temporary Deputy Speaker, Sir. Is the Assistant Minister in order to mislead the nation that we do not know who actually has obtained money corruptly while knowing the fact that it is all in the various Reports of Public Accounts Committees (PAC) and Public Investments Committees (PIC)?

**An hon. Member:** Somaia!

**The Assistant Minister for Information and Broadcasting (Mr. Nassir):** Bw. Naibu Spika wa Muda, ikiwa yeye anawajua, hasa kwa sababu yeye ni daktari wa ng'ombe anaweza akajua mambo hayo, basi ayapeleke hayo maneno pahali ambapo pafaa, lakini hapa tunataka kufanya yale mambo ambayo yanamsadia maskini. Hayo ya kupelekena kortini si yetu; kazi yetu muhimu ni kuwasaidia wananchi. Kazi yetu hapa ni kuwasaidia wale waliotupigia kura, siyo kupiga kelele matupu bali ni kutenda tunayoyasema.

Mimi katika kuunga mkono Mswada huu ninasema kwamba maneno matupu hayajengi nchi. Tujengeni nchi kwa kuwasidia wananchi. Watu wa Kenya wanataabu na hii ni kwa sababu tumeweka siasa katika Kenya kama chakula chetu. Wenzetu wote wanafanya biashara, mtu asikudanganye. Wote wana biashara, wana nyumba Mombasa, Nairobi na kwingineko, lakini nasikitikia wale wengine wana ugonjwa wa siasa wa kusema maneno matupu. Wenzetu wako sawasawa. Hata Harambee wanafanya ya watu watano tu nyumbani na wanapata kiasi cha pesa kinachotakikana. Wewe utapiga kelele mwanao yuko nyumbani, huna karo ya shule, ndugu yako hana pesa, mjomba wako hana pesa, wapiga kelele ya bure. Watu wawe na roho ya kuweza kusaidiana kwa vitendo, siyo kwa midomo. Nina washukuru wa Kenya wote ambao wanafanya biashara. Ubaya iko wapi wakiwa na pesa nje za kufanya biashara na siku moja zitaregea, hakuna taabu. Ikiwa pesa zile zimepeleleka kufanya biashara, ubaya uko wapi? Mtu yule yuko hapa akipeleka pesa nje kununua vifaa fulani, na hizo pesa viregee tena nchini, hakuna taabu. Sijui kitu gani kina wawasha hawa.

**An hon. Member:** Inawawashia nini?

**The Assistant Minister for Information and Broadcasting (Mr. Nassir):** Bw. Naibu Spika wa Muda, ninafikiri sasa umefika wakati wale wanaojua biashara hapa Kenya wafundishe wengine wale hawajui. Ingefaa wale wanaojua kulima, wawafundishe wale ambao hawajui. Lakini watu hodari wanafanya biashara na wanalima na hadi wewe wapiga siasa tu kutoka asubuhi mpaka jioni. Na wanawadanganya watu wao.

Kwa hayo machache, naunga mkono.

**The Temporary Deputy Speaker (Mr. Wetangula):** Are you through?

**The Assistant Minister for Information and Broadcasting (Mr. Nassir):** Bw. Naibu Spika wa Muda, nimemaliza.

**Prof. Mzee:** Ahsante sana, Bw. Naibu Spika wa Muda, kwa kunipa nafasi hii kuzungumza juu ya Mswada huu wa pesa za kigeni. Kweli katika nchi hii ni muhimu tupate pesa za kutosha za kigeni kuendesha maisha ya watu wetu kwa njia nzuri.

Bw. Naibu Spika wa Muda, jambo la kwanza katika kuleta hizi pesa za kigeni ni kuondosha vipingamizi

vilioko ambavyo viko hivi sasa na Mswada huu lengo lake ni kuondosha hivi vipingamizi. Na ninaunga mkono viondoshwe vipingamizi hivi. Jambo ambalo lafaa tufanye ni kufanya mazingiriza yetu katika nchi yetu ya Kenya kuwa ni mazingira yatakaribisha watu wenye pesa za kigeni kuzileta katika nchi yetu. Jambo la kwanza ni kuhakikisha ya kuwa mambo na mahitaji yote ambayo yataweza kuzileta hizi pesa yamerekebisha. Jambo linalotakikana katika kisiasa na katika uchumi wa sasa katika kuzileta pesa za nchi za kigeni ni kuirekebisha hii nchi kwa upande wa mawasiliano. Ni lazima tuwe na mawasiliano kama barabara, simu na njia za kupita ambazo watu wanaweza kutumia kufanya biashara zao. Ni vigumu sana kwa watu wa nchi za nje kuleta pesa zao na kufungua mitambo katika nchi yetu bila mawasiliano. Bila mawasiliano, viwanda vya biashara hazivezi kufunguliwa.

Hivi sasa ukitazama barabara zetu, utaona ni barabara mbaya sana. Kutoka Mombasa mpaka Nairobi mbayo ni barabara ya pitia magari makubwa makubwa ambao hayapungui maelfu kwa siku moja ni barabara nyembamba kabisa. Barabara imeharibika kabisa, magari mawili hayawezi kupita. Tutawezaje kukaribisha watu wenye pesa za nchi za kigeni kuzileta hapa ikiwa hakuna mawasiliano ya kisawasawa? Ni muhimu sana tuzitengeneze barabara zetu kama tunataka zisimamie uchumi katika nchi yetu. Hivi sasa ninapozungumza, magari mawili hayawezi kupishana katika barabara ya Mombasa na Nairobi. Ajali hutokea kila siku. Basi watu wa Kenya hatupendi watu wetu, tunawaacha wanakufa na vilevile tunazuia hizi pesa kuingia.

Jambo la pili, tukishakuwa kuwa na mawasiliano, ukisha kuwa na maji ya kutosha na umeme ya kutosha, ni ujuzi. Mtu hawezi kuleta viwanda vyake katika Kenya ikiwa hatuna watu ambao wana ujuzi ya teknolojia ya kisasa. Kwa hivyo, ni muhimu tuwapatie watoto watu elimu ambayo itawawezesha kuujua teknolojia ya kisasa ili waweze kujishirikisha na hii teknolojia ili waweze kuutumia hii teknolojia, zikija viwanda kama vile vilivyoko huko Bara la Asia ya Mashariki walivyoweza kuwakaribisha watu ambayo wana pesa za kigeni wakaweza kubadilisha nchi kama Malaysia, Indonesia na Korea. Mpaka hivi sasa hakuna kitu watengenezi huko. Wameweza kupata ujuzi haya ya kuweza kukaribisha viwanda katika nchi yao kwa mambo mawili: Kurekebisha mawasiliano na watu wao kuwapa ujuzi wa teknolojia ya kisasa.

Tukikushapata mambo haya niliyotaja, kwa hakika viwanda vyaweza kugurishwa katika nchi moja kamili zikapelekwa katika nchi nyingine. Tukishakupata yale mazingira ya kutosha, viwanda vitagurishwa tu. Na hii Kenya yetu, tuna mambo chungu nzima ambayo tunaweza kuleta pesa za kigeni. Na huu Mswada ambayo tunazungumzia leo utatusaidia sana kuzileta pesa za kigeni. Wageni na watu wa Kenya wanazo pesa hizo huko nje na wanaweza kuzirudisha hapa. Tuna Wakenya wengi ambao wanafanya kazi nje ya nchi hii na ambao pia wanaziweka pesa zao huko nje. Baada ya kuipitisha Mswada huu pesa hizi zitaingia humu nchini na hatutakuwa na taabu.

Bw. Naibu Spika wa Muda, jambo moja ni kwamba mimi nimesafiri kidogo. Hivi juzi nilisafiri hadi Sri Lanka, nchi ambayo haitushindi kwa jambo lolote. Sisi tuna vuo za bahari nzuri, mashamba ya chai na mahoteli ya watalii yanayoyashida yale ya Sri Lanka. Nchi Sri Lanka ina shida ya vita kutoka kwa kikundi cha Tamil Tigers. Idadi ya watalii wanaotembelea Kenya na Sri Lanka ni sawa laki mia nane. Sisi tuna uwezo wa kutembelewa na watalii zaidi ikiwa tutakirekebisha kitu kimoja. Sisi tumesahau namna ya kutega na kuwakaribisha watu. Ukifika katika viwanja vyetu vya ndege utaanza kusumbuliwa na maofisa wa usalama, ambao hawajui kuzungumza na wageni na wananchi kwa tamasha na furaha. Ukienda katika viwanja vya ndege vya nchi za kigeni utaona kwamba wageni wanakaribishwa kwa tamasha na furaha. Ukifika katika Idara ya Uhamiaji utaona kwamba taabu ni hiyo hiyo: watu wamesahau kuwakaribisha watu wengine na kusema nao kwa uzuri. Ukifika katika Idara ya Forodha hali ni hiyo hiyo.

Inafaa tujifunze namna ya kuzungumza na wageni, na hata baina yetu sisi wenyewe. Haifai maofisa wa polisi kufikiri kwamba wao ndio wakubwa na watu wengine ni wajinga. Kila wakati watu wanapokuwa wakisafiri kupitia viwanja vyetu vya ndege huwa wanafikiri sana juu ya ukosefu wa furaha na malalamiko. Inafaa tujirekebisha, na tukifanya hivi tunaweza kuwakaribisha wageni vizuri na hata sisi wenyewe tutakuwa na furaha katika nchi yetu. Ikiwa tutaweza kuzikaribisha pesa za kigeni humu nchini maisha ya watu wetu yatakuwa mazuri. Pia inafaa biashara zinazohusiana na utalii ziwe mkononi mwa Wakenya halisi. Kuna sehemu nyingine ambako pesa zinazolingia humu nchini hazifiki mikononi mwa Wakenya. Hii ni kwa sababu biashara ndogo ndogo kama za kuwasafirisha watalii hadi kwenye marine parks, kuwapeleke watalii kwa uvuvi baharini na kuwatengenezea watalii vyakula vya kienyeji haziko mikononi mwa wananchi. Tungetaka Serikali yetu itusaidia ili kazi kama hizi zibakie mikononi mwa wananchi ili pesa za kigeni zikiingia humu nchini na watalii zibakie humu humu na sizije zikarudi huko zitokako. Vile vile tunataka Serikali iwasadie Wakenya kuendesha biashara za kushughulikia safari za watalii hadi humu nchini. Tunataka maofisa wa balozi zetu watusaidie kwa kutupasha habari kuhusu watokako watalii ili tuweze kushughulikia safari zao na kupata pesa kutoka kwao.

Mswada huu ni wakuondosha vipengele vyote ambavyo vimekuwa vizuizi katika ubadilishanaji wa pesa za kigeni. Nina hakika kwamba kupitishwa kwa Mswada huu kutaongeza pesa katika nchi yetu na kutayafanya maisha wa Wakenya kuwa ya juu zaidi. Hata hivi sasa mambo ni mazuri. Hii ni kwa sababu ukitaka pesa za kigeni utaenda kwa benki yako na kuzipata bila ya kuulizwa maswali mengi; na ikiwa unataka kununua vitu kutoka nje unapata pesa za

kigeni za kulipia vitu hivyo kwa urahisi. Imekuwa ni biashara ya kutoa pesa nje na kuzirudisha humu nchini.

Pia Mungu ametubariki kwa kutupa uvuo wa bahari mzuri ambao unatuwezesha kufanya biashara na nchi nyingine jirani. Kwa hivyo, uhusiano wetu na nchi jirani unafaa kuwa mzuri sana. Hii ni kwa sababu sisi tunafaidika zaidi kutokana na nchi jirani kuliko vile nchi hizo jirani zinavyofaidika kutokana na sisi. Ikiwa tutaziondosha pingamizi zote baina yetu na nchi jirani na pesa zetu na zao zianze kubadilishwa kwa urahisi sisi tutauza bidhaa zetu kwa wingi na uchumi wa nchi yetu utaimarika.

Bw. Naibu Spika wa Muda, ningependa kuzungumzia jambo la mwisho. Hii ni kuhusiana na maisha ya Wakenya, ambayo yako katika hali ya chini kabisa kwa hivi sasa. Tunataka Serikali iwasaidie vijana ambao wamemaliza masomo na ambao hawana kazi. Kwa vile wazee wengi wamestaafu kazi sasa ni wakati wa vijana ambao wamemaliza masomo ya vyuo vikuu, shule za upili na shule za msingi kupewa kazi. Sijui kama watu wanajua kwamba ni asilimia 40 tu ya vijana wanaomaliza darasa la nane ambao wanapata nafasi ya kuendelea na masomo. Wale ambao hawapati nafasi hii inafaa wapewe kazi. Pia ni idadi ndogo tu ya vijana wanaomaliza kidato cha nne ambao huingia katika vyuo vikuu. Kwa hivyo, tuna mamilioni ya vijana wenye elimu ya viwango vya chuo kikuu, kidato cha nne na darasa la nane. Wakati huu vijana katika nchi hii ni wengi kuliko wazee. Katika nchi hii idadi ya vijana wenye umri wa chini ya miaka 45 ni mara tatu ya idadi ya watu wenye umri wa miaka 45 na zaidi. Ni lazima tuwasaidie vijana wetu kwa kuwa na mipango ya kuwapatia kazi. Tukiupitisha Mswada huu tutaweza kuyafanya mambo hayo yote.

Kwa hayo machache, naunga mkono.

**Dr. Otieno-Kopiyo:** Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me an opportunity to make a few comments on this Bill. I am impressed that this Government has found it prudent, although belatedly, to bring this necessary Bill to Parliament. In the Memorandum of Objects and Reasons the Bill proposes to repeal the draconian regulations that were existing in the Exchange Control Act, Cap 113 of the laws of Kenya. It explains that this is part of the on-going process of our economic reform.

WMr. Temporary Deputy Speaker, Sir, while I have very few comments to make I find on the whole that the idea of repealing this Exchange Control Act very reasonable and in keeping with the international trend. What I find shocking, though, is the fact that within this Bill there are still regulations that seek to restrict the smooth transactions of international payments, or payments by Kenyans.

**The Temporary Deputy Speaker (Mr. Wetangula):** Which Bill?

**Dr. Otieno-Kopiyo:** This Bill.

**The Temporary Deputy Speaker:** I think you are mistaken. We are debating the contents of page 731 only; no more. You seem to be anticipating debate on the next Bill.

**Dr. Otieno-Kopiyo:** Yes, Sir. As a gentleman I would want to admit that, that is the case. I was actually reading the Central Bank of Kenya (Amendment) Bill.

Anyway, now that I have come to that, without Mr. Obwocha's heckling behind me, I would want to explain that no matter how wonderful the provisions of the repeal of the Exchange Control Act are, it should not be, in future, negated by any other law because that would negate ---

**Mr. Obwocha:** On a point of order, Mr. Temporary Deputy Speaker, Sir. With due respect to Dr. Otieno-Kopiyo, can a Member of Parliament heckle? He has just said that; "hon. Obwocha is heckling me at the back". Members of Parliament do not heckle. Is he in order to imply that hon. Obwocha, the elected Member for West Mugirango is heckling him?

**Dr. Otieno-Kopiyo:** Mr. Temporary Deputy Speaker, Sir, hon. Obwocha does not normally heckle. If it so happened once, we can forgive him. He is a very reasonable accountant and a very superb Parliamentarian.

**The Temporary Deputy Speaker (Mr. Wetangula):** You could have, probably, said that he was repeatedly interfering with your Speech.

**Dr. Otieno-Kopiyo:** All those things combine to make sense now. Mr. Obwocha, with due respect, I apologise.

**Mr. Obwocha:** But he has not withdrawn!

**The Temporary Deputy Speaker (Mr. Wetangula):** I have made no order for him to withdraw.

**Dr. Otieno-Kopiyo:** Yes, Mr. Temporary Deputy Speaker. The word "heckling" is not against the Standing Orders.

First of all, historically, the Exchange Control Act was used against indigenous Kenyans a great deal to provide opportunities for trade and entrepreneurship to foreigners, particularly those of European or Asian origin. I am not normally racist, but I take the opportunity to condemn, in the strongest terms possible, the way the Government of Kenya is importing sub-standard skills from India in the name of work permits to Asians who are now actually engaged in petty trade. They are drivers and cooks for some companies. There are even sweepers from Asia brought

to Kenya to do jobs that could be carried out very adequately by Kenyans. This practice should be brought to an end. The Immigration Department should be overhauled and the Principal Immigration Officer retired in the public interest for bringing Kenya to shame because of this practice of bringing Asians who are unqualified to man businesses and jobs that could be done by Kenyans.

Mr. Temporary Deputy Speaker, Sir, in the same breath, I would want to comment on this issue. When we Kenyanized industries in the late 1960s and early 1970s, I do not know what happened because the whole of Biashara Street is now again in the hands of Indians. This is a shameful testimony of our failure to govern ourselves, particularly, on the economic front, 33 years after Independence. The repeal of this Exchange Control Act will enable Kenyan businessmen and entrepreneurs to move freely from Kenya to other countries to seek opportunities for importation of material that they may need in manufacturing and in general industry. Therefore, I think this is useful. You will remember those days when some people, particularly, on the other side got their relatives to go were running around with import licensing forms in their pockets. There were gentlemen who opened offices in this city to trade in nothing, but import licensing forms because of this Exchange Control Act. I am glad that this is finally going with the KANU Government because, they were intent on regulating everything, including who should own a kiosk where. This has been a shameful passage in our history and I am glad to see the back of it.

With those few remarks, I beg to support.

**Mr. Kibaki:** Mr. Temporary Deputy Speaker, Sir, I support this Bill to repeal the Exchange Control Act. I join other friends of mine who have said it will bring greater freedom. In addition to the greater freedom that it will bring to traders, we would also want that the Central Bank of Kenya which, in many ways, will still manage foreign exchange earnings, be granted greater independence from the Government and the Treasury so as to enable it to independently manage foreign exchange. Although I do not want to anticipate the Bill that will soon be brought before the House, regarding the amendment to the Central Bank Act, no greater independence is given to the Central Bank. However, it should be given. If we are genuine about having true freedom in the management of foreign exchange earnings which come to this nation, then the Central Bank must be independent of the Treasury so that it is not given directives on how to spend those earnings. Those earnings should be available to the economy freely and they should be utilised by the Kenya citizens through their own commercial banks and so on. That is the true meaning of having true freedom for the business to prosper. Even so, this first step is good only to the extent it will be followed by freeing foreign exchange earnings. If we do not free foreign exchange earnings; if the Central Bank is not free to operate on its own; if it is going to be ordered by the Treasury to raise Treasury Bill rates so that rates of interest in the whole system will rise because the Government wants to collect money from the public of Kenya, then repealing this Act will be meaningless. The Central Bank should not be ordered to direct the other commercial banks to put money in the so called cash-ratio deposit with the Central Bank, money which lies idle and which are savings of Kenyans. Savings of Kenyans should be used for investment and not be withdrawn by the Central Bank by setting up rules which they now have, that commercial banks must put 20 per cent of their deposits with the Central Bank. Commercial banks should be free so that the savings of Kenyans are available to Kenyans who want to invest. Then truly, we will be facing a prosperous future.

However, if on the one hand, you say you have freedom, but on the other hand, you make rules which say; you may earn foreign exchange, but you may not spend it, then it is futile. It is not real. So, we plead that the Treasury, in bringing the next Bill which has got to do with the amendment to the powers and status of the Central Bank, will give the Central Bank the freedom, the status and the independence that are required. We are talking about independence from control by the Government because, that is the starting point of true freedom in money matters.

The second point which I want to add is that, we have a very narrow base for foreign exchange earning today.

You know, the money we earn in Kenya today is essentially from tourism and farmers' activities. Farmers earn foreign exchange by exporting all that they produce; whether you are talking about coffee, tea, sisal or any other production by farmers. But in this country, an ordinary peasant farmer cannot borrow from commercial banks because, he is required to produce sophisticated things called cash-flow propositions and projects which must be analyzed and written in good English. These peasant farmers have not been to anybody's school, but they know what they want to invest in and they know what they want to do with their money. So, you go to a rural area where farmers, for instance, have earned their money from tea or coffee. However, when a farmer goes to borrow from a commercial bank, he does not get the money. Therefore, the Government has to take action to ensure that we develop new institutions which will help farmers to utilize their earnings. The earnings from exports are from farmers and we should not be having the situation we have now. The farmer earns the money, but all the lending and borrowing goes to commercial people in town. So, the commercial banks operate as instruments for collection of savings from rural areas, bring the money to town and lend it to commerce and industry of those who live in town. The money must go back to the base so as to promote production. It is the only way we are going to have development.

It is essential that the Government takes a hand in this matter. In many other countries we have such

institutions. In this country, we have been promised now for two years, by the Minister for Agriculture, Livestock Development and Marketing, that the Agricultural Finance Corporation (AFC) will be turned into a bank for farmers. We are still waiting, but it may never come until next general elections. Then it shall remain a promise and yet this institution is there. We want to have a farmer's bank so that we can borrow the money we have earned through export.

Thirdly, I would suggest that in having free exchange as we are going to have now, we should tighten the controls, and the checking of all these foreign exchange bureaus which are now being opened, I do not know how many they are and, perhaps, the Minister will tell us. I do not know whether we have now got 50, 60, 70 or 100. But there is need to have a measure of surveillance, just as the Central Bank has surveillance over commercial banks. It must also have supervision over foreign exchange bureaus. They cannot just be kiosks which are operating on their own without having to provide accounts to the Central Bank. We are not saying they should publish them to anybody else, but the Central Bank must get facts and figures of what is being exchanged, what is being used, the rates rules and above all, whether there is double-trading between those kiosks and other kiosks in other parts of the world. Money matters are very serious and no country can afford to open a channel for monies to disappear to the rest of the world thus benefiting others. As a tourist country, the channel can be wide open.

Mr. Temporary Deputy Speaker, Sir, I am talking of tourism because it is the largest foreign exchange earner for Kenya today. Last year, it paid some Kshs.28 billion. It earned what coffee and tea combined earned. Tourism is one industry whose earnings can be doubled in a matter of two to three years. But instead of moving in that direction, the Treasury is allowing the Ministry of Tourism to introduce new levies, taxes and new everything. We are going to render Kenya so expensive that we are going to work ourselves out of the market. That is a tragedy. Unfortunately, it is very easy for anyone in Europe to fly to Bangkok and pay the same cost as coming to a holiday in Kenya today. That is a fact and we have to live with the actual facts of the world. There is no point in pretending that we wish the world was different. It is not. It is a reality. If you are in Europe, you can go to Bangkok and have your two weeks and pay marginally less than you pay when you come to Kenya for two weeks.

Therefore, the level of taxes on hotels, tourists, on beach levies and on everything else must be reduced. Otherwise, we are working ourselves right out of the market. Perhaps most important is the Ministry of Tourism, after a long experience, should know that tourists now are recognised like any other export. They do not book individually. They are getting organised. You get organisations in Europe where they organise tourists and send them to West Indies, Paris and wherever they choose.

Therefore, they will send them where the cost is lowest. So, it is in our own interest, to lower the cost of having a holiday in Kenya. We cannot lower the cost if those who transport the tourists in Kenya, have to charge very high fees because vehicles which are used for transporting tourists cannot last for more than two seasons. Therefore, they have to charge higher charges.

Today, you can fly to South Africa from Europe, for the same cost as coming to Kenya, and when you reach South Africa, the roads are intimately better than ours, and the infrastructure is intimately superior to ours. I heard the Minister for Tourism, the other day saying we must learn to compete. How do you compete? If there is no road, there is no road, and you are telling the man to compete, how does he compete? How can he compete with somebody who has a beautiful road? How? How can he compete with someone where when you arrive, you are received with safety? But in Nairobi, tourists arrived at Jomo Kenyatta International Airport, kidnapped and later discovered naked in Ngong or inside Ngong. Those stories are told and published around the world the same day and, therefore, security for the tourism is the essential thing, and security for everybody, of course. But equally for tourists, otherwise, we are not really going to remain competitive, and yet that is our biggest single foreign exchange earner, and the one thing we could double the earnings within the shortest possible time. So, we should focus where it is likely.

Mr Temporary Deputy Speaker, Sir, in talking about how to expand foreign exchange earnings, because this is really what we are talking about once we remove the controls, we want to expand the volume of earnings, then, what they focus in this memorandum of objects and reasons, will be achieved. But they talk about removing bureaucratic procedures, but they have not removed them. The law has been amended, but these bureaucratic procedures for licensing someone who wants to open a tourist facility somewhere, have not been removed because it takes a fellow a whole year before he begins to send money because he is talking to the Ministry of Lands and Settlements, local authorities, Ministry of Water Development, wildlife and after one year, the man is frustrated, he does not invest in your tourism. This is very worrying, equally in industry. So, these are the bureaucratic procedures that we have to remove. I met a person the other day who had intended to invest in Kenya, but after two weeks here trying to get some kind of sense on how he can proceed, he moved on to Mauritius because he goes to meet different Ministries, and he is only told, you would move on from here to the next. He gets a little letter of reference. We were told that the Industrial Promotion Centre, would be one-stop operation, so that you can go there, and get all these aspects processed,

but it has not began to do so, and it is now four year, it is has been operating with senior directors paid very well. What are they doing other eating money? Nothing! Equally, the Industrial Promotion Centre, if you go with your project, and make the mistake of handing it in to those people, it is going to be sold to your competitor. Your project will be sold to your competitor by the same people who have been trusted to do the job.

Mr Temporary Deputy Speaker, Sir, these are realities, they are not things we are making, and the Government must stop thinking the Opposition is only Opposition, we are talking about the economy of Kenya. We want the economy to prosper, and this is something which must be removed, and earlier on hon. Shikuku, was talking about corruption, and somebody had the audacity to stand up and say that there is corruption! He has left now, you know he does not live here, he has been reduced to Mvita politics.

But I am saying that the Industrial Promotion Centre must become a genuine and a confidential centre where I can talk about my projects and be sure that what I have given them is not sold to my competitor. How can that happen? I think the best think is to stop the demanding an actual detailed project analysis. You do not need to be handed a detailed project analysis before you give somebody whatever letter he needs to go and start that industry. You do not need to get a detailed project analysis because you are not going to put any money in it. You have no qualified people there at the centre to study it, nobody is asking for their help. So, why do they demand it? They should not because that marketing is going on and it is terrible. It makes you feel sad that genuine investors are discouraged by our own people when they arrive there.

Equally, in order to promote tourism and to promote foreign investment, Immigration Department must begin to behave properly. When somebody arrives at the airport and he is asked in a very rough way "and what business brings you to Kenya--?" Why does he want to know what business brings you to Kenya? Since you have filled the entry form, that should be enough. Why should you be questioned more? If you are an investor and you have come to a country, why should you then be questioned at the airport by the immigration officials like you are a suspect? You are an honest businessman, coming to see whether there is an opportunity to invest your millions; and you arrive there and you are questioned by very junior people who have never run a single business anywhere. What do they know that they want to ask you about? If there is anything that the police are checking, why do they not check when the person has arrived and he is in the country? These are important issues because a fellow should be well received and should see that this country welcomes him and he is in the right mood.

We have to promote small scale businessmen in Kenya. Today, a small businessman, particularly *Jua Kali* wants to borrow money in small quantities; what one might call retail trade in money. If you want to borrow Kshs50,000 there is somebody who can think that you are a serious person and can consider you. Today, if you go to the existing institutions, since all the smaller institutions were wound up by the Government, and I heard the Government praising itself that it has closed all the African financial institutions, it has improved the economy therefore, it has made Africans more prosperous and that the country is more stable. This is an illusion. About 90 per cent of Kenyans who want to borrow money do not want to borrow in millions. They want to borrow small quantities because the nature of their businesses whether it is poultry, or zero-grazing and you want to buy two heifers and other implements needed or whether you are trying to improve your own little shamba, you want to borrow Kshs100,000 and a maximum of Kshs500,000. The institutions to deal with that kind of borrowing are not there yet. Those which were there were closed for whatever reason. We must promote the small persons otherwise the liberalisation we are talking about will remain very good as a theory, but it will only make those who are rich now infinitely richer, but it will not touch the ordinary person.

To reach, the ordinary person must have access to credit - particularly the peasant farmer. Trade is now taxed, and anybody doing any kind of business registers---

**Mr. Rotino:** On a point of order, Mr. Temporary Deputy Speaker. I hate to interrupt my hon. colleague, but, I think it is high time the Mover is called upon to reply.

**The Temporary Deputy Speaker** (Mr. Wetangula): Hon. Kibaki, you said finally, since you are on your last point, finish up before I put the question.

**Mr. Kibaki:** Now, Mr. Temporary Deputy Speaker, Sir. I do not know whether the hon. Member knows the meaning of the English phrase "high time"? It is peculiar, there is no such a thing. I was saying that, trade licensing should also now be removed, because, it has no purpose. For the purposes of taxation, there are other laws which have been set up, whether they are to do with restaurants, whether they are to do with shops or anything else, they are all there. There is no need for a general licensing just to trade, a traders licence, which is being levied around. It is one of these bureaucratic systems which should be removed so that we enjoy the freedom right through. Taxation is taken care of by those other laws. So, anybody who is taxable will be registered under one of these things like, VAT and all those things.

Finally, Mr. Temporary Deputy Speaker, Sir, let me say this, the Ministry of Finance promised us, once upon a time, that, once VAT was in place - and it was collecting enough money from that channel - they would reduce the

company tax, they would reduce the personal income tax. Now, the rest of the world has taken that step, they have moved to depending more heavily on VAT which is spread across the whole economy, but they have reduced the direct taxes on an individual, on companies, on whatever, and the rest of the world. But Kenya, we are still taxed, the promise is not fulfilled. So, we are now paying heavy VAT as well as heavy income tax, company tax and all other direct taxes. So, the promise which was made by the Treasury, through the Ministry of Finance in one of the famous budget earlier should now be implemented. Because, that is how you will get slightly more savings available in the economy for investment, and then this liberalization would have mae meaning. If we liberalize, but we have no money to invest, what have we done? We have done a good thing, but it is not adequate, to make it adequate let us have access to our savings.

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

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

**The Assistant Minister for Finance** (Mr. Keah): Thank you, Mr. Temporary Deputy Speaker, Sir, for the opportunity to reply to the contributions by hon. Members. On the outset, I would like to sincerely thank the Members have supported the repeal of this Act. I am grateful for their support in this Government move, because, as we did say in the memorandum of objects, the purpose is certainly to create confidence in the country in order to encourage and to enhance domestic, as well as foreign investment as well as to provide competition and, in general, to make sure that our economy has grown and investments have in fact increased.

Mr. Temporary Deputy Speaker, in repealing this Act, it is not by accident or, it is not per chance. It is part and parcel of the whole programme of liberalization. Indeed it is putting into effect the implementation of the Sessional Paper No. 1 of 1986, which is, in fact, the plan of our economic growth.

Mr. Temporary Deputy Speaker, hon. Members, in their interventions in supporting the repeal of this Act, have expressed several points of view, and I want to thank the whole lot of them: hon. Kiliku, hon. Dr. Kituyi, hon. Makau, hon. Michuki, hon. Kibaki, hon Mwiraria, hon. Biwott and the lot, and indeed hon. Shikuku and hon. Nassir, because they have made very commendable contributions. But the gist of it all is that we are all called upon to dedicate ourselves in this Republic to work harder. This repeal will be of no avail unless we are prepared to work towards peace and stability. Indeed, enhanced economic growth, can only come when this country is operating in an atmosphere of peace and stability. This can only come, if we all together, both sides of the House, and indeed the entire Kenyan community and dedicate ourselves to work together, as a nation, as one team, as one country, in order to enhance this peace and stability.

The other factor that will enhance, which will enable us to reap the results of this repeal, is dedication towards hard work. Those days of quick buck or easy money are really long gone, and we must in dedicating ourselves, call upon every one of us in whatever sector of the economy we are working in to ensure that we give our maximum to the building up of this nation and towards economic growth. Indeed, the repeal calls upon businessmen to take advantage of the freedom of moving the currency, of freeing the foreign exchange, to do business. Indeed, Kenyans have been asked by hon. Members those that have monies abroad to bring it and invest here in Kenya. I can only echo what hon. Members have said or how they have appealed to Kenyans to bring money back here because of this freedom that is now being made available. We are also taking this opportunity to appeal to our good friends in foreign countries to invest here because, through the repeal of this Act, we have made Kenya a much more attractive country, certainly within our region and we are well ahead, for example, we are even well ahead of South Africa where foreign exchange controls are still in existence. This is, indeed, a bold step by the KANU Government which should certainly be congratulated by everybody, by all, inclusive of the Opposition, that this bold step has been taken in an atmosphere of absolute encouragement of the economy and economic growth and encouraging Kenyans to make sure that we create our own wealth.

Mr. Temporary Deputy Speaker, Sir, several Members have touched upon the need to remove ourselves from the dependence on foreign aid. I can only echo that, indeed, it is incumbent upon all of us the ensure that we have worked very hard in order to release ourselves, in order to free ourselves from foreign aid dependence.

Mr. Temporary Deputy Speaker, Sir, on this point I would like to echo once again that foreign aid is dwindling. There is less and less money available from the donors or the so called industrialised countries. And when we say "Do not give money to Kenya" whoever says it, it only makes them feel happy. They too have got their own problems. All I can say is that we should certainly desist from abusing our own country by telling other people not to give us assistance. In deed I might caution here that one of the things that is going to work against the repeal of this Act, one of the ways that is going to stop us from benefitting from the repeal of this act is for us as Kenyans continue abusing our own motherland.



Mr. Temporary Deputy Speaker, Sir, if we as Kenyans continue speaking ill of Kenya, if we Kenyans continue to speak devilishly or to speak in a manner that is going to frighten outsiders from investing here, we will be the losers.

Mr. Temporary Deputy Speaker Sir, we are leisure happy to go on being quoted in the papers here and abroad talking of things we are unsure of; in deed abusing the Government and abusing our motherland. This will not be conducive to investment, not only domestic investment, but as well as foreign investment. I certainly agree with the comments that there is need for us to enhance the management of our domestic, financial and monetary management. I could not agree more. All that I can do is to call upon the professionals in banking, finance and in every sphere, lawyers alike to leave to our professionalism and more particularly to be ethical and to live according to our professional ethics. If we do that our country will be respected in every manner. Again I would like to say here that yes, we need to ensure that various other institutions work better. I am talking about licensing procedures and the Immigration Department. We cannot really condemn the Immigration Department wholesale. They are doing a good job. There may be a few bad people here and there but the Immigration Department, I must defend them, because they are doing a good job and we cannot wholesale condemn them. All I can say is yes, Investment Promotion Centre and all the licensing procedures will need to pull up their socks. I want to once again thank hon. Members for their wonderful contribution for supporting this Bill and with that I thank you.

*(Question put and agreed to)*

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

#### ADJOURNMENT

**The Temporary Deputy Speaker** (Mr. Wetangula): Hon. Members, it is now time for the interruption of business. The House is, therefore, adjourned until tomorrow Thursday at 2.30 p.m.

The House rose at 6.30 p.m.