

NATIONAL ASSEMBLY

OFFICIAL REPORT

Tuesday, 24th October, 1995

The House met at 2.30 p.m.

[Mr. Speaker in the Chair]

PRAYERS

ORAL ANSWERS TO QUESTIONS

Question No. 803

BANDITRY MENACE IN GALOLE

Mr. Speaker: Mr. Kofa not here? Next Question, Mr. Mutahi.

Question No. 505

RELEASE OF PROBE REPORT

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

- (a) when he will release the findings of the report of the Presidential Probe Committee on Mukuruweini Investment Company; and
- (b) when Mr. Jackson Gakumu Kanyago who was promised a refund of his contributions vide letter Ref. No. 24/4/92 dated 6th September, 1988, by the District Commissioner, Nyandarua, and other numerous shareholders who never got their land, will be refunded their contributions.

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

- (a) The Presidential Probe Committee Report on Mukuruweini Investment Company has not been finalised and presented officially to the appropriate authorities. It will be released to the public as soon as this is done.
- (b) A decision will be made on genuine shareholders, including Mr. Jackson Gakumu Kanyago, who contributed money, but were not allocated land when the report is received officially and studied by the Government.

Mr. Mutahi: Mr. Speaker, this is a very sad answer, I am receiving the same answer now for the last consecutive three years. The first time I entered this House, I asked this Question, the same Assistant Minister answered the same way; last year, he answered the same way; now, in 1995, he has answered the same way. Can he tell those people the truth, because, there is no truth in what he is saying in this House? He has given me the same answer before; that, the report is ready and we shall give that report out, since 1993 to date. The report is out and it has not been given to the people. Could he tell us who sold that land, because there was a District Commissioner - former D.C. Mr. Mwangi - who took the whole land and consumed all the money that was in the bank? Could he tell us the truth, because, there would never be any land and there would never be any money to be paid to those people, if he or his Office does not intervene?

Mr. Awori: Mr. Speaker, Sir, I would like to make one point very clear. Mukuruweini and others were private public companies but the Government came in to facilitate and to try and save the shareholders' funds. At no time did any member of Administration take responsibility of the funds in those five organisations. Mr. Speaker, Sir, my office has been endeavouring to put together a report where most of the civil servants that made up the committee, have either retired, died or moved away. So, at no time should the Government be blamed for the directors of these private organisations.

Mr. J.N. Mungai: On a point of order. Mr. Speaker, Sir. The hon. Questioner has already stated that this Question has been asked for the last three years. And if through the years, he has been getting the same answers, would I be in order, through the Chair, to demand from the Minister that we go through the HANSARD, and if the same answer has been given through the years, then the Minister withdraws the answer he has given to this Question, apologizes and gives a proper answer, by giving a new approach to the whole matter, because he is misleading the

shareholders?

Mr. Awori: Mr. Speaker, Sir, I did not say that I am giving a new answer. It is quite true that this is the third time I have answered this Question, and I have answered it in the same terms.

Mr. Mutahi: Mr. Speaker, there is proof and there are signatures as to when the committee handed over the money and the land to the probe commission. So, everything was handed over to the chairman of the probe committee, former DC, Mr. Mwango. Since everything was handed over to the commission, which was appointed by His Excellency the President of this country, how can the Assistant Minister tell us that the Government was not concerned? There are signatures as to when everything was handed over to the Government.

Mr. Awori: Mr. Speaker, Sir, if I may reiterate again, at no time did I say that the Government is not concerned. The Government was concerned and that is why it set up a probe committee. The point I wanted to emphasize here, is that, it was not the Government that was responsible for the money of the shareholders but the Government came in to try and protect the shareholders. Mr. Speaker, Sir, I want to state this; that at no time did the co-operative or the buying company cede its authority of keeping the money to the probe committee, and there is nowhere the probe committee or its chairman took over the administration of the funds of these companies.

Mr. Kibaki: Mr. Speaker, Sir, the hon. Minister is avoiding answering the Question and trying to cover Government's responsibility for whatever has happened to the money. The committee of which Mr. Mwango was chairman, was set up by the President. That committee probed the matter, the money was handed over to the probe committee, the members of this particular company are still waiting for the Mwango Committee to produce the report and hand over the money. Mr Speaker, Sir, the Minister is now trying to wiggle out of the responsibility. There is no way! Would the Minister agree that for ordinary Kenyans, when a committee is chaired by a District Commissioner, and they give him the money, they have a right to expect that the money is not stolen? If the money has been stolen, as we suspect, will the Minister own up and stop hiding? Say the money is stolen!

Mr. Awori: If the money was stolen, it was stolen by the directors of those companies but not the chairman of the probe committee.

Question No.748

EXPULSION OF RWANDA'S DIPLOMAT

Mr. Mwaura asked the Minister for Foreign Affairs and International Co-operation:-

- (a) Why was the former Rwanda's Charge D' Affairs in Kenya Mr. Jacques Nziza expelled in April, 1995; and
- (b) What is the current Kenya Government relations with the present Rwanda's Government of President Pasteur Bizimungu?

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

When Mr. Nziza arrived in Kenya, there was a resident Ambassador of Rwanda in Kenya who had been here since 4th October, 1989 to 9th February, 1995. Mr. Nziza arrived and decided to take over the mission. He did not report his arrival to the Ministry of Foreign Affairs and International Co-operation but decided to eject other diplomats by forceful means. On finding out about Mr. Nziza, he was asked to go to the Foreign Office. He was also asked to request his Government to officially withdraw the Ambassador. This is a normal, diplomatic procedure which he did not comply with. To assist Rwanda, the Ministry of Foreign Affairs and International Co-operation asked the Ambassador to present himself for formal farewell which he complied to. That was done. On the day the formalities were concluded, he ceased to be a diplomat. It must be noted that Nziza tried to prevent the formalities from taking place, yet there was no other way of getting the Ambassador to terminate his tour of duty in the normal manner. The problem should have ended there but Mr. Nziza tried to raid the homes of the former Ambassador and other diplomats using the Kenya Police. Mr. Nziza was told that he needed to approach police through the Ministry of Foreign Affairs and International Co-operation. He did not bother. Instead, he hired a firm of court brokers to raid the homes of those former diplomats. Quite clearly that could not have led to---

Mr. P.N. Ndwigwa: On a point of order Mr. Speaker Sir. Is the Assistant Minister in order to read a lengthy statement instead of answering the Question?

The Speaker: We need a little of patience on all sides. Proceed!

The Assistant Minister for Foreign Affairs and International Co-operation (Mr. Muchilwa): Thank you Mr. Speaker Sir. He did not bother. Instead he hired a firm of court brokers to raid the homes of those former diplomats. Quite clearly that could have led to physical fights and it could not be permitted. There were numerous

attempts to assist Nziza to understand the mode of operation, including through diplomats of other countries but he would not accept. In asking him to leave, his Government was requested to send a diplomat who would work through diplomatic channels and not take the law into his hands.

As soon as Nziza left, his deputy went to the press to make very undiplomatic statements. He too tried to take the law into his hands. Rwandese diplomats, like all other diplomats, must live within acceptable diplomatic norms. There is a diplomatic convention concerning all diplomatic conduct.

The Government maintains cordial relations with Rwanda. Kenya has been actively involved in efforts aimed at bringing lasting peace in Rwanda.

Mr. Mwaura: Mr. Speaker, Sir, this is a very disappointing answer coming from an Assistant Minister for Foreign Affairs and International Co-operation. First of all, the Assistant Minister should tell the House whether that diplomat arrived in Kenya through his own initiative or he was posted here by his own country. Could he confirm when he was posted here by his own country? Could he confirm how long he was here without any diplomatic norms? Is it not true that the reason why---

Mr. Speaker: That is enough, Mr. Mwaura. Those are a series of questions. You are supposed to ask one question at a time. So, could you answer the two questions that he has put. Would you like to answer them, Mr. Muchilwa?

Mr. Muchilwa: Yes, Mr. Speaker, Sir. That was the Ambassador's problem. We just discovered he was here and he was busy taking over. That was the problem.

Mr. Mwaura: Mr. Speaker, Sir, could the Assistant Minister tell the House if it is not true that, that charge de affairs was declared *persona non grata* by the Kenya Government and his efforts to try to track down the senior Hutu criminals who used to be in the former Government and are residing here were being frustrated by the Kenya Government? Is that not the reason why he was declared *persona non grata* by Kenya?

Mr. Muchilwa: Mr. Speaker, Sir, the former ambassador and other staff in the embassy cannot be called criminals until they are proved to be criminals. If he wanted to engage in something of that nature, he had to do it through the normal diplomatic channels. The hon. Member who has asked this question is a former Ambassador and he knows the importance of following the correct diplomatic channels in handling situations of this kind.

Mr. Farah: Mr. Speaker, Sir, could the Assistant Minister confirm or deny that the former Ambassador of Rwanda in Kenya had a role in the conspiracy that led to the genocide of a million people in Rwanda? Could he tell this House whether if the UN tribunal now demands his extradition, the Kenya Government will extradict him?

Mr. Muchilwa: Mr. Speaker, Sir, the Kenya Government is not aware that the former Ambassador was involved in what the hon. Member has talked about. If the Tribunal requires the Ambassador to appear, then Kenya Government, being a signatory to the relevant UN Charter, will consider and implement it.

Mr. Wamalwa: Mr. Speaker, Sir, is the Assistant Minister's answer on part (b) not rather hypocritical, that the relationship between the Kenya Government and the Rwanda Government is cordial, when he knows very well that the Kenya Government is on record as citing Rwanda as the worst example on political mismanagement and also it is on record as saying it will not allow the UN investigators to come here and apprehend the Rwandan criminals? Would it not be more accurate for him to say that the relationship is strained rather than cordial?

Mr. Muchilwa: Mr. Speaker, Sir, the relationship is cordial. If it was not cordial, Rwanda would have broken her diplomatic declarations with Kenya. Kenya does not conduct its diplomacy through the newspapers.

Dr. Otieno-Kopiyo: On a point of order, Mr. Speaker, Sir.

Mr. Speaker: Order! Order, Dr. Otieno-Kopiyo! We still have a long time to go. Mr. Murungi's Question.

Question No.549

HUMAN RIGHTS INSTRUMENTS

Mr. Murungi asked the Minister for Foreign Affairs and International Co-operation:-

- (a) how many International Human Rights Instruments Kenya has ratified, accepted, or acceded to since Independence;
- (b) whether Kenya has regularly submitted its reports to the Human Rights Commission in terms of Article 16 of the Convention on Economic, Social and Cultural Rights; and
- (c) if he would lay on the Table of the House copies of the reports hitherto made.

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

(a) Kenya has ratified, accepted, or acceded to nine International Human Rights Instruments since Independence.

(b) I wish to refer the hon. Member to the answer I gave him last year, for the same Question in which I informed him that the Government had submitted an initial report covering the rights identified in article 1 - 15 of the Convention on Economic, Social and Cultural Rights.

(c) The Commission, after considering the initial report, they submitted it to the Government with a request for further information. The Government is currently working on modalities of preparation of the report. Once the Commission has reconsidered the report, it shall be laid on the Table.

Mr. Murungi: Thank you, Mr Speaker, Sir. We are very embarrassed by Kenya's foreign policy. It is one of the most primitive, backward and barbaric foreign policy, that one gets anywhere else in the world ...

Mr. Sankori: On a point of order, Mr Speaker, Sir. Is it in order for the hon. Member to term Kenya's foreign policy as "barbaric" when we know very well that Kenya has got among the best foreign policy in the world?

(Laughter)

Mr. Murungi: Thank you, Mr Speaker, Sir. The hon. Member does not know what we are talking about. For instance, we have been talking about genocide in Rwanda day in, day out. Can the Assistant Minister explain to this House, why the Kenyan Government has not ratified or acceded to the UN Convention on the prevention and punishment of the crime of genocide?

Mr Muchilwa: Mr Speaker, Sir, that is a different question.

Dr. Kituyi: Mr Speaker, Sir, arising from the Minister's reply and awareness that we are supposed to ask different questions without repeating the original questions, could this Minister explain to this House, why, after ratifying nine Instruments, this Government over 30 years has only had a possibility of drafting one original report, when under the provisions of the UN Articles it is supposed to file, at least, five reports every year? Why has it been so difficult to do this job?

Mr Muchilwa: Mr Speaker, Sir, as I said earlier, the initial report was returned because it was required in a different format. It is after we finalise with the initial report, that we shall be required to make specific reports as required by the Commission and that will be done.

Mr. Orenge: Mr Speaker, Sir, right now in New York, nearly all the Heads of States and Governments are in New York except Kenya and Nigeria, amongst a few. I think, it is a great shame to this country because for any leader across the Bench to celebrate another 50 years of UN is going to be impossible. Could the Assistant Minister agree with me that it is because Kenya has a rather "unsatisfactory record of human rights" and that is why it is clear from the answer he has given that they have not ratified many of the instruments and they have not remitted reports as required by the various conventions?

Mr. Mchilwa: Mr. Speaker, Sir, I do not agree.

Question No.749

SALE OF VIEW PARK TOWERS

Mr. Muite: Asked the Minister for Labour and Manpower Development:

(a) whether he is aware that View Park Towers, a building on Uhuru Highway, has been bought by the National Social Security Fund; and

(b) if the answer to "a" above is in the affirmative, at what price did the National Social Security Fund buy the Building and how much was the price fixed?

(c) what are the projected returns of this investment to the Fund?

The Minister for Labour and Manpower Development (Mr. Masinde): Mr. Speaker, Sir, I beg to reply.

Yes I am aware.

(b) The building was purchased at a price of Kshs850 Million and that was based on an independent professional valuation report.

(c) The building currently generates rented income of Kshs60.8 million per annum with a pay back period of about nine years and six months.

Mr. Muite: Could the Minister tell this House how a building that was constructed with not more than Kshs300 million could, a couple of years later, go up to Kshs850 million? Is it not a fact that the workers money in NSSF is again being stolen and being put it in the hands of the chosen few?

Mr. Masinde: The question of stealing money does not arise. The hon. Member wanted to know how much the building was bought for, he has been told and that was done after proper valuation by independent valuers and it was on willing buyer - willing seller agreement. So, the question of stealing does not arise. **Mr. Obwocha:** Thank you Mr. Speaker, Sir. The Minister is mis-leading this House. I have a valuation report here for all NSSF properties and View Park Towers, LR No.209/85/95/NBI, was sold at Kshs867,218,465. So, could the Minister---

Hon. Members: Where is the value?

Mr. Obwocha: I do not have the value here but he is mis-leading the House. He said the price is Kshs850 while it is in fact Kshs867 million! Is he in order to mis-lead this House?

Mr. Masinde: The actual price is what I have given. There may be other bits of money for assessing this and that, but the price is what I have given.

Mr. Wamae: If the building yields Kshs60 million a year, it would take about 15 years without interest, to repay the Kshs850 million!

Mr. Masinde: Mr. Speaker, Sir, I am not sure whether he wants me to reply to that because he is giving us information.

Mr. Muite: Mr. Speaker, Sir, could the Assistant Minister tell this House what the NSSF policy is in buying plots and properties? Since when did they formulate this policy, that they can buy all the available plots and all the available buildings in the market? Could he also tell us whether Harban Singh was one of the owners who sold this building to NSSF? Could he tell us who the other shareholders are?

Mr. Masinde: Mr. Speaker, Sir, it is not true that the NSSF has bought all and every available building in town. The NSSF has mandate from this House to invest wisely and it does just that. Now, if he wants to know the owners of the building, we bought this building from View Park Towers Limited.

Hon. Members: Who are the shareholders of the company?

Mr. Masinde: Check from the Registrar's office.

Mr. Mathenge: Mr. Speaker, Sir, very many people who retire from their employment expect to be paid their NSSF dues immediately, but it takes a very long time for those people to receive their rightful dues. Is it because of the transactions we have heard about here, where NSSF is involved in spending a lot of the workers' money on purchasing properties which take a long time to recover the money of the workers? Could the Minister tell us why the NSSF should be allowed to spend so much money while the contributors stay for years after retiring without payments being made to them at the right time?

Mr. Masinde: Mr. Speaker, Sir, I think the hon. Member is still living in the past era which was his, when he was an Administrator. As far as I am concerned, we have not failed to pay any retiree who has applied for his money. I am quite prepared to challenge any member of the public or any Member of this honourable House to bring up anybody that the NSSF has failed to pay. Secondly, the longest period, as at the moment, is one month, that is four weeks, if all papers are in order. If papers are not in order, we have to counter-check to make sure that we give the retiree the proper benefits by making inquiries which, sometimes, take a long time.

Hon. Members: On a point of order!

Mr. Speaker: Order! Order, hon. Members. It is Question time and we still have more than half of the Questions untouched. Next Question, Mr. Ruhii!

Question No.298

OPERATION OF PHARMACIES

Mr. Ruhii asked the Minister for Health:-

(a) if he is aware that many chemist shops, pharmacies and clinics are being operated in Eastlands area of Nairobi by unqualified people; and,

(b) what steps the Ministry is taking to ensure that these clinics and pharmacies operate within the relevant Act.

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

(a) I am aware.

(b) The Ministry is taking legal action against illegal clinics and pharmacies.

Mr. Ruhii: Mr. Speaker, Sir, the Assistant Minister has answered my Question pretty well, but I would like to know from the Assistant Minister whether he is aware that there is one particular person in Eastlands area who is running a chain of pharmacies and private clinics and he goes on injecting patients when he is not qualified to do so. Could the Assistant Minister tell this House why this practice continues despite the fact that some people have been

taken to court and, why his Chief Officers at Afya House have to call upon this man at month end to collect TKK or WWW every month?

Hon. Members: What is WWW?

The Assistant Minister for Health (Mr. Mutiso): On a point of order, Mr. Speaker, Sir. Could the hon. Member clarify to this House what TKK and WWW mean? These are terms which we have no evidence about.

Mr. Speaker: Order! If the Assistant Minister understands what it means, then he will let us know.

Mr. Criticos: Mr. Speaker, Sir, could the hon. Member tell me what that means?

Mr. Speaker: Now, what does it mean, Mr. Ruhii?

Mr. Ruhii: Mr. Speaker, Sir, to begin with, I would have thought that since the Assistant Minister belongs to a Government that is highly corrupt, he should know these terms.

(Applause)

TKK means "Toa Kitu Kidogo", and this has now graduated into WWW, which means "Wacha Watoto Wasome"!

(Laughter)

Mr. Criticos: Mr. Speaker, Sir, I would like the hon. Member to tell me who this person is, so that my Ministry can take immediate action against him because we are not aware of his operations. We know the people that we have arrested and those that we have prosecuted.

Mr. Speaker, Sir, so, I really would like that information and the proof that he is talking about. We would like to have the names of the people that were injected, what time of the month and year and the person that injected them because this is an illegal practice.

Mr. Ruhii: Mr. Speaker, Sir, I have a list of names of those who are running the illegal clinics and dispensaries. One of them treated a patient for meningitis and later, after seven days, the case was diagnosed as cerebral malaria and treated at Kenyatta National Hospital. That was after the patient ran mad. If the Assistant Minister wants the name of the clinic, I shall give it to him after the House rises.

Mr. Farah: On a point of order, Mr. Speaker, Sir. I think there is a problem here. The Assistant Minister says that they have arrested the people and taken them to court and there is nothing going on now. The hon. Member says that the practice is going on. When you see a criminal, you do not say; "yes, we know the criminal is there and we are doing the relevant things against him", while he is still operating as a criminal. Could the Assistant Minister tell us if all those people whom he has admitted were working illegally and engaging in these things illegally have been arrested and are in custody and, as we are talking now, they are not putting the lives of Kenyans in danger?

Mr. Criticos: Mr. Speaker, Sir, first of all, the hon. Member should realise what I said. I said that we are aware of the practice and we have arrested the people who were doing it. Hon. Ruhii said that there is one person who is engaging in this illegal practice. Later on, he said that he has got names of many people who are practising this. So, could the hon. Member tell me whether it is one person or many people? Also, I want the names of those involved because I still have not received them. Therefore, I presume that hon. Ruhii has not got any names and that this is fictitious.

Mr. Gitau: On a point of order, Mr. Speaker, Sir. This Question has got three prongs and, I would have liked to know whether these sick people are injected in pharmacy shops or in chemist shops or in clinics. Is the hon. Questioner in order to confuse the three and deny pharmacists and the clinics--

Mr. Speaker: Mr. Gitau, strictly speaking, that is another supplementary question. Next time, you will not get away with it.

Next Question!

Question No. 801

COMMISSIONING OF HEALTH CENTRE

Mr. Moiben is not here yet? We will go to the next Question.

Question No. 732

DEVELOPMENT OF TOURIST ATTRACTIONS

Mr. Orengo: asked the Minister for Tourism and Wildlife:-

- (a) in view of the historical sites in Lamu District and its beautiful beaches which also provide non-game tourist attractions what are the plans of the Government to develop the islands in Lamu and its mainland as tourist attractions in order to enhance tourist traffic in the area; and,
- (b) in what way does the Government ensure that the local people in Lamu and local authorities in the district benefit from the tourist industry.

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

(a) My Ministry, with the assistance of the Government of Japan is currently preparing a National Tourism Master Plan which is expected to be ready by the end of this year. Once completed, it will address all areas relating to Tourism in the country, including Lamu.

(b) The Government encourages local ownership of Tourism-related establishments such as hotels, restaurants, curio shops, *etcetera*. These establishments generate employment for the local people as well as providing a ready market for agricultural produce and other services required by the tourists. This directly benefits the local communities. Similarly, these establishments pay service charge and other rates to the Local Authorities, thereby enhancing their revenue base to enable them to provide services such as health, education and other social services, all of which go a long way towards uplifting the standards of living of the local populace.

Mr. Wamalwa: Mr. Speaker, Sir, earlier this year, when we went to Lamu, we had an occasion to leave Lamu and go to the Island of Faza and just outside Lamu, there is a stretch of shallow waters called Mkanda. When the police discovered that we had gone to Faza, they sent police patrol boats to chase us and it resulted in a high sea drama that was much publicised in this country. The police boats eventually got stuck in those shallow waters just outside Lamu.

(Applause)

They were stuck there all night while the mainland was being raided by *Shifta* bandits. In this grand master plan of developing tourism in Lamu in conjunction with the Japanese Government, has the Ministry considered scooping the Mkanda shallows to enable free flow of tourist traffic by boat at all times without any risk of getting stuck there?

Mr. Ngala: Mr. Speaker, Sir, I think when it comes to the studying of the Master Plan, we will see whether there is need for the scooping.

Prof. Ouma: Thank you, Mr. Speaker, Sir. Non-game tourist attractions are very important to the continued future development and enhancement of the tourist industry. Could the Minister give us a preview of what they have in that Master Plan and whether it has the following:

- (1) Does that Master Plan have a way to ensure that raw sewage and household effluent will be stopped from going onto the beaches which are unusable for swimming; and,
- (2) does the Minister, have within his Master Plan, a strategy for ensuring that sanitation from the Tana River will not come southward to cover up the beaches and spoil the whole thing?

Mr. Ngala: Mr. Speaker, Sir, yes, the drainage system is one of those problems which are going to be addressed when we take into account the Lamu area as an area for attracting tourists. The other areas which we are going to try and address is the conservation of Lamu Old Town. We believe there is a particular architectural design which we need to preserve to attract the tourists. As the hon. Member said, some of the designs are very important for the tourists.

Mr. Orengo: Mr. Speaker, Sir, during the last General Elections, the people of Faza were promised clean water. Is the Minister aware that people in many of the islands in Lamu, Faza included, have never had vehicles because there are no roads?

The water available in places like Mkanda comes from wells which were dug by hon. Achieng' Oneko and it looks as if this Government has done nothing for the people of Lamu. At least, hon. Achieng' Oneko while in the Opposition dug water for people in Lamu.

Mr. Speaker, Sir, could the Minister assure the House that he is not going to wait for the Japanese Government to tell them how to develop a small area within Kenya?

Mr. Ngala: Mr. Speaker, Sir, you will agree with me that it is not a matter for the Ministry of Tourism and Wildlife. I think that problem could be addressed to the appropriate Ministry. So, I cannot answer that.

Mr. Speaker: Final question, Mr. Mulusya.

Dr. Otieno-Kopiyo: On a point of order, Mr. Speaker, Sir.

Mr. Mulusya: Mr. Speaker, Sir, could the Minister---

Dr. Otieno-Kopiyo: On a point of order, Mr. Speaker, Sir,

Mr. Speaker: What is it, Dr. Otieno-Kopiyo?

Dr. Otieno-Kopiyo: On a point of order, Mr. Speaker, Sir. Is hon. Orengo in order to ask this question on behalf of a KANU hon. Member of Parliament, who is sleeping over this? Is he in order?

(Laughter)

Mr. Speaker: Order! Order! That is very frivolous and for that, you move out of the Chamber!

(Dr. Otieno-Kopiyo remained seated)

Mr. Speaker: I am sorry, Dr. Otieno-Kopiyo, you must leave.

(Dr. Otieno-Kopiyo left the Chamber)

Mr. Mulusya: Mr. Speaker, Sir, the Minister is trying to avoid answering a very pertinent question which was asked by Prof. Ouma. The question was: What does the Master Plan contain? What is he going to do about the effluent flow from the septic tanks on all the tourist hotels and other public and private toilets? What is he doing to make sure that it does not flow into the beaches and make the beaches unusable?

Mr. Ngala: Mr. Speaker, Sir, I do not avoid answering any questions at any time. I think I did answer hon. Prof. Ouma's question satisfactorily because he wanted to know whether some of the things he mentioned were going to be considered and I did say that we are going to consider them. Therefore, there is no way I avoided giving that reply. We are also going to take care of the environmental situation as regards the Tana River and all the other effluences that will be coming out of the areas.

Question No. 605

LOANS FOR GACHOKA RESIDENTS

Mr. Speaker: Is Mr. Nyagah not here? We will leave his Question until the end. Let us move on to the next Question.

Question No.652

FUNDS FOR ROADS MAINTENANCE

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

(a) how much money was allocated for maintenance of roads in Kakamega District in the 1993/94 Financial Year; and,

(b) how much of that money was spent for maintenance of Sigalagala-Butere Road in the same period.

(Col. Kiluta was applauded as he moved to the Table)

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

(a) A total of KShs.1,800,000 was allocated to Kakamega District in the Financial Year, 1993/94.

(b) KShs.33,698.60 was spent on the maintenance of Sigalagala-Butere Road.

Mr. Magwaga: Mr. Speaker, Sir, I am totally surprised at this meagre allocation of money to Kakamega District roads. I hope that the Assistant Minister, who has been crying about the state of roads in his area, realises that Kshs 1,800,000 is very little for Kakamega District. How many kilometres of roads in Kakamega District did he expect to cover with this figure of Kshs 1 million?

Col. Kiluta: Mr. Speaker, Sir, I have a list of roads which were covered during the year in question. It is a long list which I can probably give to the hon. Member to confirm. But the road in question, which is 30 kilometres

long, is maintained by both the Government and Mumias Sugar Company and that is why the amount of money allocated to it looks little.

Mr. Shikuku: Mr. Speaker, Sir, arising from that reply and appreciating the fact that it is the first time for the hon. Member to take the Floor in his capacity as an Assistant Minister, I would not like to ruin him in his undertaking. Is he aware that tarmacking of Sigalagala-Butere Road was approved in the District Development Committee (DDC) many years ago and the DDC submitted its recommendation to the Ministry? Is he not ashamed to talk of only the three roads? Is the Assistant Minister satisfied that this road, which was supposed to be tarmacked way back in the 70s before he came to this House, deserved only Kshs33,000 to be used on it? The question of Mumias Sugar Company taking care of this road does not arise. This is because the company only takes care of the part of the road from Bukura to Butere and not of the whole road from Sigalagala!

Col. Kiluta: Mr. Speaker, Sir, notwithstanding the threats being made by the hon. Member, let me say that Sigalagala-Butere Road was not prioritised for tarmacking. The DDC gave us other roads which were financed during that year. One of them was Mumias-Munani Road which was allocated Kshs632 million. Others were Mumias-Butere-Ebuyangu Road which was allocated Kshs30.58 million and Sitendi-Kisa Road which was allocated Kshs100 million. So, the road in question here was not prioritised. The DDC gave the Ministry other roads, all of which have been funded.

Mr. Magwaga: On a point of order, Mr. Speaker, Sir. I asked the Assistant Minister to tell the House how many kilometres of roads in Kakamega District he expected to cover with Kshs1 million!

Col. Kiluta: Mr. Speaker, Sir, as I said, Kshs1 million was for that specific area and the other areas in the district were given the money I have already quoted here. So, that was not the total amount given for the district.

Prof. Anyang'-Nyong'o: Mr. Speaker, Sir, arising from the Assistant Minister's reply to that question and noting that this is a general problem with road maintenance in the country as a whole, could the Assistant Minister explain to this House what type of maintenance this money was given for and whether the money that was given was used for that specific type of maintenance, which the Ministry envisaged?

Col. Kiluta: Mr. Speaker, Sir, the money was used for grading, bush clearing, opening of blocked culverts, clearing ditches and clogged up drains.

Mr. Shikuku: On a point of order, Mr. Speaker, Sir. I just wonder how much the House can tolerate being told untruth! There is no bush at all at Sigalagala! Which bush was being cleared? Is he in order to tell the House an untruth that there was bush to be cleared? I have been on that road and know that there is no bush!

Mr. Speaker: What bush are you talking about, Col. Kiluta

Col. Kiluta: Mr. Speaker, Sir, this road passes through a rural area and the money was used for clearing grass and bushes on the road side.

(loud consultations)

Mr. Speaker: Order! Mr. Kofa's Question for the second time.

Mr. Ndzai: Mr. Speaker, Sir, first of all, I apologise to the House for coming late.

Question No.803

BANDITRY MENACE IN GALOLE

Mr. Ndzai, on behalf of Mr. Kofa, asked the Minister of State, Office of the President:-

(a) whether he is aware that Councillor Abdi Sole of Asako Location was seriously injured and two home-guards were shot dead and their guns stolen while pursuing bandits on 20.5.95;

(b) who instructed these people to pursue the heavily armed bandits; and,

(c) whether the Ministry can ensure that the families of the deceased home-guards are compensated and that Councillor Sole's medical expenses are paid in full.

Mr. Gitau: On a point of order, Mr. Speaker, Sir.

Mr. Speaker: Order, Mr. Gitau! In all fairness to Mr. Kofa, taking into account the nature of the Question and the time available, the Chair thinks that this Question will not be done any justice in the time available.

Therefore, the Question is deferred to Next week.

(Question deferred)

Then we will move on to Mr. Moiben's Question.

Question No.801

COMMISSIONING OF HEALTH CENTRE

Mr. Speaker: Mr. Moiben is still not here? His Question is dropped.

(Question dropped)

We then go on to Mr. Nyagah's Question.

Question No.605

LOANS FOR GACHOKA RESIDENTS

Mr. Speaker: Mr. Mr. Nyagah, you will not ask your Question because there is no time. I will have it deferred to next week.

(Question deferred)

Let us move to the next Order.

Mr. Gitau: On a point of order, Mr. Speaker, Sir. Is it in order for an hon. Member to threaten other hon. Members with flick knives in the House? The short man from Embakasi has told Mr. Icharia to shift from his seat!

(Loud consultations)

Mr. Speaker: Order Hon. Members! Can we hear this in total silence? Mr. Gitau, what is it you are complaining about?

Mr. Gitau: Mr. Speaker, Sir, Mr. Icharia has shifted from the side of hon. Ruhiu because hon. Ruhiu is carrying a pen knife which is in form of a pen and he is threatening to prick him and that is why he had to shift from his side.

Mr. Ndicho: He came crying to me.

Mr. Speaker: Order! Order! Any complaint by hon. Members of the presence of any offensive weapon in this House is a very serious matter. I order Mr. Ruhiu to stand up, proceed to the Bar, proceed further to the Serjeant-At-Arms and declare all weapons you have there and then I will get the report.

Mr. Ruhiu: Mr. Speaker, Sir, this is a pen.

Mr. Speaker: Will you proceed. Order! Order, Mr. Ruhiu! That is not a request for an explanation. It is an order directed to you which you shall obey.

An hon. Member: Let him be taxed.

(Hon. Ruhiu withdrew from the Chamber)

Mr. Speaker: But he is not just bound to be here. Proceed!

Mr. Shikuku: On a point of order, Mr. Speaker, Sir. When you gave the order, hon. Members thought they should be inspected and we normally have searches conducted here. There should be a search to inspect arms here.

Mr. Speaker: Yes, indeed, outside. That is quite right, I expect hon. Members to be honest. If they have anything offensive, they should surrender it and if they are not honourable enough to surrender, then we will ask them to go out to the Serjeant-At-Arms office to be searched but anyway, he has walked out on his own violation. Proceed.

MOTION

THAT MR. SPEAKER DO NOW LEAVE THE CHAIR

Vote 23 - Ministry of Commerce and Industry

The Minister for Commerce and Industry (Mr. M'Mukindia): Mr. Speaker, Sir, I beg to move that Mr. Speaker do now leave the Chair to enable me to initiate debate on my Ministry's Recurrent and Development votes R 23 and D 23 for the Financial Year 1995/96.

Mr. Speaker, Sir, let me first of all thank the Sessional Committee for giving me this opportunity to review my Ministry's plans and programmes for the 1995/96 Financial Year. It is my sincere hope that discussions on the Votes by the hon. Members will be guided by the spirit and interest of the nation as a whole. I wish to take this opportunity to briefly enumerate the responsibilities that my Ministry is charged with. The cost of which---

(Consultations)

Dr. Lwali-Oyondi: On a point of order, Mr. Speaker, Sir. We cannot hear what the Minister is saying because there is loud consultation from the other side.

Mr. Speaker: Order! On both sides in fact. I am also trying to hear what the hon. Minister is saying and I cannot. Order! Proceed.

The Minister for Commerce and Industry (Mr. M'Mukindia): Mr. Speaker, Sir, I wish to take this opportunity to briefly enumerate the responsibilities that my Ministry is charged with, the cost of which I am seeking approval of this august House. These are primarily, one, to formulate and implement appropriate policies conducive and supportive to trade developments in the country. Two, to promote industrialization, third; developing and promoting Kenyan exports, fourth; increasing competitiveness of Kenyan products by developing and implementing appropriate standards, fifth; providing medium and long terms finance to small and medium industrial and commercial enterprises and finally, arbitrating tenancy disputes through Business Premises Rent Tribunal. For my Ministry to be able to provide the above services I require a gross total amount of K£26,434,920 for Recurrent Vote 23 and K£49,563,100 for Development Expenditure. This will be utilized to finance the operations of the various departments and institutions of the Ministry as follows:-

The Department of Internal Trade: This Department is responsible for the promotion and orderly development of domestic trade through its offices which are spread all over the country. The Department will continue to render the following basic services namely, trade licensing, administration of Joint Loans Board Scheme and the provision of training and extension services to the business community. My Ministry, in conjunction with other relevant Ministries in Government, is addressing the issue of the multiplicity of trade licensing with a view to nationalizing trade licensing. However, hon. Members will note that my Ministry has already made licensing of businesses easier through the consolidation of the previous seven licences into one and also consolidated the previous four application forms into one. In order to reduce the time and cost spent by the business community in renewing trade licenses, my Ministry has made provision for licences to be issued for 12 months, 24 months or 36 months at the applicant's option.

With regard to Joint Loans Scheme, we have received grants totalling K£7.4 million from both the Central Government and local authorities and so far, we have issued loans amounting to K£15 million to slightly over 39,000 traders. During the operation of this scheme, the major constraints have been high default rates which currently stands at K£4.8 million owned by 14,000 traders throughout the country and the low capital base which inhibits the provision of substantial financial assistance to other deserving traders. In order to address the problem, my Ministry has taken the following measures:-

We have reorganized the department responsible for the management of the scheme to ensure closer and efficient supervision of the scheme. We have tied the allocation of Government grants to performance of individual Boards. We have improved the appraisal of loan application and lending procedures. We have also intensified the provision of extension and consultancy services to loan recipients. In line with current Government policy, my Ministry is considering possible disbursements of loans through commercial banks by creating a Credit Guarantee Scheme. This will result in availability of more funds to the traders, more efficient management and attraction of donor-funding.

In regard to Joint Loans Scheme, the main constraint continues to be the high rate of default. As for training and extension services for traders, the main objective is to provide the small scale entrepreneurs with basic business management skills so as to improve on their businesses. My Ministry will continue to surmount regular courses at district level throughout the country. The training and extension services are however beset by a number of constraints, the main ones being inadequate resource, personnel, lack of reliable transportation for recruitment purposes and follow up of traders and sufficient training equipment. The current Budgetary provision will go some way towards minimizing these constraints.

Mr. Speaker, Sir, a bit of mention regarding the Kenya National Trading Corporation (KNTC). As hon. Members may be aware, KNTC has lately been experiencing a lot of difficulties which have hindered it from

discharging its responsibilities as required. These problems emanate mainly from the trade liberalization policy that the country has been pursuing as part of the Structural Adjustment Programme. The liberalization policy has essentially removed the monopolistic situation which the Corporation has enjoyed over the last three decades hence, the Corporation has been caught up with stocks which it finds difficult to sell. This has, therefore, made KNTC to experience some liquidity problems that have been highlighted in the Press lately. In order to rectify this situation and to make KNTC more commercially viable, my Ministry is re-looking afresh at the distinctive role of KNTC as well as restructuring it, with a view to making it an active and aggressive trading house in both the internal and external markets. Mr. Speaker, Sir, the industrialisation efforts that we are carrying out would be of interest for the hon. Members to think of industry as responsible for industrial promotion and industrial policies. As you are aware, the industrial sector has been identified as one of the agents for faster growth in this country. It is in view of this industrialization that my Ministry is consolidating the various industrial policy objective strategies and decisions into one policy document with a view to giving greater focus on accelerated and sustainable industrialisation of the country.

Mr. Speaker, Sir, I am glad to inform the House that the Government has decided that Kenya should become a newly industrializing country by the year 2010. To achieve this aim, my Ministry is already working together with other Ministries and the private sector to plan and lay down the necessary strategies. Since industry has been identified as the engine for future growth, all Government plans and policies must reflect this, such that education, agriculture, energy, transportation, communications, technology and so on, must all be geared towards this effort at industrialisation.

Mr. Speaker, Sir, the objectives for attaining newly industrialised country status are to generate wealth for Kenyans, increase employment and improve the standards of living for all Kenyans. A lot of resources will be required for Kenya to fulfil this goal and we shall need assistance from donors and foreign investors. I look forward to the support of this august House for this major effort at changing Kenya into a new industrialized country by the year 2010.

Mr. Speaker, Sir, I also wish to extend my gratitude to various international bodies such as United Nations Development Programme (UNDP) who are working with us on this programme. We also have many local resources including domestic savings which can be exploited and enhanced for use in industrialisation. Also, special mention is the effort by the Office of the Vice-President and Ministry of Planning and National Development in trying to co-ordinate all our efforts in achieving this goal of industrialisation by the 2010. The implementation of this programme will necessitate streamlining of certain Government functions and the private sector will also need to re-organise itself. In preparation for this exercise, my Ministry has already undertaken a study with assistance from the Commonwealth Secretariat as well as United Nations Industrial Development Organisation (UNIDO) for reorganisation of the Ministry, which has been studied and accepted and is now under implementation.

Mr. Speaker, Sir, non. Members will know that most Government Ministries were not organised to handle the liberalised and more challenging environment as it is today, hence the need for change. In terms of district development, my Ministry has posted District Industrial Development Officers to various parts of the country, where they are assisting potential and actual entrepreneurs in the identifying, formulating and establishing industrial ventures. The District Industrial Development Officers also perform the role of secretaries to the District Industrial Committees, whose role is to chart out the industrialisation strategies of the respective districts.

Mr. Speaker, Sir, let me briefly mention the role of the Export Processing Zone's Authority. The EPZ programme is providing a package of incentives aimed at lowering costs of manufacturing and improving returns on export oriented investment. The programme is also making a breakthrough in expanding non-traditional manufacturing exports from Kenya. Additionally, it has generated employment while it is facilitating transfer of technology. Since the inception of the EPZ programme, noticeable achievements have been made; 12 private and one public zone have been gazetted and 48 enterprises were actually approved while 21 were fully operational at the end of last year. Over 3,100 jobs have been created through the programme. It is focused that for every year that the programme exists in the next few years, between 2,000 and 3,000 jobs will be created annually. The total investments realised through the private investors amount to over Kshs4 billion currently. The sectors of investments include garments and textiles, engineering, printing and paper conversion, agro-processing products and pharmaceutical products manufacturing. At the moment the programme is doing well. However, we need more housing facilities at Athi River EPZ, where more industrial buildings are in great demand and the main constraint has been financing of these factories due to scarcity of financial resources. This means that if we have a factory set up at Athi River today, there are willing investors who are willing to come in but we are not able to provide them because of lack of financial resources.

The development of Mombasa EPZ is faced with a small land problem but my Ministry is solving the issue. The feasibility study indicates that the project in Mombasa is viable and funds are being sought to develop that project. It will be in two parts; one will be a heavy industry at Kokotoni and a light industry near Kipevu. The light industry

has no problem, it is going ahead but for the other one, we are still working on land acquisition and compensation. Hon. Members will notice that in the budget estimates, we have made provisions for land compensation and the building of the EPZ in Mombasa.

Mr. Speaker, Sir, on the role of the Department of External Trade and Export Promotion Council, my Ministry will continue to participate in bilateral, regional and multi-lateral organisations through this Department. Hon. Members know that we are a part of COMESA and East African Co-operation and the Lome Convention. We are members of these organisations in order to protect and promote Kenya's solid interests abroad. Further, the Ministries are represented abroad for trade and investment promotion by commercial attaches. It is the aim of my Ministry to enhance the performance of those officers by availing them with increased budgetary provisions for operational and maintenance expenses and by providing them with additional training because the problem here has been that we have posted commercial attaches abroad but they do not have the necessary tools to do the job. We must provide them with the tools to do the job effectively if we want them to be effective. As part to its mandate, the Export Promotion Council is actively involved in new product development and adaptation with special focus on non-traditional product; that is manufactured products. This year, the Council, in collaboration with the private manufacturers and exporters have participated in 18 trade fair exhibitions where both traditional and non-traditional products have been displayed and new markets identified. The result of these trade exhibitions has been a major increase in our export trade. Out of the 18 exhibitions, the value of confirmed orders and on-spot sales amounted, to over Kshs310 million. Of course, of more critical importance is the fact that we create long term relationships between our own exporters and importers in those countries. These are merely indicated but the long term benefits are much higher.

Mr. Speaker, Sir, we also have Weights and Measures department and Kenya Bureau of Standards in the Ministry and the primary aim is to ensure that they maintain high standards and there is no dumping of poor quality goods in this country. Of special interest to most Members will be the Kenya Industrial Estates and their performance.

The KIE loans are extremely popular with our people and at the moment, we are providing something like Kshs85 million per year to our small entrepreneurs. We are able to disburse over Kshs600 million per year if it is available. The demand today is over Kshs500 million and we could easily go to Ksh600 million. I would, therefore, request Members to support my Ministry in future to channel more money through the KIE because that goes to the smallest entrepreneurs in this country and the cost of job creation in this area ranges between Kshs40,000 to Kshs60,000 per job which is very cheap. More money ought to be channelled through KIE to ensure that we create jobs in the rural areas and the good thing is that this money is spread all over the country, in the provinces and in the districts.

Mr. Speaker, Sir, the other element that I would like to mention very briefly is the fact that business premises rent tribunal also comes under my Ministry and we are trying to make it more effective by ensuring that there are more sittings in Nairobi, and also trying to expand to the provincial centres throughout the country because our job is to ensure that businessmen do not incur unnecessary cost. Therefore, we must make it easy for them to do business and rent tribunal cases in the past have been pending for too long and we want to minimise these cases.

Mr. Speaker, Sir, before I conclude hon. Members will note that in the areas, for example of recurrent expenditure, we are spending slightly more money on areas touching on paying emoluments and allowances. This is because of various increases that have occurred throughout the Government systems this year; the Mbithi Report, implementation of schemes of service, upgrading of staff and so on.

Despite the fact that my Ministry has retrenched 207 members of staff with a saving of K£360,000 we still have some increase in those accounts because of the improved emoluments of staff which is in the line with the Government policy that you reduce the staff, but you increase their allowances and improve their terms of service so that they can be more efficient.

Hon. Members will also notice that we are trying to improve services in the rural areas, and therefore, we are increasing the purchase of cheaper vehicles, this time not the expensive Landrovers, but Suzuki and other models that can be maintained easily. I think hon. Members will notice that there is a bit of increase.

Mr. Speaker, Sir, in terms of purchasing of equipment, we have retained more or less, the same levels. However, in terms of maintenance, we have improved. In the past, we used to purchase equipment, but instead of maintaining them properly, they were sort thrown to the junkyard. In my Ministry, we have changed this. We want to improve on the maintenance of the equipment and reduce the purchase of the new equipment as much as possible.

Mr. Speaker, Sir, I think the other major expenditure under the recurrent expenditure is in the department of internal trade where we are increasing the levels of monitoring and research to ensure that we give proper services to businessmen in this country.

On the Development Vote, hon. Members will notice that there are a number of major changes. The Development Vote is divided into two parts. GoK funded and Externally funded. In case of GoK funded vote, most of the money will go into joint-loan schemes. Those are the grants and some of them will go the construction of the

offices, for example, in Isiolo and Marsabit. We are expanding the Kenya Institute of Business Training. It has been going on for the last one and half years, and we should be able to finance it, perhaps this year. That includes expansion, buying equipment and so on. Also, there is KAI grant on social dimensions. That grant is purely for small scale entrepreneurs and so on. That amounts to about K£1 million during this year.

Mr. Speaker, Sir, the other item which will be noticed by the hon. Members is APZA development programmes which I mentioned earlier. KITI in Nakuru has also been undergoing rehabilitation and expansion, in line with our aim to ensure that it trains our entrepreneurs effectively to understand industrial development.

Mr. Speaker, Sir, the other major item is the construction of radiation laboratories in the Kenya Bureau of Standards (KEBS) premises which has been going on for the last one year, but we hope it will be finalised this year. That will take quite a bit of money, but it is absolutely necessary if we have to carry out radiation tests in this country which are obviously quite dangerous if we do not do that.

Mr. Speaker, Sir, we do have financing from external sources, and for these, I must thank the European Community. The European Community is supporting my Ministry extensively and I do thank them for that. They have provided us with a lot of money and we are working together with them to ensure that we work out the programmes that are related to women and youth small-scale enterprises and so on and so forth.

Mr. Speaker, Sir, there is a bit of money there. For example, we have just spent Kshs1.56 million on the enhancement of trade between the borders. We are going to spend K£1.6 million to enhance trade within COMESA and East African region. We are also going to spend K£6.8 million which is going to be implemented by APC to ensure that we develop Kenya Export Development.

In the macro-enterprise areas, we have over K£16.5 million again from EEC, and this will help us within the next three years to regulate the environment better to improve our physical and institutional infrastructure to do market research and to finance the small scale entrepreneurs who will be identified. Furthermore, we will spend an additional of K£6.22 million on women and youth on the training in industrial information centres that are going to be set up and financing of seminars and so on.

Mr. Speaker, Sir, there is a little bit more, almost K£4.5 spread over Kenya Institute of Business Training, external trade services, western measures for equipment purchases and department of industries for rural enterprises.

Mr. Speaker, Sir, something of interest to hon. Members would be that EEC is likely to give my Ministry some K£5 million to go to KIE where we need money to go to the very small scale entrepreneurs. This essentially would be for credit to the small scale entrepreneurs in this area. I do thank EEC as well as other donors for their magnanimity in really putting quite a bit of money into this area. This is an area, as I said earlier, that creates jobs at a rate of Kshs40,000.00 to a job which is fairly cheap as compared to the heavy capital investment areas.

Finally, IDB and ICDC are also playing a pivotal role in financing entrepreneurs in this country. The IDB as well as ICDC are in a fairly strong financial position, to carry out their role properly. We do have a bit of problem with IDB because there are some monies that we still want from the Treasury. We hope that the Treasury will be able to make this money available to us to ensure that this money is on-lent to entrepreneurs in this country. However, the status that used to be a case three years ago has reversed and IDB is in a strong position as well as ICDC, and they are now lending money to businessmen and entrepreneurs.

Mr. Speaker, Sir, in conclusion, allow me to take this opportunity to record my Ministry's appreciation for the able manner in which His Excellency the President, hon. Daniel arap Moi has spearheaded the management of our country's public affairs especially in the last three years in extremely difficult circumstances. I am very grateful for the support he has given me and my staff in the Ministry. We have been able to do a lot in a framework of very major difficulties when economical climate was not good, and therefore, we are very thankful to him for his support in this industrialisation effort in this country.

Mr. Speaker, Sir, finally, hon. Members will have to accept that effort to industrialise this country is not easy and we must put it in the forefront of our minds. We must have an industrial culture and we must have a national consciousness in order for us to ensure that we actually succeed. If we do it uphazardly, we shall not succeed. We can learn from our own history that the Harambee effort enabled us succeed in buying shambas. We have also succeeded in the policy of agriculture to the extent that Kenya has since Independence been more less able to feed herself throughout that period, except under very difficult circumstances during drought conditions.

Mr. Speaker, Sir, we can do exactly the same with industrialisation. We must ensure that our people have a good standard of living like I said, whether it rains or shines and the responsibility lies with all of us, as leaders, whether in the Opposition, Government, private sector or wherever we are. This is our responsibility and I hope that hon. Members in this House, in debating the Vote of my Ministry, will take this into account and suggest ways and means in which we can enhance the industrialisation of this country.

Mr. Speaker, Sir, in doing this of course, you have to learn from the experiences of other countries such as South East Asian countries, where they have succeeded and even nearer home from countries like Mauritius where the

country has moved from essentially an agrarian economy to one of an industrialist country within a period of 10 to 15 years to the level where today, they have full employment. They are actually importing labour from outside. Of course in learning from Mauritius, we are also encouraging Mauritius as well as other countries such as South East Asian countries to try to invest in Kenya. In Mauritius especially, they do have several labour intensive industries which are becoming less viable in their country and we are encouraging them to come and set-up such industries here in this country. We hope that hon. Members will support all these efforts and give us more funding because money has to go into the area where there is industrialisation, if we are really going to turn around our country and ensure that we create employment through industrialisation.

Mr. Speaker, Sir, we all know that industrialisation does not depend on rains. It does not depend on whether it shines or whatever. So, let us put more money into industry. That way, we shall ensure that our people will have a good standard of living in the future.

Mr. Speaker, Sir, reading or looking at history, we will know that no agrarian economy has ever been able to assure a high standard of living to its people, looking at all countries all over the world. But industrialised economies have assured their people a high standard of living. Therefore, while we must accept that agriculture is extremely important and will continue to be very important to our country, if we really want to ensure that our people live well at all times, we have to industrialise.

Mr. Speaker, Sir, with those few remarks, I beg to move. Thank you.

The Minister for Labour and Manpower Development (Mr. Masinde): Mr. Speaker, Sir, I rise to second this very important Vote and urge that the House does approve the money that the Minister is asking for.

Mr. Speaker, Sir, the Government has gone out of its way to make life very comfortable for investors in this country. Licences, both for import and export - many of them - have been removed and it is now the responsibility of the Ministry, for example, to make sure that they mount very serious campaign to attract investors. We have plenty, that investors from outside could be able to see in this country. However, many of them do not know the opportunities that exist here and as such, it is up to us, and the Ministry to go out of our way to attend the trade fairs, talk to the business people in those trade fairs and also send business people from here, either through the Kenya National Chamber of Commerce and Industry or by directly going to the districts and selecting a few enterprising, up-coming business people also to be facilitated to attend these fairs, so that they get new ideas and also encourage the outside entrepreneurs to carry out trade fairs.

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

Mr. Speaker: What is it Mr. Michuki?

Mr. Michuki: Mr. Speaker, Sir, is the Minister, who is the Deputy Leader of Government Business, in order to speak in a way that implies that those interested in investing in Kenya are ignorant of Kenya?

Mr. Speaker: Order! Order Mr. Minister! I expect hon. Members not to unnecessarily interfere with a Member. That is your opinion Mr. Michuki and that is his.

Mr. Michuki: That is not his opinion.

Mr. Speaker: Order! It is his opinion! Proceed!

The Minister for Labour and Manpower Development (Mr. Masinde): Thank you, Mr. Speaker, Sir. All I am saying is that, the outside world, as much as many may be interested to come here, they still have to be made aware of what exists in this country.

An hon. Member: They know!

The Minister for Labour and Manpower Development (Mr. Masinde): Mr. Speaker, Sir, not everybody knows.

Mr. Speaker: Order! Order! The two of you shall not have a personal conversation. Proceed!

The Minister for Labour and Manpower Development (Mr. Masinde): Thank you, Mr. Speaker, Sir. After mentioning about mounting of trade fairs to enlighten the would be investors, I would also like to touch on training. The hon. Minister has mentioned about it and indeed, this is very important, that, we mount serious training for up-coming businessmen in our country. We should also train even those who are already settled in business because they need to know the latest techniques of handling business. They also need to train in various ways of making sure that they can monitor the growth of their businesses. When I talk of this, I am thinking more in terms of training people on how to keep business books of accounts, so that those who venture into business, at least, can know whether they are making profit or not.

Mr. Speaker, Sir, the training should not only be mounted for those already in business but also for those interested in starting small and medium size businesses. Some of them may have the ideas of what they want to do but they may not have the practical experience. This training should include those people who have had practical experiences to come and lecture to those who are up-coming businessmen. The training should also include those

who are retiring. We have had quite a number of civil servants being given the "Golden Hand Shake". As much as they would like to run businesses, they need to be told what kind of businesses that would be more viable than the others. This is because even if they have the money, they may never have had the experience of running any business. As much as they may have held high positions in the Civil Service, they need business training.

Mr. Speaker, Sir, there is a very important aspect of assisting the businessmen and, that is through the Kenya Industrial Estates (KIE). Kenya Industrial Estates have helped many people to start business. However, the KIE management is also aware that many of our people have failed to succeed and defaulted in loan repayments. This is partly because of probably choosing the wrong type of businesses and not getting proper guidance.

It is definitely important that the Ministry be given some money for KIE, not only for lending to those who want to do business but also to train and help the prospective business people to choose the sort of businesses that they are capable of running and are viable in different parts of the country. They should not just pick up on a business because they have seen a neighbour next door doing that business and they also go in for the same. It is also important that the KIE, at least, loosen their terms of lending the money. I know we have had a slogan whereby people are meant to be given money on character basis; because one has a good character, he can get a certain amount of money. Now, quite a number of people have failed to get this money despite the fact that they have had letters from their immediate seniors like Assistant Chiefs and so on. I think the situation should be revised or improved on, so that those people, if it is really character lending, they should look at those who have good character and are determined to run the business and be given sufficient money to be able to start and run those businesses. They should not be given little money, much of which will perhaps be spent on rents before they even begin to do the actual business.

Mr. Speaker Sir, the Minister has also touched on the Export Processing Zones. I must congratulate the people managing the EPZs. They have definitely helped this country in the creation of employment and I would appeal that more facilities are given to those who would like to open up the EPZs.

However, the conditions in the EPZs especially for the proprietors are so good that they in turn, should also be able to look after their workers as human beings. They should be kept in good health so as to be able to be more productive and produce more goods for export purposes.

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

(Question proposed)

Mr. Obwocha: Thank you Mr. Speaker, Sir. I would like on the on set, as the spokesman for Commerce and Industry from the Official Opposition, to make the first remark; that, when the Minister was moving this Vote, he talked about development Votes but forgot to ask this House for a specific sum which in the estimates, I do notice is K£49,563,100. I do not know what kind of omission that was. However, if I did not get it--

The Minister for Commerce and Industry (Mr. M'Mukindia) On a point of order, Mr. Speaker Sir.

Mr. Speaker: Mr. Minister, what is it? Order, order, order! When a Member stands on a point of order, the Member against whom the point of order is being made, once ordered to, must resume it immediately. What was it Mr. Minister?

The Minister for Commerce and Industry (Mr. M'Mukindia) Mr. Speaker Sir, in my presentation, in fact the very first paragraph, I stated exactly how much money I was asking this august House to grant my Ministry in order to carry out the responsibilities of my Ministry.

Mr. Speaker: Well, I think, my guidance to the House is that the Motion before the House as of now is "That Mr. Speaker do now leave the Chair." When we come to the Committee of the whole House, then that specific question will be moved and proposed by the Minister for the specific sums of money. And it would be there on the Order Paper. You will see it tomorrow. Proceed.

Mr. Obwocha: Thank you Mr Speaker, Sir. Now, in the Ministry of Commerce and Industry, one thing that is disturbing most Kenyans who are businessmen is the question of loans. Right now, although the Minister talked of Kenya Industrial Estates, there is no money within that Corporation. Even in ICDC, there are no funds available and other Corporations that fall under this Ministry have no money. In fact, if the Minister is serious about getting KIE to expand business, to help traders in this country, he should establish KIE centres in major towns of this country. This is because KIE only happens to be in the Provincial Headquarters.

Mr. Speaker Sir, there is the question of small businessmen. I do notice that the European Economic Community is giving the Ministry K£16,500,000 for the EC Micro-Enterprise Development. The problem we have with many Ministries in this Government is that these funds, when provided by donor countries or donor agencies, the accountability of these funds takes so long that Kenyans do not benefit from what is envisaged in the assistance.

Mr. Speaker Sir, there is also the Rent Tribunal which is under the Ministry and it is in two parts; one, dealing with residential houses and there is the other one for business premises. The limit at which the rent tribunal is

empowered by the Act is too low because the rent which is a maximum of Kshs2,500 was being charged early in the 1980s or late in the 1970s. Right now, the cost of houses has gone up and, therefore, the rents are up. So, it is important that the Minister brings an amendment to that Act, so that they can provide with the changing circumstances in the economy. Also, the problem of where this tribunal sit is a question to be revived by the Minister because it should also be done in major towns. For example, he was talking of having many of them in Nairobi. It is very inconvenient because, businessmen spend a lot of money to travel from very far places to come to Nairobi to hear their cases. The other problem with rent tribunals is that the Ministry does not provide adequate funds. In fact, going through the estimates, the funding of the tribunals is not adequate. I do not know what the problem is; maybe, the Minister will tell us when he is replying.

Mr. Speaker Sir, I would also to say something about trade licensing. Trade licensing, with the multi-party system in the country, has been politicised where people who are in the Opposition are denied licences. I thought, this is part of Government revenue; that the Government earns revenue from trade licensing. We hope the Minister will also look at the issue of licensing, so that they are harmonised because, for example, in hotel industry, one would go for a hotel licence, accommodation licence and maybe, a restaurant or bar licence and instead of having one to be applied for, you apply for three. So, I hope the Minister will have a look at this to harmonise that kind of position.

Mr. Speaker Sir, I would also like to comment about KNTC. KNTC is a bankrupt organisation. It owes the Cereals and Sugar Finance Corporation over Kshs1.6 billion. Now, recently the Minister fired some of the top officers from that Corporation. There is liberalisation in the country. What are we doing with KNTC? That is an organisation which should be disbanded. First of all, even the items that were acquired by that Corporation like bicycles, have now become dead stock which is not moving and nobody is looking into this problem. The KNTC is doing virtually nothing.

Mr. Speaker Sir, I would also like to say something about the Kenya Bureau of Standards (KEBS). I would have expected, because of the problems we have in the country in terms of looking at the standards of various places, the Minister to come here and seek for financial assistance to build more laboratories for the Kenya Bureau of Standards, so that our standards can improve. This is really an issue that the Minister should look and ensure that the Kenya Bureau of Standards is be expanded.

The Inspectorate of the weights and measures should be liberalised to the extent where the small scale businessmen are allowed to repair scales; this should not be done by the Ministry. The Ministry should be doing the actual supervision, whether the scales are okay and so on. But the actual repair work should be left to the small Kenyan businessmen.

Mr. Speaker, Sir, I would also like to say something about the Kenya Industrial Training Institute (KITI). We would expect the Minister, if indeed, he really wants to increase training, to have this institute expanded in major towns of this country, so that we have more expertise and more people accessing training. Then when you talk about industrialization by the year 2010, you will be talking about something that is in the process and is wholly in the Ministry.

Mr. Speaker, Sir, now, there is the question of the Export Processing Zones (EPZs). The Nairobi EPZ in Athi-River is doing fairly well, but the Ministry should carry out consultations with other Ministries like the Ministry of Labour, to acquire some of the land that is being sold to NSSF at very high prices. For example, the NSSF recently acquired 1,000 acres of ranch land at Embakasi for Kshs850 million just for an Opposition politician, a Ford Kenya man, to defect to KANU. That piece of land is not worth Kshs850 million. That could have been negotiated so that we expand our EPZ to this area.

It is also unfortunate that the Ministry did not take into consideration, the views of the people of Kaloleni where they are trying to expand. It is a good idea, but when you encroach on ancestral land in certain communities like Kisii, you can be sure that you will lose your life. So, you must approach it with a lot of care. I suppose, among the Miji Kenda, a similar view is held.

Lastly, about trade exhibitions which the Minister was talking about, there is no point of taking people who do not understand what they are going to do there. You sent people who call back their houses at night and the houseboy says; "mama has gone out". He says; "oh, mama has gone out at night?" He does not understand that when it is night time in Rio, it is day time in Kenya.

With those few remarks, I beg to support.

The Assistant Minister, Office of the President (Mr. Awori): Thank you, Mr. Speaker, Sir, for giving me this opportunity to support this Vote. Right from the time of Independence, Kenya chose the right path; an independent path from other emerging countries in the building of its economy. Kenya chose African Socialism together with Capitalism. We have been proved right. When you look at countries that were under colonialism but which chose extreme socialism, they have come a cropper and even the originators of socialism themselves have returned to a mixed economy. Our system of a mixed economy has helped a great deal to create an informal sector

that is popularly known as *Jua Kali*.

Mr. Speaker, Sir, at this stage, I would like to pay tribute to His Excellency the President who promoted and supported very strongly, the *Jua Kali* movement. I would also like to congratulate the young Minister for Commerce and Industry who articulated his Vote so well and who has worked so well in concert with His Excellency's ideas, to put our economy on the right footing. I think we did take the right steps right from the beginning. In the first instance, in order to gradually transfer the economy from the hands of foreigners, parastatals were formed. The intention was that those parastatals would help to transfer the economy to the Africans. We then went on to import substitution, where we found many multi-national companies playing a very major role. These include the East African Industries, BAT and many others. However, now we have reached a stage where we must be export oriented. Using the cliché, I think it is time we stated now: Export or perish.

[Mr. Speaker left the Chair]

*[The Temporary Deputy Speaker,
Mr. Wetangula, took the Chair]*

Mr. Temporary Deputy Speaker, Sir, it is very important to maintain an enabling environment that will help us to continue on this path to strengthen our economy. Our economy can only be strengthened with good investments.

When we talk of investment, we are not only talking of investment from outside. We should also be cognisant of the fact that local people have got money to invest but they are not going to invest in a country where there is no peace or stability. We must create this enabling environment.

It is a great shame when we find that a section of our leaders in this country trying to bring about conditions that will make stability difficult. It is up to all of us, irrespective of the political parties to which we belong, to bring about peace, unity and stability in the country in order to help the investment. We must create and have good relationships with international countries and donor countries, so that they can continue to help us in our economy. We wish to create wealth.

Mr. Temporary Deputy Speaker, Sir, there has been a fallacy in this country that you must continue to build big, concrete buildings and what have you! We have missed the good opportunity of using credit societies in creating wealth. Credit societies in this country have put up magnificent buildings, but those buildings were only valuable to us at the time when the contractor was employing people to put them up. We would like money such as that spent on Harambee Plaza or on factories, where we can create a lot of job opportunities. This would be creating wealth. We need to have an attitude of hard work and, in this case, we would like to have responsible trade unions. It was a great pity when 10 years ago, trade unions forced the Government to bring down the working days to five. I think it was a great tragedy. All the countries, particularly, those popularly known as "Asian Tigers" have moved fast and are becoming industrialised and developed countries because they have been putting in 60 to 65 hours a week. How could we slow down our development by putting in only 40 hours a week; five days a week? It is necessary to put in not only a lot of work, but to bring the cost of production of any of our goods down.

The Minister has talked about the Kenya Bureau of Standards (KEBS) and we want to support him. Most of the products that have to be exported go to compete with products from highly developed countries. Unless our quality is high and our cost of production is low, it is not possible for us to compete effectively. We would like to use this Vote to create cottage industries in the rural areas. By doing this, we would be alleviating the housing problem that affects most of our metropolis. We would like to reduce problems in the slums of Kibera and Mathare by setting up small cottage industries in the rural areas.

I heard about the joint loans board, and this should be strengthened, and they are going to be strengthened, so that the young people who are completing our new system of 8-4-4, who are no longer afraid of soiling their hands, and who do not put too much importance to white collar jobs or ties, will be able to put up small industries in the rural areas, so that they can reduce unemployment in this country.

With those few remarks, I do support the Motion.

Mr. Kibaki: Mr. Temporary Deputy Speaker, Sir, I rise to support this Motion, but also to call upon the Minister and the Ministry to take serious action to correct what is happening now. At the moment, as the Minister is speaking just here and he is saying how he is going to support local industries and promote local industry, in reality, in Kenya, industries are dying. There is no point in anybody closing their eyes, particularly if they are Kenyans; "black Kenyans". Industries are dying; why are they dying? It is because, there is importation of dumped goods and goods which do not pay tax. We have non-taxed goods which are flooding the markets of Kenya, and they are being sold very cheaply and some of them we are cheated that they are destined for export onwards. But, they do not go anywhere, and these are the ones selling within Kenya and killing local industries. It is a fact of life and the Minister

must take action and should be assisted by the Ministry of Finance and those who do collect taxes on goods, and do the inspection.

This corruption, Mr. Temporary Deputy Speaker, is what is killing the industry. If we do not take action on that line, there is no way we are going to make any industry in Kenya survive, when we have liberalization. This is because, tax is now the only protection or the only variety of protection which is consistent with liberalization. So, Mr. Minister we would like action taken on that regard, because, these industries are dying. For instance, the assembling industries which were doing a very good job, and that is the beginning of building new industries - assembling - including assembling of motor-cars. Those industries are now on the way down, precisely because, there are imported parts which pay no tax and will sell very cheaply and equally important, those who import vehicles, some of them are getting them tax free. Some genuine traders are also being squeezed out of trade by people who are able to have access to that privilege of getting their products released without paying taxes. That is the highest order of corruption and it is killing industry in this nation.

Secondly, Mr. Temporary Deputy Speaker, Sir, investors - we are talking about investors - why do we not begin by encouraging local investors? We have many local investors who have money, who want to invest, but in this nation, the language spoken by people in Government, particularly Ministers, they are still talking tribal. You do not have encouragement of a Kenyan who has his own money to go and invest in a small industry, in any business in any part of Kenya. Yet, if we do not begin by encouraging local investors, and by encouraging those who have already put their money in Kenya, then the effort to encourage foreign investors is truly misguided and will not bear fruit.

An investor is hard headed, and in my experience in the time I was in the Government, I know that a foreign investor who comes to Kenya, first and foremost, wants to talk to those who have already put money in Kenya. He does not care what the Minister is saying or what the Government is saying. He wants to talk to those who have put their money in Kenya, and ask the question; how does the future look like? How are you being treated? The answer he gets to those two questions, is what determines whether he stays there, moves on to South Africa, Zimbabwe or Mauritius, which the Minister was mentioning. So, the way we treat domestic investors is what is going to determine everything.

Mr. Temporary Deputy Speaker, Sir, talking about availability of savings, there is no investment with sound savings, local savings. Will the Minister join with his colleagues in the Ministry of Finance, Ministry of Co-operative Development and do two things? First, he should amend the Co-operatives Act to allow the co-operatives to invest their savings, and they have billions and billions of savings in co-operative movements. We want to invest in places of our choice. The dictatorship now of the Commissioner of Co-operatives whose authority we seek, according to those rules which he has made under that law, we want them removed. The co-operatives have grown, they have money; let them invest where they choose.

Equally, we want an amendment in the Insurance Act, to allow insurance companies to invest wherever they want, because, they are the ones which have at their disposal, large sums of savings from Kenyans who insure. Those savings can only be invested more broadly and more widely, particularly now that we are privatising. So, I would like that, the Act be amended, to allow them to be investors in insurance, with greater freedom.

Equally, Mr. Temporary Deputy Speaker, Sir, the biggest limitation on industrialization is energy. Today, we have a deficit of 35 per cent of the power that we need in this economy today. We are short of 35 per cent of the total consumption. That is why we are getting rationing. Therefore, if you want to start a new industry and you start off knowing you are going to be rationed and particularly if your industry is sensitive, then, you cannot put your billions, because your billions will be spoilt. Energy supplying is now so short that if we do not deal with this particular problem--- It is a pity that the Minister for Energy stood up without shame and ignorant, without knowledge, and he says, "there is no problem - there is no problem" and yet, everybody in the industry knows, including those who are managing power and lighting, that, we have 35 per cent deficit. We are way behind and this is one thing which must be dealt with. If we do not deal with it, what we are talking about here is not meaningful.

We also want, to promote processing industries. For instance, there are people who want to promote the processing of tea. At the moment, only 10 per cent of our tea is processed, packaged and sold direct to the consumer. The rest of the tea, we just export it to other people who process it and mint all the money in the world. We want to decrease the volume, the proportion, at least to the levels of Sri Lanka. About 50 per cent of our tea should be processed and sold direct to the consumer.

Equally, Mr. Temporary Deputy Speaker, Sir, if I may talk about Jua Kali, It is only praised in Nairobi, but, in reality, if you go to Othaya, if you go to Luanda or any other market like Taveta, wherever you go, that Jua Kali man does not have access to small capital. The bulk of them want to borrow, say, Kshs20,000, 30,000, Kshs15,000 and other amounts just to buy tools, and then they would be able to do what we are being told they would do. But, until they can have access to that basic, very small capital, they will not grow the way we are talking about. So, let us find a

way of reaching them. The policy is enunciated in Nairobi, it is very good, but surely is it not reaching the Jua Kali person who needs it? Even in Nairobi, right here, it is not reaching the Jua Kali person who needs that help. We need to help them much more than we are doing right now.

Finally, Mr. Temporary Deputy Speaker, Sir, on privatization, this is not a matter to be left to that fictitious committee, which has been so corrupt and which the Auditor-General (Corporations) has declared that it is so corrupt. It sold the Milling Corporation of Kenya in Nakuru, for Kshs150 million, when it was worth Kshs400 million. And all they have done is to transfer the fellow who was the chairman of that committee and other people, to do more damage elsewhere. They have not been sacked, they have not been prosecuted, and yet that is what the Special Report of the Auditor-General (Corporations) did recommend. So, privatization, Mr. Temporary Deputy Speaker, in order that we may have a chance to bind to it, should cease to be done privately. Make it public and announce this when you are going to do whatever you are going to. So, Mr. Temporary Deputy Speaker, Sir, I beg to support.

Bw. Badawy: Ahsante sana, Bw. Naibu Spika wa muda, kwa kunipatia nafasi hii, nami niunge mkono Hoja hii iliyoko mbele hapa, ya Wizara ya Biashara na Viwanda. Mapendekezo yanayowekwa mbele ya Bunge hili na Waziri yanaridhisha, kama yalivyozungumzwa mbele yetu. Ni matumaini yangu kwamba yatakelezwa, hasa katika kiwango cha wilaya, badala ya kubaki kwamba ni mwongozo katika Wizara, na amri ambazo zitakwenda kwa maafisa walioko chini kule na zisitekelezwe.

Nimefurahishwa sana na uhakikisho wa Waziri, ya kuwa kumewekwa afisa ambaye atahusika na mambo ya viwanda, yaani maafisa wa ustawi wa viwanda katika wilaya. Hili ni jambo la busara sana kwa sababu pahali kama Wilaya ya Kilifi na Malindi hasa, ambapo tumekuwa tukitegemea uchumi kutokana na utalii pekee, tunaona hakika utalii sasa warudi chini kabisa. Ihali, nafasi za kuweco kwa viwanda vya aina tofauti katika sehemu ya Malindi na pembezoni zake, ni nafasi nzuri sana.

Ni matumaini yangu kwamba maafisa hao waliotumwa katika wilaya, na ninajua tayari Kilifi tunaye mmoja, kwamba watatumia nafasi zao kuwashauri wafanyi biashara, kutafuta uwezekano wa kuanzisha viwanda tofauti ambavyo vyaweza kuwekwa uzito katika Wilaya kama hizi, na wasiende mwendo ule ambao wanakwenda wenzao, wale wanaoitwa maafisa wa biashara wa wilaya. Hii ni sababu ofisi za biashara katika wilaya, zimekuwa ni ofisi za kuchukua leseni pekee. Ukweli ni kwamba mfanyi biashara hapati ushauri wa aina yoyote, katika kuendesha na kusitawisha biashara. Na hata wale ambao wamepatiwa mikopo midogo midogo, za kuungana pamoja kibiashara, basi huwapatiwi pesa na hawakumbukwi tena mpaka siku ile ambayo wameshindwa kulipa ndio wanakumbukwa kwa kufuatwa. Lakini hakuna hata uangalifu kuhakikisha kwamba wafanya biashara wale wanapata usaidizi na ushauri wa kuweza kuendelea, ili nao wapige hatua ya kupanda ngazi, waombe ile mikopo ambayo Bw. Waziri alitumbia ya ICDC na hata ya IDB. Wanabaki pale pale, na ikiwa kuna kitu chochote baada ya miaka michache, unamuona mfanyi biashara anarudi nyuma, biashara inafungwa.

Natilia mkazo sana kwamba maafisa wa biashara washughulike badala ya kushughulika kutoa leseni pekee, hasa pahali kama Malindi ambako wameshughulikia kupatia wageni leseni zaidi washughulike kuwaelimisha watu. Ni aibu ikiwa afisa wa biashara atakaa pahali kwa muda wa mwaka mmoja, miwili au mitatu na hajafanya mkutano na wafanyi biashara, kujua matatizo yao, kuwashauri na hata kuwaeleza juu ya mwongozo wa Serikali, kama uhuru wa kibiashara ambavyo ni vitu mfanyi biashara anasikia tu hata hajui ni kitu gani. Kama si, afisa wa biashara hatuwezi kumshauri, ni nani mwingine angefanya jambo kama hilo?

Nikizungumzia juu ya utoaji wa leseni kwa wageni, sitaki nionekane kama mimi ni mkabila, au mbaguzi, wala nisieleweke kwamba ninafukuza waweka vitega uchumi wa kigeni. Lakini ikiwa kwa uhuru wa biashara, itafika kiwango cha kwamba, mgeni anayekuja Kenya sasa hata haangaliwi tena, analeta pesa ngapi nchini, anapewa leseni ya kufanya biashara zile ambazo wananchi kutoka wapate uhuru wamekuwa wanazifanya vizuri, na inakuwa ndiyo sababu wananchi wale wakose kazi, warudi waandikwe kazi na mgeni, basi uhuru wa biashara na uchumi, lazima tukubali kwamba hakuna. Na hivyo ndivyo ilivyo katika Malindi, tulilalamika hata kamati ya ustawi wa Wilaya ya Kilifi, tuliweka ulalamishi, ukaletwa na ikaundwa tume maalumu ambayo iliongozwa na Bw. Sharawe aliyekuwa Katibu wa Kudumu katika Wizara ya Utalii, mkurugenzi wa biashara za nchini alikuwa ni mwanakamati humo, twangojea mpaka leo, karibu miaka miwili tupate matokeo ya tume hiyo, na hakuna matokeo yoyote. Na walipokuwa wakizungumza na sisi viongozi, walikubali yale matatizo tuliwaonyesha. Wananchi waliokuwa na biashara zao, leo sasa wanaajiriwa.

Pahali kama Malindi, kulikuwa na mafundi wa ujenzi wasaba, kuanzia uhuru mpaka miaka mitatu ama minne iliyopita. Hii leo, wote hawaonekani tena na wamekuwa ni wasimamizi, wanyapara wa Wataliano ambao ndio wanaoendesha kazi na wamepewa leseni za kufanya kazi ya ujenzi wa nyumba.

Ikiwa tutakuwa wazi, na kutojidanganya wenyewe kwamba mtu anayeleta vitega uchumi vya kigeni, tumwachie afanye vile anavyotaka, ikiwa watu wetu wanateseka, na watu wetu wabaki ni madereva wa kampuni za Utalii, wanaowapatia chakula watu mahotelini, wabaki ni wanyapara wa mafundi wa ujenzi wa wale ambao eti wanaleta uchumi na kuleta pesa Kenya, basi itakuwa hakika hatujapata uhuru wa uchumi. Kwa hivyo, ningomba

jambo hili liangaliwe kwa makini. Mambo ya kutoa leseni ya biashara ndogo ndogo kama uuzaji wa "ice cream", ukodishaji wa baisikeli, kuuza nguo au za wale Wakamba walikuwa wanafuraha Malindi kuuza sanamu zao na leo wanaharakishwa mara kwa mara na wageni wanapatiwa leseni za kufungua duka za kuzia nguo katika mahoteli yao, hii ni aibu kabisa.

Hata wafanyi biashara wa aina nyingine wote, sasa wamechukuliwa nafasi zao na wageni. Na kuhusu jambo hili, kila Wizara tunaiendea, tukiwambia Idara ya utoaji wa cheti cha kusafiria, ndio wanaotoa leseni; wanasema, basi wao wakipewa leseni, sisi tutafanya nini? Ukienda kwa manispa, swali ni hilo hilo. Kwa hivyo, tatizo la kuwaacha wafanya biashara wa kigeni kuwanyanyasa na kuwatoa watu wetu wa eneo hilo, limekuwa ni swali ambalo hakuna idara yoyote ya Serikali ambayo inakubali kwamba ni jukumu lake, na hiyo ni aibu kabisa.

Bw. Naibu Spika wa Muda, miongoni mwa hasara nyingine ambazo watu wetu wanapata, hawa wageni wanaopatiwa leseni, nina rekodi ya watu wetu wafanyi biashara kama vile wenye soko la samaki, duka la nyama, wachuuzi wa mboga, na wote ambao wanaotoa bidhaa kwa mahoteli, baada ya muda fulani, watoaji hawa wanadhulumiwa kabisa. Wanafilisishwa na hao wageni. Ninaomba Waziri aangalie namna ya kuwahifadhi na kuwalinda wafanyi biashara wetu wa eneo hilo, ambao wanavutiwa kutoa vifaa vya deni kwa wageni na baada ya muda, hawalipwi na unasikia biashara wameuzia wajeremani wengine na watu wetu wanakuwa hawana biashara. Lazima Serikali iwe na njia ya kumhifadhi na kumlinda mfanyi biashara wetu kutokana na vitimbi hivyo ambavyo naona kama ni mpango. Hii ni kwa sababu mtu yule yule ambaye ana hoteli, unamuona baadaye amefungua duka la nyama pale, amefungua duka la samaki pale. Baadaye anawamaliza wale watu wetu wa eneo hilo, na haya si maneno ya hekaya, ni maneno yanayoendelea Malindi na ninasema kwamba ofisi ya biashara lazima ishughulike.

Nikizungumza juu ya mambo ya Jua Kali, isitoshenze basi kwamba tunawapa leseni watu wa Jua Kali. Ni lazima afisa anayehusika na sekta ya Jua Kali ahakikishe kwamba matatizo yoyote ambayo mtu wa Jua Kali anayapata, basi tumsaidie. Ni faida gani kuwapa mikopo watu wa Jua Kali na tuna mwongozo wa kuwasaidia, hali watu wale hawana pahali pa kufanyia kazi? Hata kama wanapewa mikopo midogo ambayo nimetaja hapa, baada ya wiki mbili, tatu au miezi sita wanafukuzwa pale walipo na kuambiwa haoni maskwota ama watu wasio na makao.

Hata zile sehemu ambazo zimetengwa, kama eneo la kufanyia biashara kwa watu wa Jua Kali, unaona zimechukuliwa. Labda, Bw. Waziri kama hajui, hata ile sehemu kubwa ambayo baraza la Malindi ilitenga kwa mitaa ya viwanda ya Malindi, ambayo tunatarajia kwamba inapanuliwa, eneo hilo karibu ekari tano au zaidi zimeshachukuliwa na wasitawishaji wa kibinafsi. Mambo kama haya, tukiwa tunazungumza kuinua na kutilia nguvu biashara hata kwa watu wa eneo hilo, yaani wananchi Waafrika, lazima tuone kwamba mwongozo na nia zetu za kuwasaidia hawa watu, ni lazima tuwasaidie katika vikwazo vyote vile ambavyo vimeambatana na biashara ambao wao wanataka kuifanya. Ikiwa itakuwa ni maneno tutazungumza kwenye karatasi na kupitisha Mswada na maneno hapa, itakuwa hakuna faida. Lazima tuone kwamba watu wetu wanasaidiwa.

Lazima tuone kwamba watu wetu wanasaidiwa kwa kupatiwa hiyo mikopo. Tunaambiwa kwamba Kshs200,000 hutolewa kwa watu wa Jua Kali na Kenya Industrial Estates. Hata nilishangaa siku ingine ambapo afisa anayehusika na mambo haya katika Mkoa wa Pwani akitoa lawama kwa watu wa Pwani na huu ndio msemu ulioko. "Watu wa Pwani hawataki kuchukua mikopo". Mimi binafsi nimepeleka watu zaidi ya 50 huko KIE, Malindi, kuomba mikopo ya Jua Kali ambao tulikubaliana pia watu wa mashua watasaidiwa kupatiwa mikopo. Lakini yamekuwa ni maneno tu. "Nenda rudi, nenda rudi, hakuna lolote". Tunaambiwa pesa zimerudishwa kwa sababu hakuna watu waliomba. Ikiwa tunazungumza juu ya mambo ya viwanda, ni lazima tuhakikishe kwamba kila pahali kuna viwanda vya aina fulani na mikopo ambayo itatolewa kwa watu itolewe kulingana na zile biashara wanafanya. Malindi ni mji wa wavuvi. Lazima Jua kali sector ikubali kwamba uvuvi pia ni kiwanda na pia wavuvi wapatiwe mikopo. Hii mikopo ya Joint Loans Board ambayo wanawapatia watu ni kidogo. Wanapatiana Kshs20,000, Kshs30,000 na Kshs40,000 na hata Kshs700,000 kwa Wilaya ya Kilifi mzima hazitoshi. Kshs700,000 kwa wilaya ndogo ya Malindi hazitoshi. Mikopo hii ni midogo na haiteti faida yoyote. Kulingana na bei ya vitu leo, Kshs20,000 haziwezi kununua cho chote.

Kwa hayo machache, naunga mkono.

Mr. Michuki: Thank you Mr. Temporary Deputy Speaker Sir. I too would like to support this Motion and particularly presented by a Minister who in my opinion is pursuing the right policies. If only there could be the element of collective responsibility within the Government to support what he is trying to do!

Mr. Temporary Deputy Speaker, Sir, the Minister himself did enumerate the various duties that his Ministry is charged with but I do think he did omit certain areas which are equally important and which cannot progress unless the Ministry of Commerce and Industry is committed to them. Hopefully, when he talked about the promotion of commerce, he also meant the resultant effects of that promotion, particularly in the area of improvement in the Balance of Trade and hence, the Balance of Payments of this country. This is because without trade, we will not be able to get sufficient foreign currency which is so vital in paying for things that we have to import in a situation where for years, they have continued to have adverse balance in our trade vis-a-vis the rest of the world.

Mr. Temporary Deputy Speaker, Sir, therefore, that Balance of Payments is equally important. It arises from

that promotion of trade, be it in the sale of our own tea, magadi soda if you like, and all the things that we have to export. What I think hampers this area of the promotion of commerce is lack of credit. This has been mentioned here by the previous speakers, particularly in relation to the usual role that the ICDC used to play, the variety of development institutions that we have which in my opinion, are not being effective because they are not reaching the trader who needs them. More importantly, the non-availability of credit particularly from commercial banks, is directly related to the activities of Government; a Government which has either deliberately or I think it is inability to control the Government deficit. The Government deficit that is making it necessary for the Central Bank to continue applying very high rates of interest in order to attract finance for Treasury Bills.

As we all know, the rate of interest that commercial banks are now adopting in this country are directly related to the rate of interest that the Government itself is paying for Treasury Bills.

Mr. Temporary Deputy Speaker Sir, I read in a certain article this morning, where even a Government bank has raised interest rate from 15.5 per cent to 19.5. And that is not the end of the story, because above all these rates that are being announced by commercial banks, there are what they call "Points of Interests" above base, so that people are paying 25 to 26 per cent. Now under normal circumstances, I do not see which trader, unless he has followed the route which Mr. Kibaki has pointed out here and he is able to bring goods without duty and these are the prevalent goods in the market- he cannot survive as a trader. The rate of interest of 25 to 26 per cent is not just going to enhance trade. It is not going to bring development to this country and I would appeal to the Government to think very seriously how to deal with the Treasury Bill rates, in order to facilitate traders and farmers to obtain credit.

Mr. Temporary Deputy Speaker Sir, as we sit in this House today, because of lack of that credit which is not even available from AFC which has been burgled, if I may use the word, we have 12 million Kenyans who are living below poverty line because of lack credit support in what they want to do in order to earn a living. This is an issue that the Government quite seriously, should not consider in the light of whether it is coming from the Opposition or from their benches. This is a national crisis. Our people are getting poorer and poorer because of bad policies of this Government.

Mr. Temporary Deputy Speaker Sir, the other area which I thought the Minister could mention is about the creation of employment because more than any other Ministry, it is the Ministry of Commerce through its own policies that will promote employment in this country. We have heard that agrarian activities are not going to get us into employment and the Minister himself did say that. And I think that he is quite right in emphasising the importance of industrialisation. Not many people know that for eight years I was in this Treasury of Kenya immediately after Independence and the method we used has now been kicked out of the window by this KANU Government which actually is KADU and not KANU. The policy which created the Industrial Area as we see it here was that investors were given concessions; they brought machinery duty free, they were given raw materials duty free for three years, they were exempted from other taxes and they started the process of setting up those industries. At the same time, they employed people within those three years and they provided a tax base for the future.

The argument we get particularly from the Ministry of Finance is that the Ministry is going to use the revenue. Surely, if you endorse what you do not have or if you do not have people to tax, you cannot say that you are losing tax because you never had it in the first place. Therefore, could this area be re-examined because those people will come here and employ our people? They will not pull out their industries and in three years, they will have come into the tax net. That is how the whole thing was done, with the exemption of duties, taxes, free importation of raw materials and in any case in the process, the Government was benefitting from the wages that the workers were getting.

There is the other element which affects investments in this country. It has been mentioned before, but let me emphasise this area. It is not necessarily the responsibility of the Ministry of Commerce and Industry. It is a collective activity led by the Vice-President and Minister for Planning and National Development who knows what we talk about in this House, because he is always here. This is the infrastructure that we are talking about because, for example, industry requires roads. I can see the hon. Minister in charge of prisons is laughing. I think he has a problem. Too many people are getting death certificates from his area of operations. I was talking about industries which require roads and adequate clean water, energy, telephones, sewage and land. Where is land for putting up industries today? It has all been sold. Let me give you an example, which prove here, of land in this city and other places worth Kshs.16 billion, which has been sold without regard to future industrialisation, social services, schools and nursery schools in this country. I do not know where this land is going to come from, despite the fact that we need more industries.

So, I support the Minister who is moving the right way if he can be supported by the Vice-President and Minister for Planning and National Development and the rest.

The Vice-President and Minister for Planning and National Development (Prof. Saitoti): Mr. Temporary Deputy Speaker, Sir, I first of all want to express my joy, to know that quite a number of hon. Members of the Opposition who have contributed to this Motion have warmly supported it. I want to say that I too do support this

Motion, and I will not speak about the quantity of money that is being sought by the Minister, because if the resources were there, perhaps more money should be provided to this Ministry. I shall therefore, wish to focus on what we probably have done and what probably needs to be done, and what we will do, to ensure what we want to be done, will be done.

I think this is the opportune time for us to recall the fact that for a very long time, the Kenyan economy has depended on agriculture as the backbone of the economy, and for that reason a great deal of emphasis and investments have been put into this area. This was so because of the fact that it is important that a country must be in a position to feed itself and have surplus in case of difficulties. And indeed, it has been agriculture that has been able to earn this country substantial amounts of foreign exchange and creating employment opportunities.

Mr. Temporary Deputy Speaker, Sir, that is why we are at crossroads. We are at a crossroads because we must create employment opportunities. Unless this country does embark on serious industrialisation, at least in my own judgement, I do not think that we shall be able to cope up with solutions to the challenges of unemployment and to be able to find opportunities for the young trained boys and girls who are coming from various institutions of higher learning, be it universities or wherever else. So, the issue of ensuring that industry occupies a centre piece in the development of this country is not just the responsibility of the Kenya Government, but also the responsibility of us all.

A country that prospers will mean that it is going to serve every Kenyan who lives in this country. A poor country will mean that every individual of this country, irrespective of whichever party one belongs to, will suffer. When we are talking on this matter, we are talking of what we need today, and we are talking of what we are going to have in the years to come. Industry as you very well know, and I am glad to see that hon. Michuki spoke here and hon. Mwai Kibaki--- Let it be known very well that the industry we have in this country was very much built behind the walls of great protection, and indeed, it was an industry that was patented along the line of import substitution in order to manufacture what we were importing. We are past that one. We passed that one the moment we published the Sessional Paper of 1986. Indeed, a lot has been done in terms of institutional development, starting with the view of the whole tariff and taxation, and when I look back, I think there is something to say, that; "yes we have made a major step", in terms of trying to re-orient our own industry, so that it becomes export oriented. If you look at the taxation, which of course is an issue that was touched on the Government has been sensitive to this issue. When it comes to industry, the corporate tax has been reduced from what it used to be, from 65 per cent to about 32.5 per cent. That has been done with the intention of giving incentives to both local and foreign investors.

Mr. Temporary Deputy Speaker, Sir, a lot has also been done in terms of giving concessions to the investments allowances, again for the industries. A lot has been done in terms of even removing the total Value Added Tax in matters of machinery. That is also intended to achieve that. Quite a lot has also been done in terms of those who want to invest in the rural areas by making sure that they are given certain concessions in matters of duty.

Mr. Temporary Deputy Speaker, Sir, one can go on and on, but indeed, what we have seen today, and indeed, we should be proud of--- I went to industrial area yesterday, I had not gone there for a very long time, and I went to several places and I was very impressed to see what is being produced in this country. The challenge, as we all agree, is to ensure that since substantial investments have been put into our industry, we must ensure that our industries will not die. We must make sure that they continue to operate in order for them to generate employment.

Mr. Temporary Deputy Speaker, Sir, I am not talking here for the sake of rhetoric, but I want to express the Government's determination and commitment to move to protect local industries, and we will move in that direction. In the past, there were loopholes in the area of collection of duties and other things. Let us take solace, in recognition of the fact that, it is only recently, that this Parliament enacted a law to establish the Kenya Revenue Authority. Within that Authority, there will be incentive to ensure that the personnel who man that Authority will be charged with the duty of collecting the duties and they will be properly remunerated, because that has been the problem. If you underpay somebody and you are asking him to go and collect a lot of money, the temptation to be bribed is great. So, one of the best ways of removing this, is to ensure that they are properly remunerated. We believe, and I have full confidence that the Kenya Revenue Authority in its own enhanced status, better remuneration packages, will be able to collect sufficient revenue and to ensure that there are no people who are going to short-run their goods here, and therefore, end up killing our own industry.

Mr. Temporary Deputy Speaker, Sir, I want to assure this august House that we are firm and that we have to protect our own industries and we are going to do so as the Government. We have no alternative but to ensure there are jobs and this will be pursued rigorously.

Mr Temporary Deputy Speaker, Sir, I also feel that this is an important area we really need to be looking into. This is the fact that Kenya is entering into a new stage of the newly industrialised nation like the countries of the South East Asia. Indeed, and I want to say this clearly that Kenya in Africa, is only second to South Africa. When I say South Africa, let us not forget that the South African economy or the industries, for that matter, is a very narrow economy; an economy that was partial to serve the minority, an economy and an industry that

was highly subsidized. Now, today, it has to broaden and respond to the majority of the people and I believe it is going to meet the competition. This is why I believe that the Kenyan economy has a role to play and it is going to play a role in this region.

I want to touch on an important area where I believe the Kenya Government will play a major role. We are committed and I want to assure this House that we are firmly committed to regional trading talks. There can be no choice on that matter, we have to follow what is being done in the rest of the world. The North American Free Trade Association (NAFTA), was established between the Americans and the Canadians and they are much more developed than we are and they have seen the sense of it. The whole of Europe is becoming a union. The South East Asia countries have got their Asia and Pacific basin. We have to move in that direction. I want to tell the hon. House here that about 50% in those or slightly more of Kenya's exports are traded within COMESA. The COMESA is the most important area, and I want to tell this House that what is fundamental here is to realise, as much as we do industrialise, the industrialized nations, although they are the ones, which will tell us to liberalise our economy, to allow the importation to come in, once we do industrialise, they come up with all kinds of barriers to ensure that Kenya schools have got no access to them and we have no alternative, we in the continent of Africa, but to pull our resources together as Africa and establish a strong African community of markets.

Mr Temporary Deputy Speaker, Sir, I hope, therefore, that today in this region, while we do have the COMESA, working alongside with study that sooner or later, the two regions will be able to merge and if they do not merge, hopefully, that we will be able to compliment each other because we have no alternative as that is the only way to continue. I should say this, that indeed, the issue of funding is important, especially to the local and rural industries.

If we are going to solve the problem of unemployment, it has to be not with the big industries only, but also with the small-scale industries in the rural areas and let us do the best we can.

Mr Temporary Deputy Speaker, Sir, on this call, I know very well that the Government will continue to give assistance to the rural industries.

With these remarks, I beg to support.

Mr. Murungi: Mr Temporary Deputy Speaker, Sir, let me also rise to support this Motion. I support the Motion on its intrinsic merits. I think, the Minister gave a very good presentation of the services that are being offered by his Ministry.

But before I do so, let me take this opportunity to forgive the Minister for some very unkind and unfortunate comments that he made in this House last week when I was briefly outside the House. I will forgive the Minister because I do not think, he knew what he was doing.

Mr Temporary Deputy Speaker, Sir, the point I am making is what has been said by hon. Members here; hon. Michuki and the others, that we need infrastructure in this country and we cannot develop trade and industry in Meru District, if the Minister has diverted Kshs6 million which is supposed to grade all the rural access roads, so that he can make a road to his own home. We are also asking for transparency---

The Minister for Commerce and Industry (Mr M'Mukindia): On a point of order, Mr Temporary Deputy Speaker, Sir. Today I am very happy that hon. Murungi is making statements when I am in the House. Could he substantiate that I have diverted money from the Ministry of Public Works, to make a road to my house?

The Temporary Deputy Speaker (Mr Wetang'ula): Hon. Murungi, did you say that?

Mr. Murungi: Mr Temporary Deputy Speaker, Sir, I said Kshs6 million allocated for rural roads in Meru District has been diverted to make a road to the Minister's home. I do not think, whether the Minister was in Meru recently but, I was there and if hon. Mwiraria could be in this House, he would support me because we were told that a road is being made with that money to the Minister's home. Let him confirm or deny.

Mr. Magwaga: On a point of order, Mr Temporary Deputy Speaker, Sir. The Minister has asked the hon. Member speaking, to substantiate his claims. Substantiating is not asking another Member to substantiate that the Minister has made the road by using Ksh6 million.

The Vice-President and Minister for Planning and National Development (Prof. Saitoti): Interjected---

Mr. Murungi: Mr Temporary Deputy Speaker, Sir, I am responding to the point of order. I think, the hon. Vice-President is totally out of order.

The Temporary Deputy Speaker (Mr Wetang'ula): Order! Order, Mr. Murungi! Order, Mr. Vice-President! Order! Mr. Magwaga's was not a point of order. So there is nothing you are responding to, carry on Mr. Vice-President.

The Vice-President and Minister for Planning and National Development (Prof. Saitoti): On a point of order, Mr Temporary Deputy Speaker, Sir. Is it in order really, for the hon. Member to bring purely what appears to be a domestic Meru politics issue, to come and be discussed here and divert the House from discussing such an important Motion?

Mr. Murungi: Mr Temporary Deputy Speaker, Sir, I have said I have forgiven the Minister and I want to address the Motion. I do not know what he wants from me; I have forgiven him---

The Temporary Deputy Speaker (Mr Wetang'ula): Order! Order, hon. Members! Order! Order, Mr. Murungi! To begin with, you have no moral or legal authority to forgive anybody on anything, and I rule that we shall not drag parochial Meru Politics into this debate.

Mr. Murungi: Mr Temporary Deputy Speaker, Sir, let me come to the Motion. I want to deal with head 745; Internal Trade Development, Trade Development, Joint Services and especially Training Expenses.

Mr Temporary Deputy Speaker, Sir, I have looked at the allocations that we have given to various districts and I see that we are spending K£700 only for trading in Kiambu, K£700 in Kirinyaga, K£700 in Nyandarua, K£800 in Mombasa, K£600 in Embu and K£600 in Isiolo. Meru has been given K£700, Nyambene, K£700 and Mandera K£700 among others. I think, that we are spending very little on trading and industry in this country. If you compare that with travelling and accommodation expenses for the same districts, they are K£1,000, 3,000, 4,000 *et cetera*. So, we are spending more on accommodation and travelling expenses than we are spending on training. I think, we need to allocate more resources to training in both trade and industry in this country. Our biggest obstacle to industrialisation in this country is lack or absence of a "culture of entrepreneurship."

Mr Temporary Deputy Speaker, Sir, our people for a long time, have been fishermen, farmers or pastoralists. Therefore, trade, commerce and industry is new to us and this is a fact that we should accept. So, we need to invest in development and encouragement of an entrepreneurial class. We need to support our people in managerial skills, so that they can exploit the various resources that exist in this country. We also need to encourage our people to be more outward looking and aggressive, and to be more competitive in business. I think, this is the role that training should provide in this country.

Mr. Temporary Deputy Speaker, Sir, we also have a culture which does not permit us to trade effectively and to be leaders in business. We are always talking about South - East Asia but with this Harambee culture where, after you work for 7 days in a week, you go and invest all your profits in a pre-wedding party over the weekend-- If we invest all our profits that we made over the week in an Harambee over the weekend, we are not going to succeed in business in this country. We should be able to train our people so that we work in accordance with the profit motive and forget the prestige motives of showing off; "that myself and my friends" have contributed Kshs100,000 over the weekend and killing our businesses? Our training should remove our people from that culture. Let us concentrate on profit making rather than on prestige.

Mr. Temporary Deputy Speaker, Sir, we also have negative factors like politics. We have this KIE, Jua Kali and the Joint Trade Loans. There are many people from my constituency who are asking me whether they should join KANU so that they can get those loans. I think we should create an enabling environment for our people to invest. We should not say that the loans are there but for those people who are KANU supporters. But if you get that money and you are in KANU, you are not going to repay the loans. These default rates you are talking about are for the loans which you gave in 1982! Many people were given those loans in my constituency and there were no forms signed; how do you expect them to pay? If you want Kenya to succeed as a trading and industrial country, we have to de-link trade and commerce from politics. Let us create an environment where we finance projects purely on the basis of economic rationale and not politics.

When I was a lawyer, I acted for a number of clients who owed a lot of money to banks. In one case, interest alone on a loan was Kshs30 million but one night in State House and my client came and told me, forget---

The Temporary Deputy Speaker (Mr. Wetang'ula): Mr. Murungi, are you not breaching Section 134 of the evidence Act?

Mr. Murungi: I am not disclosing the name of the client. Interest is waived by politics at State House. How can banks or operate advance, when we are allowing non-commercial factors to influence banking activities in this country? The point I am making is simple. If we want to succeed, de-politicise trade and industry. Let us operate purely on commercial lines and this country will move forward. We should not continue singing about the success of the Tigers in South-East Asia and then at the same time, we are undermining ourselves through these backward practices. I would also like our people to consider the very important issue of combating negative activities.

We are operating in a capitalist society. We cannot have African traditional culture coming to operate in our businesses and reducing our efficiency. If you are required to attend a meeting at 8.00.a.m, you should not entertain the mother-in-law, father-in-law and everybody else who has come in the morning before you leave to the office.

With those few remarks, I beg to support.

*[The Temporary Deputy Speaker
(Mr. Wetang'ula) left the Chair]*

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

The Assistant Minister for Land Reclamation, Regional and Water Development (Mr. Ligale): Thank you Mr. Temporary Deputy Speaker, Sir, for giving an opportunity to contribute to this very important Motion. I would like to support the efforts of the Minister for Commerce and Industry in ensuring that our country does business and does industrialise for the benefit of the people of this country.

In essence I would like to congratulate the Minister for moving the Vote and for the efforts he has so far put in motion, to ensure that this country can indeed get away from the dependence culture on agriculture, on exportation of coffee and tea and on tourism which tend to be too much dependent on the political climate and on the whims and wishes of the people out there. It is important that this country must be able to trade, export and bring in foreign exchange for us to develop. And the only solution that can save us from this vicious cycle of poverty and lack of foreign exchange in this Ministry, is by ensuring that we have an enabling environment in which our people can be able to do trade and industrialise. I know that we have over the years made some efforts through various policies.

At Independence, we did endeavour to get our people into Biashara Street and other areas under the Africanisation of business policy. I may also add that within no time, most of those who had taken up those businesses were bought out by the same Asians that we had attempted to move. So, really, that particular policy did not succeed gloriously. We have also attempted through various policies, like industrialisation through KIE, loans through small organisations like SAVECO or the larger ones like DFCK, IDB and many others. Lately, we have started the programme of the Export Processing Zones in which we are trying to emulate more successful efforts in countries like Mauritius and elsewhere; to try and see if we can speed up our efforts in industrial development. But one has to say that although we have had, only modest successes through this effort, indeed, we could have come up with a more comprehensive policy to try and assist our people in industrial development.

The various policies we have put in place in the past have really only had partial success. They have not enabled this country to get to a stage of take-off in industrialisation. Yet we keep hearing that this country really has an opportunity in Africa in terms of communications which upto fairly recently, have been very good both telephone and air transport; even in terms energy requirements which of course at the moment, we heard from hon. Kibaki that we now have a deficit. Upto fairly recently, this country had a good infra-structure which could have enabled us to get to take-off stage but I dare submit that we, as a Government, have not had a comprehensive policy to ensure that we enable the economy of this country to turn around; to make sure that we can in fact, take off like the Tigers in the far East, those countries that 20 years ago, we know had problems.

Here, we seem to be taking too long. I may add here that in that there was need for us to make even greater efforts. We have had a number of workshops and seminars organised both locally and abroad, which our beloved President opened, one in London and more recently, his efforts took him to Malaysia to talk to industrialists who might wish to come out here and assist in industrialising our country. Those are laudable efforts. We should be able to gauge and make an assessment to find out what these efforts have done and what results we have been able to achieve from those efforts we have made in the past so that we can be able to go back and see whether we might have done better than what we have done in the past.

Mr. Temporary Deputy Speaker, Sir, we are now in a liberalised economy and if we are not careful, countries, particularly those close to us and which are industrialised like South Africa, have already dumped and, they continue to dump a lot of goods in this country at the expense of our own fledging industrialists. We know we have the Anti-dumping Tax and unless it is very vigorously implemented to the letter, in fact, we might find that goods which are produced cheaply elsewhere and where they have already established industrial complexes, will be dumped on us and our few projects which have succeeded in the past, will find themselves rooted out of the market. Even as we try and implement the Anti-Dumping Tax which is the only weapon that we can use, we must re-examine ourselves and find out where the problem is. In fact, countries like India and others, for a long time, did shut out any luxury goods and services from entering their own countries and they have succeeded. If you go India, for a long time, you would not be allowed to import more than two small cars; a Fiat and I forget the name of the other.

They were able to encourage their own small-scale industrialists to develop, to a very large extent. If you now go to India, although they suffer from unemployment, like any other country, you will notice that they have, to a very large extent, established an industrial and a business culture, which was, to a very large extent, achieved partly because they were to control importation of luxury goods into their own country. If you wanted to import a Mercedes Benz for chief executives, then you had to pay through the nose to import that kind of a car and it seems to have succeeded. In our own case, we started the other way round. Even when we cannot afford it, we all want to go in for luxury goods and luxury cars. We are, in fact, a "consumption oriented" country. We must try and reduce this

business of being so--- We must try and avoid this culture of too much luxury goods being imported into the country.

An hon. Member: What car do you drive?

The Assistant Minister for Land Reclamation, Regional and Water Development (Mr. Ligale): Mr. Temporary Deputy Speaker, Sir, I drive the same because I can afford it, but not--- But if we continue to allow everybody, even those who cannot afford it to import every luxurious goods into the country, we are going to have too much consumption and we are not likely to save adequately to be able to invest in industrial development.

Mr. Temporary Deputy Speaker, Sir, even as we encourage industrial development and industrialisation, we must, nevertheless, guard our environment. We should not allow industries to come at the expense of the environment. I have in mind, one or two industries which have polluted too much of our environment. One of the most successful ones is the Webuye Paper Mills and which has succeeded and is expanding (in leaps and bounds, but the cost of it is too high. As a result of this, there is hardly any animal and plant life in River Nzoia. The factory has really polluted that river. If a big industry like that, is allowed to pollute the environment, it must be made to pay for that pollution. It must invest heavily in the anti-pollution activities to ensure that our rivers are clean and that all our fish in Lake Victoria are not depleted.

With those few remarks, I support the Motion.

Prof. Anyang'-Nyong'o: Thank you very much, Mr. Temporary Deputy Speaker, Sir. I rise to support the Motion and I would like to pick on where hon. Ligale has left the issue of savings. I do not think that this country will industrialise if we do not tackle the issue of domestic savings. Hon. Ligale has just touched on too much dependence on luxury, but I want to touch on another issue. That is the issue of making Kenyans spend money that they could use for domestic savings because of poor Government policy. One of these areas is Harambee. I would like to tell the gentlemen and ladies opposite me that this policy must be reviewed because it is eroding the capacity of Kenyans to have sufficient domestic savings for industrialisation. Instead of the ordinary Kenyans saving so that that money can be used for productive investment, they quite often take up the responsibility of Government in financing infrastructure like physical and social infrastructure, schools, hospitals, *etcetera*. It is the duty of the Government, to use taxes responsibly for building schools, hospitals, roads, *etcetera*. The area of social and physical infrastructure is a state responsibility, not the responsibility of individual income earner, who should use that money for domestic savings.

Mr. Temporary Deputy Speaker, Sir, I also want to touch on another issue, which is extremely important; the difference between aspirations and implementation. My hon. friend, hon. M'Mukindia, the Minister for Commerce and Industry, who is supported by a very able Permanent Secretary, Mrs. Githinji, could have very good aspirations for this country. But unless those aspirations are reduced to implementation, they will be good verses in the books of this Government, but will make very little difference to the economy of this country. We have been saying that we want to become a newly industrialised country by the year 2000, but now the date is pushed to 2010! My good friends over there say; well we are only next to South Africa. This is nonsense because Zimbabwe, Nigeria, Botswana and Mauritius all have higher per capita income than Kenya.

Mr. Temporary Deputy Speaker, Sir, so, why are you saying that you are next to South Africa? You are not. We only have \$270 in come per capita in this country, very far from being a newly industrialised country by the year 2010. Were we to do so, we should have a per capita income today of \$2,700 to get to where we want to get to. These aspirations which are quite often sung in this Parliament, without a look at the concrete facts, must be reduced to concrete actions and development projects that will improve the income of Kenyans so that we can save and form a basis for industrialisation.

Industrialisation as a word is very pleasant to the ear, but it means very little when you look at an economy like this. When we say we want to industrialise, what do we mean? We must begin by examining our home market. What aspect of the home market do we want to push to be the basis for industrialisation? Do we want to lay emphasis on mass consumer goods like food and textiles? Do we want also to build our service sector because we have a comparative advantage in Africa and this region? We must choose, because to plan is to choose. And if you want to choose to industrialise, you must choose, given what you have, given the basis of comparative advantage and I do not think that Kenya has a comparative advantage to develop as a service economy. Indeed, the Minister for Tourism and Wildlife should have been here listening to what the Ministry for Commerce and Industry is doing, so that those two could link together and can have a more co-ordinated policy making and implementation programme. The Minister for Transport and Communications or his assistant for that matter, should have been here to listen to this.

The Minister for Transport and Communications, or his Assistant Minister for that matter, should have been here to listen to this. This is because I do believe that unless we have air transport linking Nanyuki, Nakuru, Narok and so on, we are not talking much in terms of making this country an industrial nation. At the moment, industrialisation in this country is a pipe dream because if you look at other sectors of the economy like transport and telecommunications, you will see that they have very little to do with the aspirations of the Ministry of commerce and Industry.

Mr. Temporary Deputy Speaker, Sir, take for example, Kenya Posts and Telecommunications Corporations (KPTC) and the Kenya Railways Corporation (KRC). If I were the head of state of this country I would have fired the men at the KRC a long time ago and put up a management system which works. I would have retained Mr. Chemai in the KPTC, so that he could continue the good work he was doing. But in this country, the moment you begin to do good work, you are on the line to be fired, or you are silenced in the Ministry where you are, so that you can be a Permanent Secretary only in name because somebody else is making decisions. Unless our Civil Service is properly run and we put men and women who are capable and conscientious and who are transparent and accountable in running state corporations and the Government, industrialisation in this nation will remain a pipe dream.

My hon. Friend, Mwai Kibaki, spoke about dumping and I want to give concrete examples by which dumping is ruining this nation. There is dumping of sugar, textiles and spare parts in this country. The Minister for Commerce and Industry can say that we are going to industrialise by making sure that we produce motor cars in this country which will serve the domestic market, but surely, if you do not have a spare parts industry that derives its base from the steel industries in Ruiru, or Kikuyu or Mombasa, then you are talking nonsense.

We know that in this country, only a few people, maybe, five or six, are the major shareholders in the major car assembly plants. Those same people have tentacles into the major banks. Surely, if you have a society where only a few people dominate and own the commanding height of the economy, there is not going to be competition. What you are likely to find is that these same people will organise dumping when their own industries are not doing well so that they make the quick buck from dumped goods to save the inefficient industries that they are sitting on. This is a reality in this country! Were you to find out who is responsible for dumping sugar, textiles and spare parts, those people will be the who is who in the top echelons of the Kenya Government. They will be the who is who of who owns assembly plants in this country.

Therefore, Mr. Temporary Deputy Speaker, Sir, let us be realistic. The Minister for Commerce and Industry can make very good points here but unless the whole governmental structure is shaken up; unless we have men and women of vision who will lead this country to the year 2010; unless we stop depending on people who get the quick buck as a way of ruining this country, and people who own whole streets in other capitals in the rest of the world, surely, the money which is made here will be transferred to those capitals lock, stock and barrel and there will be very little domestic savings to form a base for industrialisation in this country. This is the naked truth. I want to appeal to this Government to realise that surely, they are not going to come to this House and say very good words and think that we on this side of the House, will nod our heads in agreement when we know what the facts are. We are going to say loud and clear that what we want are words matched with action and not aspirations which are not matched by implementation.

Mr. Temporary Deputy Speaker, Sir, finally, I want to make one most important point. A lot has been said in this House about the National Social Security Fund (NSSF), a Fund that could be used for creating domestic savings for industrialisation. That same Fund announced recently that they were going to build all kinds of houses in this City.

Were the NSSF to begin by urban renewal projects, by trying to wipe out the Kiberas and Mathares from the face of our cities, that would be the beginning of industrialisation in this country. Just imagine, how many quantity surveyors will get work, how much building materials will be supplied, how many workers will be put to work, how many people will get mortgage housing whose cost is commensurate with their income and how much we shall wipe from the face of our cities, the squalor, filthiness and the dehumanising conditions in which so many of our people live. I feel very sad that NSSF should waste so much money in buying all kinds of real estate in this City at grossly inflated prices, and we have the list here, when that money could have been used as a collateral to get good mortgage funds from the African Development Bank for urban renewal. The Ministry of Commerce and Industry should speak out.

The Minister for Information and Broadcasting (Mr. Makau): Thank you very much, Mr. Temporary Deputy Speaker, Sir. As we debate this Motion on the Vote of the Ministry of Commerce and Industry, two things become extremely important, if the industrial take-off that the Minister for Commerce and Industry talked about is to be realised. One, is to encourage local entrepreneurs and also local investments into business. After this happens, foreign investors will have confidence in investing in this country.

I would also like to preface my contribution by paying special tribute to the President for his vision, foresight and for practically showing that there is need for encouraging foreign investors to come into the country. This was seen when he addressed in the United Kingdom, the British industrialists and businessmen who in turn came and organised an exhibition in this country that I believe will bear fruits in the country. When you look at economic performance in this country, you will see that last year, it recovered. But when you look at what was achieved in the manufacturing sector of the economy, you will see that there was a very small increase over the previous year's growth.

This can be attributed to the cheap imports which this country has received as a result of opening up and making it possible for everybody to import anything into this country.

So, this is an area that should be of concern to the Ministry of Commerce and Industry. While we appreciate

that all efforts are being made to industrialise and encourage commerce in this country, all those efforts are frustrated by cheap imports which we find all over in the country. There is need for regulatory mechanisms to be devised by the Ministry together with the Ministry of Finance, so that we do not get cheap imports into this country. For example, in the wine industry, we have had a lot of cheap wines and canned beer imported from South Africa. What we should ask ourselves is; why is it that wine and beer is cheap when it lands in this country? We should also ask ourselves why great powers like the United States of America (USA) are always concerned about dumping. Recently, there was war between the USA and Japan over importation of cars into the USA. Those countries keep on preaching to us that we should open up our markets to everybody.

Mr. Temporary Deputy Speaker, Sir, when it comes to exportation of textile materials from Kenya, you find that countries like United States of America are blocking this industry. The quota system that used to exist is no longer there. So, this is where I would like to appeal to the Minister for Commerce and Industry, together with the Minister for Finance, to find out why South Africa has seen this country as a dumping area. This can be done by looking at our tariffs. Why should they protect their market through their tariffs and we allow them to bring all sorts of goods to this country?

Mr. Temporary Deputy Speaker, Sir, we have talked about involving the indigenous Kenyans in industrialization but there is one thing that we should create. We should create in this country, an industrial and commercial culture. People should be encouraged to have an industrial and commercial culture. There are so many people in this country who have a lot of capital that they can invest but the problem that we face is that our indigenous Kenyans need to have that culture instilled in them for them to invest in this country. This is an area that I believe every time those who stand up and criticize the Asian community in this country do not realise that they have that industrial and commercial culture inherent in them. I am saying that as a Kenyan. We are not talking about labels but about a country here. Our people should be encouraged to invest as local investors because this will give confidence to foreign investors. Wherever you are anywhere in the world, if the local people are investing in their country, that creates confidence to foreign investors. This is extremely important and that is a culture that the indigenous Kenyans should create in this country.

Mr. Temporary Deputy Speaker, Sir, when I touch on the question of dumping, there is no point of anybody being afraid because---

Mr. Mwaura: On a point of order, Mr. Temporary Deputy Speaker, Sir. I think the Minister is misleading the House when he tells us that the Asians have succeeded in business because of their business acumen. Is he in order to say that? Could he tell the House whether Somaia and Pattni are billionaires because of being Asians and having that culture of business?

(Applause)

The Minister for Information and Broadcasting (Mr. Makau): Mr. Temporary deputy Speaker, Sir, I am not here to personalize issues. I am talking about what needs to be done; that is, what we should encourage our people to do. It is so parochial to talk about people and I do not want to talk about people. Whatever they do, they are free to do and that is not something for me to substantiate. There is no point in doing that.

Mr. Temporary Deputy Speaker, Sir, having spoken about that, the other area that is extremely crucial is that of creation of employment through industrialization.

Mr. Ndicho: On a point of order, Mr. Temporary Deputy Speaker, Sir.

The Temporary Deputy Speaker (Mr. Ndotto): What is your point of order, Mr. Ndicho and let it be a point of order?

Mr. Ndicho: Is the hon. Minister in order to mislead this House and the same concern that hon. Mwaura has raised will not be left unanswered? Is he in order to mislead the House that the Asians are what they are because of their business acumen, when we know that they are favoured by this Government at the expense of the fellow Africans where the Minister belongs?

Mr. Temporary Deputy Speaker, Sir, they are now receiving identity cards within a month of their arrival in Kenya.

The Temporary Deputy Speaker (Mr. Ndotto): Order! Hon. Makau could you proceed with your contribution.

The Minister for Information and Broadcasting (Mr. Makau): I would like to correct that impression that Mr. Ndicho has created. I said that we should encourage the indigenous Kenyans to acquire that culture of---

An hon. Member: That culture of theft.

The Minister for Information and Broadcasting (Mr. Makau): Not that culture of theft but of industry

and commerce. The area of industrialization is one that is extremely crucial in this country but there is one area that the Ministry of Commerce and Industry should address itself to and that is the financial structures to be established. If they are established, they would encourage people to get into industry. As far as this country continues with privatization process, Kenyans have found it impossible to buy or to be involved in the purchase of companies that are being privatized. We know that we have Kenya Industrial Estates, Industrial and Commercial Development Corporation (ICDC) and, Industrial Development Bank (IDB) but these are institutions that need to be looked into, for them to be able to finance people to go into industry. It is one thing to talk about Export Processing Zones and another thing to get finances. So, this is an area that is very crucial because by encouraging local people to participate in industrialization, we will be able to create employment. This is an area that needs to be looked into.

As we talk about Export Processing Zones and manufacturing, we should ask ourselves whether we have enough structures to encourage exports in this country. There is need, and I have said this before, for us to be export oriented. There is also need for the Ministry of Commerce and Industry to have an external trade department that is strong. Japan has succeeded because of the Ministry of External Trade which has been very aggressive in making sure that they penetrate markets all over the world. I would like to appeal to the Ministry of Commerce and Industry to look into the issue of commercial attaches. We know that they are doing a good job but we should have competent commercial attaches and not those who are posted and they think about "mitumba" cars wherever they are. Many of them, instead of encouraging trade and making sure that they participate in trade, find themselves not doing that.

With those few remarks, I beg to support.

Mr. J.N. Mungai: Thank you, Mr. Temporary Deputy Speaker, Sir, for at last catching my eye. I would like to say that this Ministry of Commerce and Industry is very important. I have stood up to support this Motion but I would wish us to go back 30 years ago and ask ourselves why this Ministry was created. Why did the Government, at the initial stages, decide to have the Ministry of Commerce and Industry? I have decided to ask myself that question and ask this House to do the same. I have examined the national performances of our people in terms of industry and commerce and I have found that this Ministry has not lived up to the reasons for its inception. I will say so because if you go through most of our major towns namely, Kisumu across the other side, Eldoret, come down to Nakuru then come down to this City of Nairobi, go down and have a look at Mombasa, go through and see Meru, Nyeri, Thika and Kiambu, you will be able to see whether this Ministry is really a representative of the indigenous Africans or it is a representative of certain communities whom I do not want to mention in this House.

It is very painful to see a Minister stand up and claim that he is protecting the industry of this nation. He should first of all ask himself: Is he protecting the industry of this nation that is being manned by the indigenous Africans or he is protecting the industry of this nation and at the same time protecting the races that are manning those industries, indeed showing a lot of discrimination against the African himself? It is the African who fought for the Independence of this nation. He fought for it so that he could be left to develop his own country.

Mr. Temporary Deputy Speaker, Sir, my opinion is that the leaders of this House are caring for nothing but power and wealth, forgetting the people they should be caring for. I am saying so because if you look at our people and the industries they can manage to run; the informal sector, you find that we are now fighting our people in the informal sector in an effort to protect the giants that are running the industries. Who are these giants? They are those racists that support our leaders to come back to this House. They are those industrialists who support our leaders to grab wealth. Those are the people that are being protected by the Ministry of Commerce and Industry. Many a time, I keep wondering as to why an enterprising small man of this country when carrying his goods as a licensed hawker, the authority authorises that such a person be beaten, his goods be taken away and his licence withdrawn. Is that really encouraging the African? Is that really training that African on how to grow from that simple beginning to that mighty industrialist? Why is it that we license kiosk owners.

The Minister for Commerce and Industry (Mr. M'Mukindia): On a point of order, Mr. Temporary Deputy Speaker, Sir. I would not like to interrupt the hon. Njenga Mungai but he has categorically said that the Ministry of Commerce and Industry is actually protecting some groups or group of people in this country at the expense of the small businessmen. Could he substantiate in what way my Ministry is doing that?

Mr. J.N. Mungai: Mr. Temporary Deputy Speaker, Sir, I do not want to mention any racist in this House.

The Temporary Deputy Speaker (Mr. Ndotto): Order! Order! The point of order is to the Member on the floor not to everybody. Could you deal with that one hon. Mungai?

Mr. J. N. Mungai: Mr. Temporary Deputy Speaker, Sir, if the Minister wants me to substantiate, I just want to bring him back to the manufacturers who are the same distributors and the same wholesalers and the same retailers. Tell us any industry manned by an African and distributes, retails and wholesales? The Minister needs to know it and I do not need to remind him. Let him walk in the streets of Nairobi and see who are selling the clothing? who are manufacturing those cloths? He needs to find out who is selling nails and barbed wires to the public. Who are doing all these businesses? They are not Africans and that is why I am saying that there is total discrimination.

Mr. Nyagah: On a point of information, Mr. Temporary Deputy Speaker, Sir.

The Temporary Deputy Speaker (Mr. Ndotto): Order! Order! Mr. Njenga Mungai, do you need information from anybody?

Mr. J.N. Mungai: Yes, I accept one from hon. Nyagah.

Mr. Nyagah: Mr. Temporary Deputy Speaker, Sir, with all due respect and I thank him for giving me this opportunity to add more knowledge to him, this country has eight million people in the informal sector who are not employed by the Government. By the year 2000, the statistics show that there will be 12 million people. What are we going to do with them? Kenya Association of Manufacturers has complained occasionally to the Government about the same group that hon. Njenga Mungai is talking about; who bring in goods into this country for which they do not tax and the Government has done nothing.

The Temporary Deputy Speaker (Mr. Ndotto): Order! I think that is not information. Those are points of argument and the Minister is going to reply to the points which have been raised. Hon. Mungai, proceed.

Mr. J.N. Mungai: The question I would now like to ask the Minister is, how many Africans are manning industries in India? How many Africans are manning industries in Britain? How many Africans are manning industries in USA? That shows that we are sacrificing our people. We need to develop our people from that simple beginning on small industries to that mighty industry. If you look at the forestry sector, it has been providing a lot of industry. Today, the Government appears to be contradicting its policy. Those forests that have been providing timber today are being allocated as settlement schemes. There is the Mau Forest area in Molo, Likia Forest, Sururu Forest, Lesit Forest and Marishion Forest. All those forests are being cleared now. What is the Minister doing to protect the timber industry? Are we now going to begin importing timber from Canada when we had our own timber industry? Yet, all these allocations are being done for political purposes. Look at the tribal clashes victims of Bungoma, Molo, Olunguruone and Burnt Forest who abandoned their tea farms and industry that has been giving this country foreign exchange. Those people have not been settled to this day. Even if we continue speaking good words here, yet we are not being practical down there, we are saying nothing. We are now turning to a man-eat-man society instead of going by the policy of being mindful of one another's welfare.

Let us stop being hypocritical because this will not convince the mwananchi. We can talk that in this House and we shall continue talking but all we are doing from the walls of this House is destroying the people we represent instead of supporting them. This is why I am saying that some of these communities that have invested in this country are not giving us the right culture. They are giving us the culture of corruption. A few minutes ago, a Member asked whether Somaia, Pattni and all the others do a well-cultured business? Are those the people we are going to protect? Time has come that we change those people from that side and we go to that side and find out who are going to do what? Our fore-fathers did not fight against colonialists so that again, citizens rise up to colonise other citizens. We are colonising our people because of greed for wealth. We must now stop that greed and that is the only time we shall say that we are well-cultured. We have lost direction and I will continue saying that. The Minister for Commerce and Industry must now rise up and tell us whether he tours the towns of this country to know what is happening there.

Mr. Shidiye: Thank you Mr. Temporary Deputy Speaker, Sir, for giving this opportunity to contribute. The time of planned economy is a past thing. If you plan your economy like the Russians and the East Germans, you are bound to fail. Time has passed and the only way you can forge ahead is to have a mixed economy, a dual economy where the price of goods and services are set by good price mechanisms. That is free enterprise where prices are determined by demand and supply. Our country is lucky in the sense that from the word go, we started developing this mixed economy. We decided to be a little bit capitalistic and a little bit socialistic. The trend at the moment is that liberalisation has taken place and in Kenya's economy, the prices are not set by the Government, the prices are set by the open market. The liberalisation of the economy has also brought its disadvantages. When you open your door ajar, you find that commodities come into this country and those commodities are mostly, substandard. You find that they come here, some through dubious transit methods.

Mr. Temporary Deputy Speaker, sir, you find that sugar is imported into this country. Our farmers continue to suffer, while imported goods continue finding markets into our country. Unless we address those issues, our farmers, the consumers, the industrialists and other traders will continue to suffer. We are opening our doors to the multi-national companies which have subsidised their commodities in their countries. You find that we Kenyans continue to suffer; the farmers are no longer growing sugar cane, maize, rice and so on. This country has ended-up being a net importer of these essential commodities. If we are not going to curb this situation, this country will end-up not exporting any single commodity. Very soon, we might even start importing coffee if this trend continues. It is really serious!

Mr. Temporary Deputy Speaker, Sir, if a free-port is started in this country, it should be structured in such way that countries like Tanzania, Rwanda and Burundi establish their customs offices in Mombasa. When the goods are cleared, they should pay their taxes at the Mombasa port, otherwise, nothing short of that will stop unscrupulous

businessmen who are very corrupt importing those commodities and make our country suffer.

Mr. Temporary Deputy Speaker, Sir, the other issue this country has to address is the issue of poverty. How can we alleviate poverty in this country? We can only alleviate poverty in this country if we address the problems our people have, for instance, the small-scale traders, like hawkers, those people who are in the informal sector and people in the Jua Kali sector. These are the people we should address in the social dimensions. These are the people who are poor in our country. They include the peri-urban or the urban poor and so on. Those are the people the Government should give loans at concessionary rates. At the moment, if one wants a loan from the bank with 30 per cent interest, one will never make a profit out of it. At the end of the day, it will be difficult to service the loan and, in fact, getting a loan is not easy. The banks normally want some deposit before they can give you some loans. Farmers are told that they should have collateral security. In Kenya, to have collateral security, one needs to have a title deed.

Who even among the hon. Members have title deeds? Even those who have chunks of lands do not have title deeds. In order to alleviate the poverty situation in this country, the Ministry of Commerce and Industry must make sure that they give good loans and that the banks charge interest rates that will make the farmers and traders earn profit.

Mr. Temporary Deputy Speaker, Sir, I would like to touch on the issue of unemployment. This Ministry has to look into the issue of unemployment because so many of our graduates are leaving universities and colleges and most of them end-up not getting employment. I think the best place for employment for these graduates should be in the informal sector and other sectors. The Ministry of Commerce and Industry, in conjunction with the Office of the President, should encourage these graduates to seek employment abroad. We should export the manpower, especially in this region of East and Central Africa because, Kenya is one of those countries that has trained manpower that can be exported to Tanzania, Zambia and South Africa. Those graduates will bring the foreign exchange that we require. Time has passed when labour force was kept at home. If they stay without employment, the crime rate will be very high and they will continue to suffer and we shall end-up having a lot of problems. Today, parents are paying school fees at all levels of learning; primary, secondary and even in the university. Unless we address this issue of in employment, we will be having a lot of problems.

Mr. Temporary Deputy Speaker, Sir, I would like to talk about the issue of getting experience from the Asians countries; the new industrialised countries (NICs). Those countries have developed a different formula to attain development; that is industrialisation, trade and commerce. These countries have developed on the premise of running their show, in a manner that they depend on their own resources. The trend of continuing to ask for more foreign aid is long gone. If you are big and you go around shopping for money, people will be looking down upon you. The foreign aid that we get also attracts high interest rates and you are going to pass that loan and its compounded interest to the next generation and we will never industrialise. Industrialisation can only occur if we make sure that we have strong imports of institution industries. Those industries should be empowered and protected in a certain way, but not over-protecting them because monopoly will also have its problems. What we require at the moment is to ensure that these industries survive and grow. As a result of liberalisation so many industries have closed down like was the case with East Africa Bag and Cordage, when we started importing gunny bags. Many other industries like sugar factories are closing down. So many people are losing their jobs. There is no one single formula for accepting only foreign aid. If we continue depending on foreign aid, we are going to suffer and lag behind in development in this region. We have started on the right premise and we should go ahead; we should not wholly accept liberalisation. Even the Americans have imposed high tariffs and that is why there is a trade war between them and Japan. This is the only way we can continue to develop this country.

Mr. Temporary Deputy Speaker, Sir, as regards revenue collection, I would suggest that time has come when the Ministry should come up with a good machinery of collecting revenues in the private sector. There is a time when the revenue at the port is not collected and the same thing happens in other private sectors and the Government ends having less money in its coffers.

The Ministry of Commerce and Industry should encourage Kenyans not only on profit making skills, but also on the entrepreneurial skills that are endearing and which will make Kenya self-sufficient. Those skills should make Kenya develop. Profit-making skills are shortsighted skills. We want those skills that will make Kenya develop.

With those few remarks, I beg to support.

Mr. Kiliku: Mr. Temporary Deputy Speaker, Sir, before I make my contribution, I would like to draw the attention of the Minister to certain issues. Last week, I said that Brollo Steel Kenya Limited in my constituency has 40 per cent shares owned by the Government through ICDC and 60 per cent was owned by the late Mr. Brollo himself from Italy. Mr. Doshi has taken 90 per cent of the shares of that company. I would like the Minister to explain to this House and I have all the documents to show that 40 per cent of the shares owned by ICDC have gone to the hands of Mr. Doshi? Mr. Doshi has grabbed that company, although 40 per cent of the shares belonged to tax-payers through ICDC. How come that the Government has allowed Mr. Doshi to own 90 per cent shares of that company?

Mr. Temporary Deputy Speaker, Sir, there was no public tender given and I challenge the Minister because I

have all the documents. I promised the Minister last week that Doshi has taken that company. Doshi was just an employee of that company when Brollo himself had not yet died but now, I challenge the Minister to explain, when he comes to reply to this Motion, exactly what happened. I feel there must be somebody somewhere, I do not know, who, from the Ministry is supporting Doshi. We wanted the Government--

The Minister for Commerce and Industry (Mr. M'Mukindia): On a point of order Mr. Temporary Deputy Speaker, Sir.

The Temporary Deputy Speaker (Mr. Ndotto): Yes, Mr. M'Mukindia.

The Minister for Commerce and Industry (Mr. M'Mukindia): Mr. Temporary Deputy Speaker, Sir, in order for me to answer hon. Kiliku better when I come to reply, could he kindly lay the documents on the Table?

Mr. Kiliku: Mr. Temporary Deputy Speaker, Sir, I will bring the documents tomorrow. Many of them are documents on corruption. How can the Government allow such a thing to happen. Brollo Kenya Limited was owned by Kenya Government 40 per cent. Now the Government has given it to a Mhindi.

An hon. Member: Mhindi gani?

Mr. Kiliku: Mr. Doshi.

An hon. Member: Are you an Asian? Are you an Indian?

Mr. Kiliku: That company has 58 acres of land. We must protect the interests of the people. I am not against Mr. Doshi, I am against the way Mr. Doshi was given that company, without calling for tenders. That was very wrong. The Minister cannot challenge me that, that is not true. He cannot.

Mr. Temporary Deputy Speaker, Sir, we have talked about the economic reforms. I think this Ministry has mis-handled the economic reforms because as I am talking now the textile industry is dying. Motor industry is also dying. So, the Ministry has mis-handled the economic reforms. How do you allow everything to be brought into this country at the expense of that growing industry?

Why did the Ministry not conduct seminars throughout the country to educate the people about the liberalisation policy? Africans do not know what this policy is. They think that liberalisation is only to bring 'Mitumbas' into the country. There is nothing else.

Mr. Temporary Deputy Speaker, Sir, the Ministry should have conducted seminars to educate the business community in this country, what is meant by economic reforms and liberalisation of the economy. 'Hapana Mitumba peke yake'. Everything! So, up to now, very few African business people know what liberalisation is. They do not know the economic reforms the country is introducing.

Mr. Temporary Deputy Speaker, Sir, I will now touch on the Port because it is my Constituency. Technically, you cannot have a free Port now; you cannot. The Port cannot accommodate this freedom because when you say that the Port will be free, you mean that it will be a market place. The Port was not constructed to be a market place. Even now, the Port is very congested. We have the sheds which are meant for storage of goods on transit. It is not technically possible to have a free Port but if you can declare Mombasa a free city, then that is possible.

An hon. Member: Like Dubai

Mr. Kiliku: Mr. Temporary Deputy Speaker, Sir, like Dubai. I do not know what kind of economics you learned. You cannot have a free Port but you can have a free city. If you go to Mombasa and buy things duty free or whatever, then that is okay. That can be implemented easily, but a free Port, never! The Minister for Transport and Communication is here and he knows that the facilities we have in Mombasa cannot provide for a free Port. If I am wrong, he can correct me.

Mr. Temporary Deputy Speaker, Sir, we should not mix political campaign and the Government policy. If KANU wants to campaign, it should not touch the Port. It is a very sensitive area. Those are theories. If somebody has said that Mombasa will be a free Port, then everybody starts singing the chorus supporting impossibilities. It is wrong.

Mr. Temporary Deputy Speaker, Sir, on the Export Processing Zones, I do not know whether the Ministry has machinery to check whether the Export Processing Zones Companies like the Batch Investments in Changamwe are exporting 50 per cent of the products they are making, because that is the position. Although they have been declared simple export processing firms, I do not think they are producing and exporting 50 per cent and earning foreign currency for this country. There is no machinery to check on that one.

An hon. Member: Only giving the Harambee money.

Mr. Kiliku: The only thing they do is giving Harambee contributions and that is the end of it. Therefore, before these Export Processing Zones are established, they should be checked. There is one in Athi River and a proposed one in Mombasa to cost Kshs500 million. They have not done anything in those places and now, they are going to Kokotoni. They want to displace some hundreds of people there in Kaloleni, when we have other places where there are Export Processing Zones. It is wrong. I want this Ministry to address itself to helping the people of

this country because even the contracts which are given now, the Africans are the ones who are building big houses. But because the Asian is there and giving money for Harambee, he is given all the contracts, when the Africans are the ones who are building the houses. You should be patriotic. If you go to the construction sites, you will not see an Asian on top of the building; only the Africans but they are not given those contracts because of the conditions. When we got Independence, this Ministry was supposed to have an Africanisation and Kenyanization policy. The Minister should tell us how far they have gone with that Kenyanization.

With those few points, I beg to support.

ADJOURNMENT

The Temporary Deputy Speaker (Mr. Ndotto): Hon. Members, it is now time for the interruption of business. The House is, therefore, adjourned until tomorrow, Wednesday 25th October, 1995 at 9.00 a.m.

The House rose at 6.30 p.m.