

# NATIONAL ASSEMBLY

## OFFICIAL REPORT

Thursday, 30th November, 1995

The House met at 2.30 pm.

*[Mr. Deputy Speaker in the Chair]*

## PRAYERS

## NOTICES OF MOTIONS

**Mr. Gatabaki:** Mr. Deputy Speaker, Sir, I beg to give notices of the following Motions:-

### LEGISLATION TO CURB ALLOCATION OF HOLDING GROUNDS

THAT, in view of the importance of designated holding grounds for quarantine of livestock for purposes of slaughter and export of live animals; and in view of the importance of veterinary and agricultural firms for experimentation and production of quality seeds and the enhancement and propagation of the national herd and given the threat posed to these grounds and farms by subdivision and allocation to individuals; this House urges for legislation to prevent further allocation of those lands.

### REVIEW OF CIVIL CODE PROCEDURES

THAT, in order to minimise the duration the of trials and to ensure that cases are heard and determined within reasonable time; and in order to minimise the cost of litigation and to set the rules governing the administration of justice in courts in accordance with the demands of modern society, this House urges the Government to review the current rules and procedures on the Civil Code in the country.

### UPGRADING OF RAILWAY NETWORKS

THAT, in view of the critical

importance of the railway in freight transport and given the heavy congestion of our rapidly deteriorating roads which are responsible for the heavy loss of lives and destruction of property; this House urges the Government to embark on immediate upgrading and rectification of the main railway networks, namely Mombasa/Nairobi/Kisumu and Nakuru/Kitale lines.

### INVOLVEMENT OF PRIVATE CONSULTANTS IN PRIVATISATION

THAT, in view of the poor progress made in the privatisation programme; and in view of the wide press accusations of lack of transparency regarding the restructuring and privatisation of state enterprises; and in view of the lack of clear policy guidelines and timetable in parastatal reform; and given the importance of the sector in the economy of this country; this House urges the Government to make private the privatisation of state enterprises by involving credible private consultants and specialised agencies to be in charge of various components of the privatisation programme.

## ORAL ANSWERS TO QUESTIONS

*Question No. 1060*

### COLLECTION OF HARAMBEE FUNDS

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

**[Mr. Nyanja]**

- (a) whether he is aware that about Kshs5 million has been collected by the Limuru District Officer (DO) for Harambee in aid of schools in the division; and
- (b) if the answer to (a) above is in the affirmative, when the Harambee will take place.

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

(a) I am not aware. What I am aware of is that only Kshs2,547,400 has been raised in aid of the proposed fund raising.

(b) The organising Committee will hold the Harambee when a target of Kshs5 million is realised as per the committee's resolution of 27.3.95.

**Mr. Nyanja:** Mr. Speaker, Sir, I am quite unhappy with that absurd reply because this is money contributed by my poor constituents of Limuru. The Assistant Minister has said that he is aware of collection of Kshs2.5 million, but Kshs2.5 million is what was allocated to be raised by His excellency the President and me and since then, the target of Kshs5 million has been attained. The President said that he was ready to be called for the Harambee any time, even if only the Kshs2.5 million had been collected.

**Mr. Deputy Speaker:** What is the question?

**Mr. Nyanja:** Mr. Deputy Speaker, Sir, the signatory to the account where this money is deposited is none other than the DO, whose character is questionable. This is why the parents are now apprehensive. Since the time the Kshs2.5 million was collected, six months have passed. So, when will the Harambee be held? The parents want their money back or the Harambee conducted immediately.

**Mr. Deputy Speaker:** Mr. Nyanja, if you talk for two minutes, I hope you will not complain if you do not get a chance for another supplementary question.

**Mr. Manga:** Mr. Deputy Speaker, Sir, this House is being asked to go against the resolutions that were passed by the organising committee and I do not think that this is fair. The signatories to the account where the money is deposited, which is in the Barclays Bank, are the Limuru DO, Limuru Assistant Education Officer and a Mr. Kenneth Kimani, who represents the Limuru parents.

**Mr. Nyanja:** On a point of order, Mr. Deputy Speaker, Sir, I have not asked for signatories. The parents have sent me to this House and I talk on their behalf. The question is very simple. The President is ready to conduct the Harambee. Some notorious fellows out there like DOs are an embarrassment to the President. When will the Harambee be held, so as to avoid any embarrassment to the Head of State? The parents want the Harambee held because this is their money!

**Mr. Manga:** Mr. Deputy Speaker, Sir, the parents are represented in the organising committee. Could they please be advised to go and talk to this committee?

**Mr. Ndicho:** Mr. Deputy Speaker, Sir, in his earlier reply, the Assistant Minister said the Harambee will be held when the amount of Kshs5 million is realised. Now, there are two methods of realising Kshs5 million. One is by allowing interest to accrue on that Kshs2.5 million when it is a fixed bank account. The second one is by collecting more money from the Limuru parents, but the hon. Member says that the parents are now apprehensive. Which method will the Assistant Minister ensure is used to realise the figure of Kshs5 million, so that the President can preside over the Harambee? He should not embarrass the President!

**Mr. Manga:** Mr. Deputy Speaker, Sir, both methods are being used. They are collecting money and the money is in the bank, accruing interest.

**Mr. Deputy Speaker:** Next Question, Question No.816, Dr. Lwali-Oyondi!

*Question No.816*

### PAYMENT OF RETIREES BENEFITS

**Dr. Lwali-Oyondi** asked the Minister for Agriculture, Livestock Development and Marketing:-

(a) if he is aware that employees of the National Cereals and Produce Board who volunteered under the "NCPB Safety Net Scheme" as per the Board's Circular No.43/94 of 1st August, 1994, have not been paid their money; and,

(b) if the answer to "a" above is in the affirmative, what action he has taken to ensure that they are all paid their dues.

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

(a) I am aware that out of the 517 employees of the NCPB retrenched under phase one and two of the Public Enterprises Reform Programme, 435 have been paid their final dues while only 82 of these employees are yet to be paid their dues amounting to Kshs15,204,869.30.

(b) Despite the financial constraints facing the NCPB, the retrenchment plan under the Public Enterprises Reform Programme has been implemented fairly smoothly. While I regret the delay in finalizing the payment to the 82 retirees, I would like to confirm to this House that these payments are being processed and the cheques will be ready for collection next week.

**Dr. Lwali-Oyondi:** Mr. Deputy Speaker, Sir, I would like to ask the Assistant Minister why they have delayed these payments for more than a year, in fact, for over six months. The people were told to go home, they had nothing in their pockets and their children were sent home from school. Why were they retired without the money being ready, thereby, causing a lot of hardships? Secondly, the Assistant Minister should tell us when this money, Kshs15,274---

**Mr. Deputy Speaker:** What is your question, Dr. Lwali-Oyondi?

**Dr. Lwali-Oyondi:** Wait a minute, Mr. Deputy Speaker. I am asking the Assistant Minister when this Kshs15 million was paid to these people. Could he give us the list of the names?

**Mr. Maundu:** Mr. Deputy Speaker, Sir, I do not have the list of the names of those who have been paid, but I confirm categorically that 435 people have already been paid. Only 82 people are remaining and these 82 will be paid next week.

**Dr. Lwali-Oyondi:** Mr. Deputy Speaker, Sir, I say this because people are complaining out there. They have not been paid and they are hungry. They have even been evicted from their houses. That is why we are asking this Question. How could the Assistant Minister come to the House without the list? The NCPB claims to have paid out Kshs15 million and yet he has no list to prove that. Could he explain to the House why he did not demand for the list?

**Mr. Maundu:** Mr. Deputy Speaker, Sir, this Question is specific. It did not even require, from sheer imagination, any list. However, if the hon. Member requires this particular list for any particular individual, it will be provided.

**Mr. Deputy Speaker:** Would hon. Dr. Lwali-Oyondi like it if his own terminal benefits were to be tabled publicly? Maybe, these individuals want their salaries to be confidential.

**Dr. Lwali-Oyondi:** Mr. Deputy Speaker, Sir, there is a lot of corruption in Kenya. Somebody can claim that he has paid out Kshs15 million while he has pocketed it. That is why we want concrete evidence.

**Mr. Maundu:** Mr. Deputy Speaker, Sir, if there is any particular complaint from an individual who thinks that he has not been paid the right dues, the Ministry is available. If hon. Dr. Lwali-Oyondi is complaining about the 82 people, I assure him that they will be paid next week.

**Dr. Lwali-Oyondi:** On a point of order, Mr. Deputy Speaker, Sir. I would like to lay on the Table an individual who is dying of hunger here in the name of---

**Mr. Deputy Speaker:** You are laying the individual on the Table?

*(Laughter)*

**Dr. Lwali-Oyondi:** No, the name of the individual, Mr. Deputy Speaker, Sir. Here is the letter he has written and I would like to lay his complaints on the Table, so that the Assistant Minister can take steps and give him whatever money he would like. Secondly, could he tell this House the least amount of money he is paying, let us say, to an office messenger who is retiring? This is because some of it is too little. It may, probably, be Kshs25,000.

**Mr. Maundu:** Mr. Deputy Speaker, Sir, this question that Dr. Lwali-Oyondi is raising now is, in my own view, irrelevant from this particular Question. If he wants to know the entitlement of any particular individual, he should raise that question so that we do not prejudice people who are not involved in hon. Lwali-Oyondi's question. However, for this particular one, if he is one of the 82 people, his case will be taken

into account next week.

**Mr. Deputy Speaker:** Next Question, Question No.442, Mr. Mutahi!

*Question No.442*

PAYMENT OF DEATH GRATUITY

**Mr. Deputy Speaker:** Mr. Muhika Mutahi is not here. We will pass the Question for the moment. Question No.1061, by Mr. Ogeka!

*Question No.1061*

SALE OF SUGAR COMPANY

**Mr. Ogeka** asked the Minister for Finance:-

(a) if he is aware that the sale of 51 per cent shares of Miwani Sugar (1989) Company to Somaia Group, was not paid for and the agreement thereto not drawn up;

(b) if the answer to "a" above is in the negative, if he could inform the House of the sum of money paid and table the sale documents drawn thereto; and,

(c) if he could consider taking over the company and appointing a firm of Management Consultants to manage its affairs until the ownership is sorted out.

**The Assistant Minister for Finance** (Mr. arap Koech): Mr. Deputy Speaker, Sir, I would like to ask for extension of time for this Question because I have not been able to get the relevant information.

**Mr. Deputy Speaker:** Mr. Ogeka, what is your reaction to that?

**Mr. Ogeka:** Mr. Deputy Speaker, Sir, given that time is really running out for this House in this Sitting. Could the Assistant Minister give us a definite date when he can come forward and present his answer? Otherwise, I have been served with a written answer already and I wonder why the Assistant Minister should not have the answer if he is the source of the answer that I have.

**Mr. arap Koech:** Mr. Deputy Speaker, Sir, I would like to answer this Question next week. I know we have served the hon. Member with a written answer, but there is certain additional information which I would like to obtain before answering the Question.

**Mr. Deputy Speaker:** Okay. I direct that the Question be put on the Order Paper some time next week. Next Question, Mr. Gonzi Rai.

*Question No.953*

SURVEYING OF GROUP RANCH

**Mr. Rai** asked the Minister for Lands and Settlement when the Ministry will undertake to carry out survey work on Ndavaya Group Ranch.

*(Messrs Wamalwa, Kibaki, Shikuku and Orengo walked into the Chamber amidst prolonged applause)*

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

My Ministry is making the necessary arrangements to survey Ndavaya Group Ranch. Consultations are under way to procure the required funds---

*(Consultations)*

**The Assistant Minister for Lands and Settlement** (Mr. Kaino): Mr. Deputy Speaker, Sir, could you call the House to order? There is too much noise and---

**Mr. Deputy Speaker:** Order! I am sure hon. Members want their questions answered. Mr. Assistant Minister, will you finish answering the Question?

**The Assistant Minister for Lands and Settlement** (Mr. Kaino): Mr. Deputy Speaker, Sir, my Ministry is making the necessary arrangements to survey Ndavaya Group Ranch. Consultations are under way to procure the required funds and materials to start the exercise which should be completed by the end of the current financial year.

**Mr. Rai:** Mr. Deputy Speaker, Sir, Ndavaya Group Ranch was declared a ranch sometime in 1974 and the need to subdivide the ranch has been of great concern not only to the members of the Group Ranch but also to the Kwale District Development Committee. Could the Assistant Minister tell this House how much money is required to have that exercise done?

**Mr. Kaino:** Mr. Deputy Speaker, Sir, sometimes back, there was a letter which was written by the Ministry of Lands and Settlement to the District Surveyor/Kwale to state exactly the requirements and how much money is to be used to complete that job. The equipment required totals up to seven. These are:- two electronics, distant measuring equipment, two chairs, two theodolites, two Prismatic Compasses, camping facilities, one experienced surveyor to go there and two vehicles to cover the entire ranch. These things have not been calculated in monetary terms but we are doing that and if the hon. Member wishes to have them calculated, this could be arranged very soon. Next week, he can get the exact figure. This is the equipment which the Ministry must supply to the District Surveyor, Kwale so that he can carry out the work.

**Mr. Rai:** Mr. Deputy Speaker, Sir, this exercise has been awaited for the last 20 years, only for the Assistant Minister to come here and tell us that he is requesting for some more money to do that exercise. I think the Members are being put in a very difficult position because the area was declared a group ranch in 1974/75 and up to now, survey has not been done and title deeds issued. Is the Assistant Minister in a position to tell us why there has been all this delay for all this time?

**Mr. Kaino:** Mr. Deputy Speaker, Sir, the Member should be grateful because we are giving him a time limit. This is a very expensive exercise. Surveying is a very expensive exercise and we have said that the Ministry is sure that by the end of this Financial Year, the survey work will have been completed.

**Mr. Badawy:** Mr. Deputy Speaker, Sir, is the Assistant Minister aware that even the few available Government surveyors in the divisions are preoccupied with private work, to the extent that they are not doing survey work for the public in Government land, settlement schemes and on group ranches as the one mentioned by the hon. Member?

**Mr. Kaino:** Mr. Deputy Speaker, Sir, I am totally unaware of that and my Ministry too is totally unaware of that allegation. If it is true that, that is what is happening, it is a very bad habit and practice. We would like to confirm that and if we find out that there are Government surveyors who are doing private work outside their official duties, then we shall have to take appropriate action against them.

*Question No. 1058*

SALE OF CO-OPERATIVE PROPERTIES

**Mr. Michuki** asked the Minister for Co-operative Development:-

(a) whether he is aware that following the appointment of a liquidator, as per Gazette Notice No. 3295 of 17th July, 1986, the properties of Gaturi Block Co-operative Society some of them as listed herein, were sold by the liquidator: One block making machine and engine; one Bedford lorry registration No. KVD 431; two manual block making machines; and one shed housing the said machines

(b) in view of the fact that the liquidation was instituted due to the inability of the Society to pay its watchmen, when the balance of the proceeds will be distributed to members; and

(c) in case the land in question (owned by the Society) has not been sold, he will undertake to give the first option to purchase the two parcels of land to the members of the society.

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

(a) Yes, I am aware that all the assets of Gaturi Block Co-operative Society Limited currently under liquidation have been sold, except plot No.531 in Location 15, Mukera.

(b) The balance of the proceeds will be distributed to the members, once the unsold Plot No.531 in

Location 15, Mukera, is disposed off.

(c) One piece of land plot No. 896, Kimathi in Location 15 was sold on 14th October, 1992. The sale of the remaining plot will be advertised by the beginning of December and sold to the highest bidder.

**Mr. Michuki:** Mr. Deputy Speaker, Sir, could the Assistant Minister confirm that the sale of all these assets was occasioned by the non-payment of Kshs1,000 because he seems to avoid it in his answer to part "a" of the Question? Could he confirm that, that was the origin of this saga which is a very sad one?

**Mr. Titi:** Mr. Deputy Speaker, Sir, the position is this. I think it was occasioned by the non-payment to the watchmen. That is the information I have got.

**Mr. Michuki:** Mr. Deputy Speaker, Sir, in one of his answers, the Assistant Minister did say that all these assets have been sold. For how much have they been sold? Can this House be informed? Also, the members of this Co-operative Society whom I know are very poor people, can they be told how much money has been realised out of the sale of so many important assets?

**Mr. Titi:** Mr. Deputy Speaker, Sir, I think I made it clear in my reply that Plot No.531 in Location 15, Mukera has not been sold and the other assets that had been sold add up to an amount of Kshs 119,745. Out of that money, the expenses which were paid out were Kshs 3,613. So, the balance which is remaining now is Kshs 116,132.

**Mr. Michuki:** Mr. Deputy Speaker, Sir, the Question is quite clear. There was the sale of block making machine with its own engine, a Bedford lorry and a lot of other things like water tanks, assorted tools, furniture and equipment and all that and that is the money which was realised. Could the Assistant Minister confirm that, that was a conspiracy within his own office for the Co-operative Officer to get rid of those things which were sold to his friends?

**Mr. Titi:** Mr. Speaker, Sir, I am not aware of the allegations but that can be investigated.

**Mr. Deputy Speaker:** Next Question, Mr. Raila.

**Mr. Ndicho:** Mr. Deputy Speaker, Sir, the hon. Raila could not attend Parliament because he is very busy attending to international calls, delegations and other public matters--

**The Deputy Speaker:** Mr. Ndicho, this is not a joking matter. Do you have his authority to ask his Question?

**Mr. Ndicho:** Yes, he has authorised me to ask it and I beg to ask that Question on his behalf.

*Question No. 850*

#### FINALIZATION OF COURT CASE

**Mr. Ndicho,** on behalf of

**Mr. Raila,** asked the Attorney-General:-

(a) whether he is aware that Mrs. Hellen K. Indambira, the wife of the late Mr. Peter Indambira Endavo, who died as a result of a road accident, which took place on Mumias/ Kakamega Road on 23rd March 1990, filed a case seeking compensation in a Kakamega Court through File No.220 of 1992; and

(b) if the answer to "a" above is in the affirmative, what measures he is taking to ensure that the case is finalized and the bereaved family compensated.

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

(a) I am aware that Mrs. Hellen K. Idambira, wife of the late Peter Indambira Endavo who died as a result of a road accident on the Kakamega/Mumias Road on 23rd March, 1990, filed Case No. 220 of 1992 in Kakamega High Court.

*(Loud Consultations)*

**Hon. Members:** We cannot hear what you are saying.

**The Attorney-General** (Mr. Wako): There is so much noise.

**Mr. Deputy Speaker:** You will not hear him properly if you do not listen.

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

As regards part "(b)", the case has not been finalized because the advocate has not taken steps to have the case heard. It is the plaintiff's advocate's duty and not that of the Attorney-General, to move the court to have the case heard and determined.

**Mr. Ndicho:** Mr. Deputy Speaker, Sir, the new chairman of Ford-K told me this---

**Mr. Deputy Speaker:** Ndicho! Just ask your question.

**Mr. Ndicho:** Mr. Deputy Speaker, Sir, I am asking on his behalf and he told me what to ask.

**Hon. Members:** Who? Who?

**Mr. Ndicho:** So, he told me this; that--- hon. Raila---

**Mr. Deputy Speaker:** Mr. Ndicho, you should have learnt the rules by now. We are not interested in what somebody told you. Just ask the question you want to ask.

**Mr. Ndicho:** Mr. Deputy Speaker, Sir, could you protect me because they are asking me who the person is? It is hon. Raila, the new chairman of FORD-(K)

**An hon. Member:** That is Abacha! Shame! Shame! Shame with your Abacha!

**Mr. Ndicho:** He told me that this particular person who caused the accident, after being put in prison, he was released by the police and since 1992, the wife of this person has not got her dues, yet she has got children who are attending school and who have to pay school fees. Although the person who caused the accident has agreed to pay this money, it has not been possible because the Office of the Attorney-General is not pursuing this case so that this woman can---

**Mr. Deputy Speaker:** What is your question?

**Mr. Ndicho:** Mr Deputy Speaker, Sir, when is the Attorney-General going to make sure that this case goes on, so that it is not a matter of the attorney of Mrs. Hellen K. Idambira, but it is his office?

**Mr. Wako:** Mr Deputy Speaker, Sir, then, obviously, the Questioner has not briefed the hon. Member of Parliament properly because the Attorney-General is not in any way a party to this case.

**Mr. Ndicho:** Mr Deputy Speaker, Sir, the hon. Raila told me that it is only the Office of the Attorney-General which can push for cases to be continued in court and this is what happened in this particular case. So, it is the onus of the Attorney-General to help this particular family by reviewing this case and telling the court to proceed, so that this family can be paid the money.

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

**Mr. Wako:** Mr Deputy Speaker, Sir, then, obviously, the Questioner has not properly briefed the hon. Member of Parliament and, obviously, the Questioner has misconstrued what civil cases are all about. This is a case between civilians, Kenyan citizens and there is no law whatsoever, for the Attorney-General to be able to expedite the hearing of the civil case. It is up to the plaintiff's advocate to take steps to prosecute this particulars claim.

**Mr. Muite:** On a point of information, Mr Deputy Speaker, Sir. Is the Attorney-General not aware that in the majority of cases, particularly for compensation for personal injuries, the advocates for both parties are willing to proceed with the case? It is, the court that in the majority of the cases, does not have hearing dates for the cases and this is why victims are suffering with the protracted delays. What is the Attorney-General going to do to expedite early hearing dates being given by the courts to parties which are willing to reschedule dates?

**Mr. Wako:** Mr Deputy Speaker, Sir, what I am aware of is that, in most accident cases, good advocates try to settle the cases out of court. For those that must continue and in reference to this particular case, the advocate has, in fact, confirmed to the court that he has no instructions from the plaintiff to proceed on with the case.

**Mr. Deputy Speaker:** Next Question, hon. Wanyoike!

*Question No. 1064*

PAYMENT OF COURT AWARD

**Mr. Wanyoike** asked the Attorney-General why he has failed to pay Mr. Jotham Gichuhi Ng'ang'a his dues amounting to Kshs.175,439.10, as demanded by his advocates in their letter Ref.G/322/90 of 26th July, 1991, and in pursuant to the HCCC Suit No.1299 of 1985, High Court of Kenya, Nairobi.

**The Attorney-General** (Mr. Wako): Mr Deputy Speaker, Sir, the Government has not failed to pay Mr. Jotham Gichuhi Ng'ang'a, Kshs.175,439.10 awarded to him in HCCC. No.1299 of 1985. The money has already been passed to his lawyers, Messrs. Kimani and Michuki Advocates from whom he can collect at his convenience.

**Mr. Wanyoike:** Mr Deputy Speaker, Sir, arising from the Attorney-General's reply that the money has

been passed to the lawyers, and since Mr. Jotham Gichuhi Ng'ang'a informed me today that he has not received any money, could the Attorney-General clarify the situation by telling the House when the money was paid and the cheque number, and the amount of money paid, and whether or not it included the accrued interest up-to date?

**Mr. Wako:** Mr Deputy Speaker, Sir, the cheque No. is 00330 drawn by the Attorney-General in favour of Kimani and Michuki & Co. Advocates and the amount is Kshs.248,229.60, which includes interest up-to 27th November, 1995.

*(Applause)*

**Mr. Wanyoike:** Mr. Deputy Speaker, Sir, I must thank the Attorney-General for the further information. But I wish to ask him since the court decided in 1988, to award Mr. Ng'ang'a these damages, and this case was settled on 27th November, 1995, that is about seven years. Could the Attorney-General agree with me that the Permanent Secretary for the Ministry of Public Works, and maybe, indeed, many other civil servants, have shown disrespect for the courts and this amounts to a plain-tact contempt of court and what action would he take? What action is he contemplating taking for such an insolent Permanent Secretary?

**Mr. Wako:** Mr Deputy Speaker, Sir, I do agree that there has been a delay not only in this case, but in many other cases, for payments on the part of the Ministries of judgement entered against the Government. In this particular case, judgement was not entered in 1985, it was entered on 14th July, 1988. There are a number of reasons for this. One of them is the financial constraint, but I have also, in addition, written a circular to all Ministries, all Accounting Officers, to be treating civil cases of this nature with priority and urgency, and importance that they deserve. I am glad to say that now, each Ministry has nominated a very senior officer to be dealing with these type of cases, so, that my office can communicate with that officer on an on-going basis.

**Mr. Deputy Speaker:** Next Question! We will go back to Question No.442 by hon. Mutahi for the Second Time.

**Mr. Mutahi:** Mr Deputy Speaker, Sir, first of all, I beg to apologise for coming late.

*Question No.442*

PAYMENT OF DEATH GRATUITY

**Mr. Mutahi** asked the Minister for Finance what delayed the payment of death gratuity to the family of the late Mr. Johnson Kamau Wambugu, APN/GC.35118 and when the dues will be paid.

**The Assistant Minister for Finance (Mr. Koech):** Mr Deputy Speaker, Sir, I beg to reply:-

The payment of death gratuity to the family of the late Mr. Johnson Kamau Wambugu, APN/GC.35118, has been delayed owing to the temporary misplacement of his death gratuity file. The Pension Department has since built up another file for the deceased and a sum of Kshs21,956.45 being the total amount of the death gratuity, has now been paid to the family of the late Mr. Wambugu through an Assistant Public Trustee, P.O. Box 1774, Nyeri, by Government cheque No. Z/P899549 dated 28th July, 1994, which was dispatched on 29th July, 1994, under a registered cover.

**Mr. Mutahi:** I thank the Assistant Minister very much for that answer. However, I would like to ask him whether he has a copy of whatever he wrote to the Public Trustee in Nyeri, to the father of Johnson Kamau Wambugu, because I was with him last week-end, and I told him his Question is due to come up, and he was not aware after one and half years, that his cheque was sent to the Public Trustee. How do you liaise with the beneficiary of such gratuity?

**Mr. Koech:** Mr. Deputy Speaker, Sir, the process of preparing such type of payment starts from the DCs office, which is actually the Public Trustee. In the course of this, the recipient should have known that the cheque has been dispatched. But if this information has not reached him, the hon. Member will assist him.

**Dr. Lwali-Oyondi:** Mr. Deputy Speaker, Sir, cases of lost files, particularly when it comes to claims of money from the Government are very common. It is only after you have made a bribe that your claims are processed. What is the Assistant Minister going to do in order to ensure that no files are lost whenever there are claims?

**Mr. Koech:** Mr. Deputy Speaker, Sir, we do not want files to get lost. In this particular case, when the claim was being processed by the Pensions Department, the file moved from one office block to the other. So, quite a good number of files were taken out somewhere for safe custody. In the process, a few files got lost. But



as far as bribery is concerned, we should all advise our people to be very responsible.

### QUESTIONS BY PRIVATE NOTICE

#### SALE OF PRESIDENT KENYATTA'S PORTRAIT

**Mr. Kamuyu:** Mr. Deputy Speaker, Sir, I beg to ask the Minister of State, Office of the President the following Question by Private Notice.

(a) Is the Minister aware that vendors are being arrested and punished for selling the portrait of the late founding father of this Nation, President Jomo Kenyatta, along Uhuru Highway in Nairobi?

(b) If the answer to "a" above is in the affirmative, can the Minister explain the relevant law being applied?

(c) If the answer to "a" above is in the negative, can the Minister confirm that the vendors can continue selling the portrait of the late President Jomo Kenyatta without harassment as long as they are licensed to do so?

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

(a) I am not aware.

(b) Arising from the answer given in part (a) above, the question does not arise.

(c) I have no objection whatsoever.

**Mr. Kamuyu:** Mr. Deputy Speaker, Sir, I am very saddened by that answer because on 5th November, 1995 on Uhuru Highway, four young men were arrested. One of them, by the name Joseph Kerori was from Dagoretti. They were arrested by plain-clothed policemen, bundled into a vehicle and locked at Kilimani Police Station. I was forced to go there to rescue them. Not only did I rescue them, but I was also forced to rescue this portrait of the founding father of this Nation, having been disfigured.

*(Mr. Kamuyu displayed the portrait)*

**Hon. Members:** Shame! Shame! Shame!

**Mr. Kamuyu:** Mr. Deputy Speaker, Sir, we have to face the reality. If the Assistant Minister has not done his homework, let him go back and do some homework on this matter. This is one of the most serious things happening now, because you cannot sell or trade this picture, even if you are licensed. This shows that this picture is really disrespected. It is not even hanging anywhere in this Parliament. Why is that so?

Mr. Deputy Speaker, Sir, could the Assistant Minister tell us with total sincerity, whether the young vendors who were selling this picture within the City of Nairobi can now continue doing that without any interference, and the statement they made at Kilimani Police Station be withdrawn with immediate effect?

**Mr. Manga:** Mr. Deputy Speaker, Sir, I want to say that there is no case pending at the police station regarding that particular incident. I said, and I will say again that I have no objection to these young men selling the portrait.

**Mr. Kamuyu:** Mr. Deputy Speaker, Sir, if indeed, we are following the footsteps in this country, which sometimes I doubt, could the picture of the late founding father of this nation be respected enough and be hanged in the precincts of this Parliament with immediate effect?

*(Applause)*

**Mr. Manga:** Mr. Deputy Speaker, Sir, I now understand why the Question was framed. If the Question was meant to ask why is it that the portrait is not being hanged, that is a different Question and I will be able to answer it.

**Dr. Otieno-Kopiyo:** On a point of order, Mr. Deputy Speaker, Sir. Could hon. Kamuyu inform this House, why those vendors were selling second-hand photographs of the late President?

*(Laughter)*

**Mr. Kamuyu:** Mr. Deputy Speaker, Sir, this was destroyed by police at Kilimani Police Station! That is why it is "crying" for repainting!

## EMPLOYMENT OF CHIEF NANGARE

**Mr. Muite:** Mr. Deputy Speaker, Sir, I beg to ask the Minister of State, Office of the President the following Question by Private Notice.

(a) Could the Minister tell the House why a Mr. Katwai ole Nangare, who is a police suspect in the murder of the late Mr. Parkara ole Morunya (who was killed on 21st January, 1995, (Narok Police Case File No. 781/28/95), was employed as a Chief for Oletukat Location before investigations are completed?

(b) Can the Minister undertake to revoke Mr. Nangare's appointment until he is cleared of the linkage to the murder of the late Mr. Morunya?

(c) Why have the suspects of the late ole Morunya's murder, namely Katwai ole Nangare and Leipa ole Kedoki, not been arrested and charged in accordance with the Law?

**The Assistant Minister of State, Office of the President (Mr. Manga):** Mr. Deputy Speaker, Sir, I stand to seek your guidance on this Question because it touches on matters that are in court, before I give an answer.

**Mr. Deputy Speaker:** Do you mean there is a matter on this subject in court?

**Mr. Manga:** Yes, Mr. Deputy Speaker, Sir.

**Mr. Deputy Speaker:** The subject is in court?

**Mr. Manga:** Yes, Mr. Deputy Speaker, Sir.

**Mr. Deputy Speaker:** Could you give the file number or case number?

**Mr. Manga:** It is File No. 9 of 1995, and it is an Inquest which must be heard---

**Mr. Deputy Speaker:** An Inquest must have a number. The reference you have is in respect of a police file.

**Mr. Manga:** It is an Inquest and it was recorded on 21st of January, 1995 and the number of the case is No. 10 of 1995.

**Mr. Deputy Speaker:** Which court?

**Mr. Manga:** It is going to be heard in the Kenya Resident Magistrate's Court in Narok on the 28th of December, 1995.

**Mr. Deputy Speaker:** Mr. Muite, in view of that, I hope you will appreciate that we cannot continue with the Question.

**Mr. Muite:** Mr. Deputy Speaker, Sir, my Question is not asking on any of the matters that are possibly going to be dealt with, not in the case the Assistant Minister is talking about, that is an Inquest---

**Mr. Deputy Speaker:** Order! Order, Mr. Muite. I must confess that when the Question was put down, and when I first saw the Question, I had misgivings but after closer observation, I thought you were referring only to a police file, and not to a court file. And as it happened, I decided to give you the benefit of doubt. But now that we have evidence for sure, the matter is before a court of law, and the very publication of the Question in this form will be prejudicial to not only the proceedings in that court, but also the integrity of a particular individual.

If I had known that there was an Inquest before a court, certainly, the Question would not have appeared on the Order Paper. So, we are bound by the rule of *sub judice*, and I think common sense dictates that you will not push, but we will not discuss the Question during this occasion. Next Question!

**Mr. Muite:** Mr. Deputy Speaker, Sir, my Question is merely seeking to know why this man was appointed a chief when he was a murder suspect.

That is all I wanted to know. Was it because---

**Mr. Deputy Speaker:** Order! Order! Order! Order! I must confess, and I hope you will agree with me that this is a very difficult situation. I have no interest about who is appointed a chief in Narok or where, but we have to respect our rules and it is going to be very difficult to draw very clear boundaries between the question of the appointment of individual as a chief and your question. The issue you brought in is your allegation that this individual is a murder suspect. We have now information that the Question of the man who caused that murder is before a court of law. So, I think it is very difficult for us to differentiate between your interest and this subject.

**Mr. Deputy Speaker:** Mr. Omolo Opere, hurry up! You do not want to ask your Question?

**Dr. Opere:** I am sorry Mr. Deputy Speaker, Sir.

## CLOSURE OF POST OFFICE

**Dr. Opere:** Mr. Deputy Speaker, Sir, I beg to ask the Minister for Transport and Communications the following Question by Private Notice.

(a) Is the Minister aware that the only Post Office at Magunga, Gwasssi Division, which has been catering for 50,000 people in the division has been closed?

(b) Could the Minister instruct Kenya Posts and Telecommunications Corporation to re-open this Post Office without delay as it provides essential services to the residents of Gwasssi Division?

**Mr. Deputy Speaker:** Anybody from the Ministry of Transport and Communications? Nobody from the Government side to answer the Question? Okay, we have no option but to defer the Question. I direct that it be put on the Order Paper at the earliest convenience next week.

*(Question deferred)*

**Dr. Otieno-Kopiyo:** On a point of order Mr. Deputy Speaker, Sir. I can see the Assistant Minister responsible conferring at the Back Bench there.

**Mr. Deputy Speaker:** What did you say?

**Dr. Otieno-Kopiyo:** Is Mr. Mwamzandi not the Assistant Minister for Transport and Communications?

**Mr. Deputy Speaker:** Oh! No!

**Mr. Anyona:** Mr. Deputy Speaker, Sir, before I ask my Question, I would like to complain that I have not received a written answer and it seems like the Ministry is taking this matter very lightly.

## PAYMENT OF POLYTECHNIC STAFF

**Mr. Anyona:** Mr. Deputy Speaker, Sir, I beg to ask the Minister for Research, Technical Training and Technology the following Question by Private Notice.

(a) Is the Minister aware that the teachers and technicians in youth polytechnics in Kisii, Nyamira and the other parts of the country have not been paid their salaries and other benefits for the last three months?

(b) When will the Ministry pay the outstanding dues and also formulate a comprehensive scheme of service for all employees of youth polytechnics?

**Assistant Minister for Research, Technical Training and Technology (Mr. Kagwima):** Mr. Deputy Speaker, Sir, I beg to give the following reply.

The Ministry did send a written answer to the hon. Anyona and to Parliament sometime back.

(a) All the instructors in the polytechnics that Government has undertaken to give grants have had their dues paid up to September, 1995.

(b) The Ministry has already formulated a Cabinet Paper which has been forwarded for discussion and out of which we expect a Bill to be brought to Parliament for debate, so that the terms and conditions of service for all the members of staff, teaching and non-teaching staff in the polytechnics will be harmonised.

**Mr. Anyona:** Mr. Deputy Speaker, Sir, the Assistant Minister is blaming the Clerk's office. I checked in the Clerk's office whether there was an answer but there was no answer. So, I do not know now who should be held responsible for the fact that this answer is not available.

My question is; is the Minister aware that these employees have not been paid for the last three months? The answer given has nothing to do with the question. He says that they were paid up to September 1995 and from September to now, it is almost three months? Why have they not been paid as of now and when are they going to be paid?

**Mr. Kagwima:** Mr. Deputy Speaker, Sir, my arithmetic indicates that November and October are not three months. I request for the patience of the Members, so that they can hear the answer and raise questions where they are not satisfied. The staff concerned have been paid up to September and we have already organized to pay them salaries for October.

**Mr. Obwocha:** Mr. Deputy Speaker, Sir, this is a very important Question because most of those instructors in various polytechnics in the country--- Could the Assistant Minister tell this House what criteria the Government uses to have those who are in their payroll currently paid and excluding others?

**Mr. Kagwima:** Mr. Deputy Speaker, Sir, the youth polytechnics in the countryside are initiated by the communities living in those areas who construct the facilities required, recruit and pay the teaching and non-teaching staff and who later request the Government through the Ministry, to include some of the staff in the

list of those who receive grants. What happens is that once the conditions that are set by the Ministry are satisfied by those polytechnics, then the Ministry of Research, Technical Training and Technology approves and agrees to pay some of the staff. But the communities and the polytechnics have to apply for the grants.

**Mr. Anyona:** Mr. Deputy Speaker, Sir, the polytechnics are very important institutions. At the moment, all of them, throughout the country, have almost collapsed because the staff are not being paid. It is not their fault because they have done their bit. They have done whatever they are supposed to do. When is this Ministry going to pay them? If they have prepared a Cabinet Paper, what is the problem in getting it from the Ministry to the Cabinet? Does the Cabinet in this Country not meet? What has happened? For how long are those people going to suffer because you cannot get this Paper to the Cabinet? When are you going to do that?

**Mr. Kagwima:** Mr. Deputy Speaker, Sir, it is true that a Cabinet Paper has been prepared and forwarded for discussion but as and when that will be approved, formulated and forwarded to this Parliament, it will be up to the hon. Members including Mr. Anyona, to support that Bill so that we can have good conditions and terms of service for the workers.

**Dr. Kituyi:** Mr. Deputy Speaker, Sir, considering that an in-house experts' committee in the Ministry has recommended that the only way to deal with the problem of staff in youth polytechnics is to have all of them employed by the TSC, what has been the main problem that has made this Ministry not implement that recommendation?

**Mr. Kagwima:** I am not aware of that recommendation that they be employed by the TSC. If anything, TSC and my Ministry are required to draw money from the Exchequer. Whether it is by TSC or by the Ministry, it is the same source of supply.

**Mr. Deputy Speaker:** Next Order!

## BILL

### THE EXCHANGE CONTROL (REPEAL) BILL

**The Assistant Minister for Finance (Mr. Koech):** Mr. Deputy Speaker, Sir, I beg to move that the Central Bank of Kenya (Amendment) Bill, 1995, be read a Second Time. Now, the Exchange Control Bill--

**Dr. Lwali-Oyondi:** Mr. Deputy Speaker, Sir, on a point of order. The Assistant Minister is reading a wrong Bill. On our Order Paper, it is the Exchange Control (Repeal) Bill, 1995, not Exchange Control Bill.

**The Assistant Minister for Finance (Mr. Koech):** Mr. Deputy Speaker, Sir, thank you for the details. The concept was the same. Now, I would like to move that the Exchange Control (Repeal) Bill be read the Second Time. Mr. Deputy Speaker, Sir, now that the Government is committed to total liberalization of exchange control, this Bill has come to enable us or to enable the Government to completely remove control in the Central Bank. Now, we have been going through quite a number of economic reforms which are obvious during this liberalization time, and I know the hon. Members, in fact, even my colleagues on the other side, have been crying very much for liberalization.

Now, Mr. Deputy Speaker, in order to have total liberalization now, this Bill has been brought, to ensure that there is no control in the foreign exchange. Now, this process is to enable the domestic investors and foreign investors to have confidence in this country, so that they can be able to invest freely, since, they would be able to repatriate the capital they need. And with this confidence, we also do hope that those people who have got money outside this country, will be able to bring back the money for the re-investment in this country, instead of staying outside this country.

Mr. Deputy Speaker, we need to create an enabling environment which will make those people who might have stuck their money outside the country to be able to repatriate it back to the country. I believe the repeal of this Act, will be able to do exactly that. Now, we had quite a good number of controls in the past, and a lot of bureaucracy involved and, it does mean that, it would have taken a long time to be able to get funds to come to this country. So, I do believe, this Bill is going to enable the foreign investors and also the domestic investors to be able to invest in this country.

I do hope this Bill is going to be supported by all in the House, because, we need it. We need to be honest about ourselves. We do not need to have a lot of double dealings. If some Members are very serious about liberalization, we should equally be very true to the spirit of what we preach. I do hope that this Bill is going to be supported by all. Now, we do expect, with the repeal of such a Bill, we are going to have an effective allocation of resources, because, we know in the past, with a lot of control, a lot of resources could be diverted to some areas which would not be of priority for this nation. But with this liberalization move and the repeal of the

Exchange Control Act, the resources of this nation are going to be taken to the areas, where the need would be, because, the demand for those particular services, would be able to drive resources or capital to those areas, so that development could be enhanced in those particular areas. I do hope also, we should all in this country try to think of the nation as a whole. In this country, we need redistribution of resources, we need some other resources to go to the western part of Kenya, we need some resources to go to some coastal parts of this country, so that, for effective stability of this nation, the resources should be distributed all over the country. I do hope, with effective re-allocation of resources, because of the free enterprise, we will be able to provide this service. I do hope, the spirit of this House, should be on such particular lines.

Mr. Deputy Speaker, since this is a very straightforward Bill, and we have had quite a good amount of talk before, and since I do not have very much else to say, I beg to move.

**The Vice-President and Minister for Planning and National Development** (Prof. Saitoti): Mr. Deputy Speaker, Sir, I rise to second this Bill, The Exchange Control (Repeal) Bill.

Mr. Deputy Speaker, in seconding this Bill, I only want, once again, to draw the attention of this House to the fact that, this Bill has come back to the House, now for a second time. The first time it came here, it was exhaustively debated by this august House, and indeed, it was able to pass through the second stage. But, this House, in its own wisdom, decided to reject the Bill at Committee Stage. Mr. Deputy Speaker, Sir, I also want to thank this august House, for having facilitated the introduction of this Bill afresh - first, the day before yesterday, when a resolution of the House was made here to enable the Government to publish this Bill, and again yesterday, when the House too, resolved that the publication period be reduced from 14 days, to 2 days. In effect, that is why it has been possible to bring this Bill today to be debated.

Mr. Deputy Speaker, Sir, the merits, as far as this Bill is concerned, cannot be emphasised. The intention here is indeed, to repeal exchange controls. I think, today, it is universally accepted that exchange control belongs to economic framework of the past, for as things are today, the world is competitive. Movements in money take place within a very short time, and the country that continues to cling to a "cage" exchange control rule, will definitely lose out in the competition which is swinging today. Kenya, Mr. Deputy Speaker, Sir, has no alternative but to join this modern world of trade and this modern world of trade, is the one which emphasises a great deal on the export of trade and the management of money. I want here to seize this opportunity, to commend the Kenyan Businessmen, who even during very difficult economic conditions, have not tired of finding various ways to export goods like agricultural products and to earn foreign exchange which has assisted this country to be able to move forward.

Mr. Deputy Speaker, Sir, the farmers in the coffee, tea and horticultural industries, have toiled. They have kept this country going, apart from feeding this country and they continued to expand earning foreign exchange. Our industries too, have picked a raw deal since we embarked on this risky and extremely difficulty path, of economic reforms; call it Structural Adjustment Programmes (SAPS).

*[Mr. Deputy Speaker left the Chair]*

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

Mr. Temporary Deputy Speaker, Sir, Kenyan industrialists, have exported a great deal. Indeed, and for the record here, our own industrialists had been able to export a great deal, especially within the Common Market for Eastern and Southern Africa (COMESA) Region. Kenya today, is a premier exporter and peer in COMESA Region. There is no doubt today that in this Continent, the Kenya businessmen and the industrialists are respected wherever they go. I think this House must now stand clearly and resolve that we are going to complement the efforts of our businessmen. Our businessmen are going to be able to compete on equal terms internationally, as their counterparts elsewhere. There is even a subtle ingredient in all this. Traders or businessmen when involved in international trade, sometimes have got access to credit from foreign banks and even from foreign companies. These foreign companies and banks are more than willing to extend credit, if indeed, they know that the country to which they are extending these facilities is going to facility the repayment. If they do believe that there are all kinds of restrictions, regulations and controls that will make it difficult for the traders to be able repay back, they will hold back. This in itself, basically means that the Kenyan businessmen and industrialists will end up losing opportunities. Mr. Temporary Deputy Speaker, Sir, we want our traders and businessmen to play a major role in the international finance. If they play a major role in the international finance, it is Kenyan people who are going to gain. Employment opportunities will as a matter of course, be created. I believe, Kenya has got all the potential of becoming the financial centre in this Continent.

But it cannot be, if indeed, we still have a financial system which is extremely restricted. We have got to ensure that the other businessmen wherever they are, in this Continent, come to consider Kenya as a place where they can invest their money, a place they can be able to base a number of their companies. With the passage of this Bill, and when it is enacted as an Act, I would like to assure this august House that there will be substantial inflows of investments. There will be several international companies, which will set up their own regional offices here. That move will have the result of more Kenyans being employed, more resources being placed here and also available to the Kenyan businessmen and the private sector for investment and for development.

Mr. Temporary Deputy Speaker, Sir, investors will not want to invest in a country where, they are not sure whether, once profits are made and dividends are declared, they will be able to release their dividends. The only way out, is to be able to give a signal to the world, that indeed, those who come here and they make their money legally and in a justifiable manner and they pay taxes, they will also be able to take their dividends back home. That can only be done if the Exchange Control Act is indeed, revoked. In doing that, we are only joining the league of other nations in this Continent. In this region, I think we must be one of the very few countries today in Africa with Exchange Control, within East Africa. We must play a major role in East Africa and I would like to assure this House that we are firmly committed, spiritually and fundamentally, to the promotion of co-operation in East Africa. Kenya belong to East Africa, we have no doubt that it is the East African Region that as a block, takes most of our own exports. The COMESA, takes 60 percent, but about 30 percent is taken by our own sister countries here.

Mr. Temporary Deputy Speaker, Sir, contrary to the misconceptions which have been making the rounds, that perhaps the Government is not interested in the East African Co-operation, I want to allay the doubts once again and say, we belong to East Africa and there is no way of getting out of it. The people of East Africa are the same. East Africa is extremely important to us from a trading point of view and we will promote the trade because it is important. But we cannot be able to do that if our other sister countries have already liberalised their money market and yet we have not done so. We cannot be able to continue to compete effectively within COMESA, which is really a lifeline as far as the Kenya economy is concerned. We should not continue clinging to archaic Exchange Controls. We must match forward and Kenya cannot afford to be second, we have to be on the forefront.

Mr. Temporary Deputy Speaker, Sir, this is not just a Bill for the Government and I want to commend this Bill even to the other side of the Bench, which I am sure now in the spirit of cooperation that we have demonstrated in the last two days, I think will seize the opportunity to support this Bill fully.

**Mr. Muite:** On a point of order, Mr. Temporary Deputy Speaker, Sir. I know that we talk about the other side of the Bench in the court but here surely, we should be talking about the other side of the House. Is the Vice-President, in order to talk about the other side of the Bench? He is talking about the other side of the Bench which we talk about in court. Should he not be talking about the other side of the House?

*(Laughter)*

**The Temporary Deputy Speaker (Mr. Wetangula):** Order! I believe a rose is a rose by any name.

*(Laughter)*

**The Vice-President and Minister for Planning and National Development (Prof. Saitoti):** Mr. Temporary Deputy Speaker, Sir, I am not a lawyer but I am sure the lawyers are fairly favoured in matters of semantics but I am sure that this is a Bill for Kenyans. I really do wish to appeal to our hon. friends of the Opposition to help the Kenyan businessmen. The Kenyan businessmen are not just KANU, they are DP, Ford Kenya and many other opposition parties and I am sure many of them will seize this opportunity. I am sure once this Bill is passed, and properly embraced by the Opposition, I have no doubt that the Opposition will be able to walk with their heads even higher up.

Mr. Temporary Deputy Speaker, Sir, I beg to Second this very important Bill which has been re-introduced to this House.

*(Question proposed)*

**Mr. Muite:** Mr. Temporary Deputy Speaker, Sir, I thank you. In order for us to have order in this august House so that we can continue with the business of the National Assembly, we have to accept being bound by the rulings of the Speaker, not a matter of how strongly we may disagree with those rulings in order for there to

be order in the House. Even some of us who are on a correct interpretation of the rules feel that a particular ruling is clearly incorrect but we have to be bound by it. We find some of us in the embarrassing position of having to stand up now to decide to support this Bill that has been brought back before six months are over.

Mr. Temporary Deputy Speaker, Sir, at no time were any hon. Member on the Opposition side opposed to the spirit of the objectives of the Bill that is seeking to repeal the Exchange Control Act. But, one notices some urgency on the part of the Government in wishing to have this repeal being effected as law sooner than later. They want it done, and they do not want even to wait for six months. We are left with some little nagging doubts as to why the Government is in such a hurry that it cannot even wait for six months. It must have it repealed now before we break for Christmas. We suspect that this is being done before this Government goes to Paris to ask for renewed funding. I think we suspect that the Government wishes to be in a position to say that they have fully repealed the Exchange Control Regulations and Acts and that the Exchange Control is fully liberalised in this country.

It is in that context, Mr. Temporary Deputy Speaker, Sir, that I would like to make the following contribution. We should not undertake any economic reforms as a nation in order to get donor-funding. We should undertake these economic reforms because we, as the nation, believe in the economic reforms as the only way of reviving the economy. Now, that we are debating this Bill for the second time, I would like to put it on record that it is a matter of extreme embarrassment to us as Kenyans, that 32 years after Independence, this nation and our economy are still depending on the donor funding. We have developed a dependent syndrome! We have to break away from this: Donor aid and laws from the World Bank and IMF are analogous to any loan from a bank that a business borrows. The intention is not to keep borrowing permanently. The intention is for one to be able to build his business in order to repay that loan and, in fact, to make profits and be able to operate even without those loans. The ideal situation, the objective to which this country should be moving is one where our economy will not need donor funding or any aid.

So, the reforms that we need to undertake are reforms that are going to be targeted towards achieving those goals. Let us not do reforms in order to get donor funding. Let us, in fact, look at donor funding and World Bank funding as a temporary measure that will assist us in revitalising our economy, with a view towards reaching to the position where we do not need loans or that donor funding. We want to get the impression that it is the obligation of this Government to dispel the feeling that a lot of reforms are undertaken in order to get donor-funding. That is a wrong objective for undertaking reforms.

Mr. Temporary Speaker, Sir, the second point I would like to make is that the economy is going to recover and be revived and resuscitated, not on the basis of economic reforms on their own, because the basis on which economy recovers, not just in Kenya but in any country anywhere in the world, the name of the game is confidence. The nationals, multi-nationals and everybody else must be able to feel confident about that particular country before they can start investing, Kenyans included.

Economic reforms on their own are not going to return confidence in the economy of this nation or in this nation at all, unless those economic reforms are accompanied and they go hand in hand with the appropriate legal, political and Constitutional reforms. We must have in place; political, legal and Constitutional reforms that are going to result in democratisation of power in this country. We should have reforms that are going to be able to make a person say: "The elections in that country are not only going to be absolutely free and fair but they are also going to be seen as being free and fair." We must become a truly democratic nation, and this has nothing to do with whether the Opposition is going to take over the Government or the KANU is going to continue being in the Government. I am talking objectively about having a political constitutional and legal order that makes it possible for the country to have truly free and fair elections in order for confidence to be resuscitated in order for the people to have confidence in the nation. Unless, that is done, it does not matter what economic reforms we undertake, confidence is not going to be there, and, therefore, the economy is not going to recover and the objectives of our economic reforms are going to be defeated.

At the moment, no one seriously talking can say that this nation is in a position in 1997, to have truly free and fair election. It is the responsibility of this Government to come up with reforms; legal, political and constitutional that will make it possible for the election in 1997 to be truly free and fair and to be seen to be truly, free and fair. Unless, that minimum reform agenda is adopted and implemented, then confidence is not going to be regained in this country and the economy is not going to recover.

Mr. Temporary Speaker, Sir, the other point that I would like to make is that the Government must distinguish between control and regulation. Having made that distinction, it must then relinquish the desire to control and confine its role to regulation. I would like to say that this is a step in the right direction. We need to be assured by this Government that what they are now repealing is going to result in a truly liberalised market, so that tomorrow and the day after, the control is being lost through the Repeal of the Exchange Control Act is not

going to be reintroduced through the back door by amending other laws such as the Central Bank of Kenya Act. If that is done, we are merely lying to ourselves. There is no point, one dividing Kshs200 that one has in his pocket, in order to put Kshs100 in the other pocket, in order to lie that one has got more money. It will remain Kshs200, whether it is in one pocket or whether Kshs100 in one pocket and the other Kshs100 is in the other pocket.

Mr. Temporary Speaker, sir, let us agree that in a liberalised market, the role of the Central Bank is confined and must be confined into regulating and not control. They must relinquish control if the market is to be fully liberalised. I would like to put it on record that today, there are circulars and directives by the Central Bank of Kenya that indicate that Central Bank has not yet accepted that distinction between control and regulation. For example, when the Central Bank issues a circular to commercial banks prohibiting commercial banks from participating in purchasing and selling foreign currency on their own account., that is a directive that goes way beyond regulating and that is control because commercial banks, anywhere in the world, participate as buyers and sellers of foreign currency on their own account. You can never get the true value of the currency of any country unless you allow commercial banks to participate on their own account. Today, the commercial banks here are not permitted to participate in the inter-bank trade of hard currencies by a circular from the Central Bank. These are the sort of things that really must go. If you are going to opt for liberalisation, you must take the big leap and allow the market to find its own level.

Mr. Temporary Deputy Speaker, Sir, with those few remarks, I beg to support and say that our Opposition on this side of this House was dictated by the manner in which the hon. colleagues on that side behaved as if---

**The Temporary Deputy Speaker** (Mr. Wetangula): You have no apologies to offer for that, do you?

**Mr. Muite:** Mr. Temporary Deputy Speaker, Sir, the Opposition was dictated by the manner in which the hon. colleagues on the Government side behaved as if there will never come a day when they will be on this side of the House. We will support them on merit, when a matter requires support on the merit as we are doing now.

**The Temporary Deputy Speaker** (Mr. Wetangula): Are you apologising for the manner in which you voted?

**Mr. Muite:** Mr. Temporary Deputy Speaker, Sir, I am explaining why I am supporting this Bill, having voted against it at the Committee stage. I think I owe it to myself to make that explanation. If it misunderstood as an apology by the Chair, it is not intended to be---

**The Temporary Deputy Speaker** (Mr. Wetangula): It is clearly understood as an apology.

**Mr. Muite:** Mr. Temporary Deputy Speaker, Sir, it is not intended to be an apology. We support matters on merit and we are asking for a little reciprocation. When matters come from this side of the House like---

**The Assistant Minister, Office of the President** (Mr. Manga): On a point of order, Mr. Temporary Deputy Speaker, Sir. Is the hon. Member in order to apologise on matters that he committed himself?

**Mr. Muite:** Mr. Temporary Deputy Speaker, Sir, that is hardly a point of order, as I was only explaining. Perhaps, my explanation went over the head of the hon. Assistant Minister; he did not understand, but I see there is an hon. Member who has been talking very well about the situation at Kenyatta University. Perhaps, he can seek assistance from that hon. Member.

**The Assistant Minister for Commerce and Industry** (Mr. Osogo): Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me this opportunity. This is a Bill that has created history in the life of independent Kenya and Parliament and I do hope that the ruling of the Chair in connection with points of orders that were



raised by the hon. Anyona can go into the Parliamentary Association Journal for the coming generation to read it as it was a very considered ruling by the Chair that brought back this Bill to this House.

Mr. Temporary Deputy Speaker, Sir, I do take this opportunity to thank hon. Members from the Opposition side for having seen and understood the importance of this Bill and accepted the stages we went through yesterday and the day before yesterday.

**An hon. Member:** Why should you commend them?

**The Assistant Minister for Commerce and Industry** (Mr. Osogo): Mr. Temporary Deputy Speaker, Sir, I am thanking them for having understood---

**Mr. Shikuku:** On a point of order, Mr. Temporary Deputy Speaker, Sir. Do you not think that the hon. Member is treading on a very dangerous ground? We understood the Bill and from the record, you find no one from this side of the House opposed that Bill. Is he in order to strive to---

**The Temporary Deputy Speaker** (Mr. Wetangula): What did he say?

**Mr. Shikuku:** Mr. Temporary Deputy Speaker, Sir, he said; "they have now understood". We understood the Bill. If he did not understand, that is his problem. I hope I will get an opportunity to tell him who did not understand.

**The Assistant Minister for Commerce and Industry** (Mr. Osogo): Mr. Temporary Deputy Speaker, Sir, the hon. Member for Butere is not getting me right. I have said; "to have understood the importance of this Bill". Not "having understood the Bill", but "the importance of this Bill" and assisted the procedure to make us reach where we are at this time in debating this Bill.

**Dr. Kituyi:** On a point of information, Mr. Temporary Deputy Speaker, Sir. Thank you very much, hon. Osogo. I think it is important that you know that---

**The Temporary Deputy Speaker** (Mr. Wetangula): What is it, Dr. Kituyi?

**Dr. Kituyi:** Mr. Temporary Deputy Speaker, Sir, it is a point of information and he has accepted to receive it.

**The Temporary Deputy Speaker** (Mr. Wetangula): But through the Chair.

**Dr. Kituyi:** Mr. Temporary Deputy Speaker, Sir, he has accepted the information through the Chair.

The information is: That we hope the Government side understood the outrage at the defeating of the Motion on the appointment of an Ombudsman which made us vote against a Bill that we would like to pass.

**The Assistant Minister for Commerce and Industry** (Mr. Osogo): Mr. Temporary Deputy Speaker, Sir, what happened to this Bill---

**The Temporary Deputy Speaker** (Mr. Wetangula): Two wrongs do not make a right and I do not see why we are following that.

**The Assistant Minister for Commerce and Industry** (Mr. Osogo): Mr. Temporary Deputy Speaker, Sir, what happened to this Bill should also have taught a lesson to the hon. Members sitting on this side of the House.

*(Applause)*

I am saying so because what happened is very interesting. When the Division was called for and only a few of us were here, we stood to request for a Division, but hon. Members from this side of the [**The Assistant Minister for Commerce and Industry**]

House thought we were standing to catch the Speaker's eye.

**Dr. Kituyi:** Teach them!

**The Assistant Minister for Commerce and Industry** (Mr. Osogo): Mr. Temporary Deputy Speaker, Sir, that means they have not been attentively listening to the debates of this House and it is quite upsetting to some of us. At times, some corners from this side of the House, particularly this corner behind me here, continues making noises all the time when the House is in process and the proceedings are going on. These are the same hon. Members who did not notice that, we were requesting for a Division when we stood up. They actually thought, and they expressed it to me later on that, they thought we were standing up to catch the Speaker's eye. They had not been following what was happening. So, I am sure we have been taught---

**The Temporary Deputy Speaker** (Mr. Wetangula): Hon. Osogo, even if they did, they did not have the requisite number to marshall a Division.

**The Assistant Minister for Commerce and Industry** (Mr. Osogo): Mr. Temporary Deputy Speaker, Sir, even if they did not, all of us should have stood up to impress that we were calling for a Division but, instead, they continued sitting down. What I am saying is what they have told me themselves. That they did not stand

up when we did so because they thought we wanted to speak when they did not want to speak.

I am only saying that in future, we should take the deliberations of this House more seriously than we are doing at the moment. The Speaker has repeatedly said that the consultations most of the time have been too loud.

Quite a number of Parliaments--- and I was in Parliament up to 4th Parliament, the type of loud consultations that we are experiencing now were not there before and I do pray that my hon. colleagues take the deliberations in this House more seriously.

Something that has struck me odd and I have tried to look into the Standing Orders to see whether it was in order or out of order is the way in which an hon. Member of the Opposition has tried to explain the vote of the Opposition on this Bill in the Press. I am referring to the article written by the hon. Member for Kisumu Rural in the *Weekly Review* of 24th November, 1995. I have tried to find out from the Standing Orders whether one should explain the vote in this House or outside the House because Standing Orders also provide that whoever decides not to vote might explain why he has decided not to vote, but to explain why the vote was taken, outside the House, is not provided for in the Standing Orders, but I think it has to be provided for. If a Motion is defeated here and the explanation for the cause of the decision taken by the Division is explained outside, this House has no way of challenging that explanation.

**Mr. Shikuku:** On a point of order Mr. Temporary Deputy Speaker, Sir. I understand from the hon. Member that actually, one of us did. Of course, I never read the *Weekly Review*; it is not worth reading. One of us indeed, went out and carried more or less of what took place outside here. If so---

**Mr. Temporary Deputy Speaker** (Mr. Wetangula): There was a widely circulated letter written by Prof. Anyang'-Nyong'o purporting to explain why the Opposition voted the way they did.

**Mr. Shikuku:** Mr. Temporary Deputy Speaker, if that is the case, I never got that, and that is completely out of order. It has not been done, and I do recall that hon. Dr. Kiano was reprimanded for carrying the debate outside this House. Why should that Member not be subjected to the same treatment and be told to grow up? We do not carry our business outside the House. If he wants to explain, he should do it here, but not in the Press. We must keep the dignity of this House.

**The Assistant Minister for Public Works and Housing** (Mr. Mwamzandi): On a point of order, Mr. Temporary Deputy Speaker, Sir. This Bill is being debated twice within the same session, and---

**Mr. Temporary Deputy Speaker** (Mr. Wetangula): If you want to curtail debate, I am not going to allow you.

**The Assistant Minister for Public Works and Housing** (Mr. Mwamzandi): On a point of order, Mr. Temporary Deputy Speaker, Sir. This issue was debated very well last time.

I, therefore, would like to move that the Mover be called upon to reply.

**Mr. Temporary Deputy Speaker** (Mr. Wetangula): Hon. Mwamzandi, if you ever followed the important point hon. Osogo was raising, I do not think you would have stood on a point of order to try to curtail his argument.

**The Assistant Minister for Public Works and Housing** (Mr. Mwamzandi): My objection is because it is provoking the Opposition!

**Mr. Temporary Deputy Speaker** (Mr. Wetangula): Hon. Members are not capable of being provoked. Carry on, Mr. Osogo!

**The Assistant Minister for Commerce and Industry** (Mr. Osogo): Mr. Temporary Deputy Speaker, I am not going to speak.

**Mr. Muite:** On a point of order, Mr. Temporary Deputy Speaker. I do not wish to speak on the merits or demerits of the point that the hon. Osogo is raising, but purely, as a matter of fairness, particularly in view of the contributions by the Member for Butere, should this point not be raised when the hon. Prof. Anyang'-Nyong'o, Member for [Mr. Muite]

Kisumu Rural is present, so that he can also be heard? **Mr. Temporary Deputy Speaker** (Mr. Wetangula): Now, he does not have to be here! Carry on, Mr. Osogo!

**Mr. Shikuku:** On a point of information, Mr. Temporary Deputy Speaker, Sir. He can have it, and he can come back to this House, use Standing Order No. 69, to explain his position.

**The Assistant Minister for Public Works and Housing** (Mr. Osogo): Mr. Temporary Deputy Speaker, Sir. That is the position as the hon. Member for Butere is putting it. But I have no cause to provoke my friends on the opposite side. I am only trying to point out what I have seen as being very irregular, in the proceedings of this House. And indeed, the article I am referring to that carried the debate outside this House, and in trying to explain why the vote was taken in the way it was taken, gives a very interesting version of what happened. The statement says that all the time, the Opposition was supporting this Bill, but because the independence or the

protection of the Central Bank of Kenya was not included in an amendment to the Central Bank of Kenya (Amendment) Bill, it was the reason why the Opposition voted against this Bill. That is what surprises me; that we had debated the Central Bank of Kenya (Amendment) Bill. If there was no protection provided in the Bill, then it was the duty and responsibility of the Opposition to bring an amendment and include the protection they wanted. But a Bill passes one stage after the other, and the explanation comes in the paper I am talking about, that because there was no protection in the Central Bank of Kenya for---

**Dr. Kituyi:** On a point of order, Mr. Temporary Deputy Speaker, Sir. Is hon. Osogo in order to so extensively delve on the matter of the Central Bank of Kenya (Amendment) Bill, a Bill which was deferred and we anticipate it to come before this House, as an excuse to answer, to a debate that is not really relevant to what he should be telling us now?

**Mr. Temporary Deputy Speaker** (Mr. Wetangula): What he is trying to say is, in fact, not out of order. He has not talked about the Central Bank of Kenya (Amendment) Bill. He is saying that Prof. Anyang' Nyong'o purported to link your voting pattern with the provision in that Bill, which was wrong. Carry on, Mr. Osogo.

**The Assistant Minister for Commerce and Industry** (Mr. Osogo): It is possible that the hon. Dr. Kituyi did not read this, but let me quote now, what I was trying to say. It says the reason why the Vote went the way it went--- But we have, at the same time, or rather, let me begin where he begins on that one, he says; "The Opposition has called for and supported the repeal of the Exchange Control Act, Chapter, 113 of the laws of Kenya, since 1992". He says that they have supported the repeal of the Exchange Control Act since 1992. This, therefore, was a welcome move, meaning that, that Bill was a welcome move according to him. But we have, at the same time---

**Mr. Temporary Deputy Speaker** (Mr. Wetangula): Order, hon. Osogo, I will save you the agony of that matter, by ruling that hon. Prof. Anyang'-Nyong'o was grossly out of order in carrying the debate of this House, out of the House and purporting to explain, on behalf of the entire Opposition side, as to how they voted the way they did. Carry on to the other point.

**The Assistant Minister for Commerce and Industry** (Mr. Osogo): Mr. Temporary Deputy Speaker, I did not intend to read it, if I was not requested by the hon. Dr. Kituyi, who thought that I was trying to dwell on a Bill that was not before the House. I will continue with something else.

Now, when this Bill passes, as it is indeed, going to pass, we were told by the Minister for Finance, that it is going to encourage those who have got foreign currency stuck outside this country, to bring it back. But he fell short of telling this House, whether that is going to be supervised that, that money comes back. Because the type of money that is banked outside this country is such an amount that can help the reconstructing of the economy of this country, that we will not go begging for other finances.

So, I think, when this Bill passes, the Minister should be able to encourage those who have got money outside this country, to bring that money back, so that they invest it here. But one must ask oneself; who are these that have got money outside this country? If they are Kenyans, I am sure they are going to see it fit that this money comes back to help us reconstruct our economy, but most of them might not be Kenyans, or they might be what my friend once called "paper citizens" of Kenya. And if they are, they are not likely to bring that money back, simply because they have always some illusion that there is no stability in this country, and people who make them think like that, are the hon. Members of this House, by bickering among themselves, and creating a situation where anybody can think that this country is no longer stable. Like the type of things that are happening among the Opposition ranks, those do not augur well for anybody who is not a genuine Kenyan, we call them "patriotic Kenyans", to come and bring the money back. So, we have also in this country, to discipline ourselves and see how best we can attract more investments for our country.

It has been said time and again, that the Presidency itself has to be respected.

Now we happen to be unfortunate that the Head of State is also the Head of the Government. I would not care a hoot if the Government is criticised because we are capable of warding off the criticism of this Government but when one goes to criticise the Head of State as if the Head of State is the Government, then we take exception. We think the Head of State should be respected. I have in mind newspapers and even the citizens of a country like Britain. There is no time you will find a Briton or papers in Britain criticising Her Majesty the Queen, because she is regarded as the Head of State; the symbol of that country. But they no doubt criticise the Government. They have even criticised the heir---

**Mr. Shikuku:** On a point of order, Mr. Temporary Deputy Speaker, Sir. Is it in order for the hon. Member to try and mislead this House comparing the system in Britain to ours because the Queen has nothing to do with politics? She is the Head of State of that country. They have a Prime Minister who can be criticised and

cartoons drawn about him and everything but here, when will you know when the President is speaking as Head of State or when he is speaking as the President of KANU? So whenever we attack him, we attack him as the President of KANU.

**The Assistant Minister for Commerce and Industry :** (Mr. Osogo): Mr. Temporary Deputy Speaker, Sir, the Member for Butere seems not to have followed what I have said. I said we are in an unfortunate situation where one person is holding the two offices and, therefore, the stronger one has to be respected and that is the Head of State. But we as a Government do not fear any criticism from those benches whether in this House or outside this House, but the Head of State has to be respected; the Presidency has to be respected like people in other countries do respect their Heads of State and I gave an example of Her Majesty the Queen of England. That is what I said. In fact, even recently, they were criticising the heir to the throne in the papers but he is not yet the King of England, so they can criticise him. So, we have no fear at all if the Opposition has to criticise the activities of this Government. I was saying that if we have to comply or at least agree with what the hon. Member for Kikuyu has been saying and he has given a very good speech, I was listening very attentively to what he was saying. If that has to happen, then we will have to change our tactics so that we can attract those who are not patriotic Kenyans but have stashed away Kenyan money in other countries, so that they can bring it back. But at this time, and these are mostly Asians who have done that; they are not stable even if they claim to be Kenyans. Anything to do with politics like when Raila has removed Wamalwa, in itself worries an Indian. So he wonders what is going to happen tomorrow. This is what I am saying. That is why we need a bit of discipline among ourselves in this country. Take a paper like the *Nairobi Law Monthly* magazine. Now with the kind of headline it had, shows it has no respect for the Head of State. This is why I am saying that we have to respect the Head of State as our Head of State. He is the symbol of unity of this country; he is the symbol of this country in fact, plus its flag and the Coat of Arms. The others can be dealt with. Even the magazine I have mentioned has given a very sad type of reading. I am trying to appeal to this House that we are the representatives of our people and elected by them and I think that we should represent them responsibly because all Kenyans accept and agree that the Head of State of Kenya is one and they give him that respect. We are not saying anybody is disputing that fact but we are requesting that the respect that should go with that, should go with that status.

**Mr. Wanyoike:** On a point of order, Mr. Temporary Deputy Speaker, Sir. Is the Assistant Minister in order to insinuate that if the Head of State buys a jet at a cost of Kshs2.7 billion, we should not question that?

**The Assistant Minister for Commerce and Industry:** (Mr. Osogo): Mr. Temporary Deputy Speaker, Sir, that is exactly the kind of reasoning that upsets quite a number of people.

**The Assistant Minister for Agriculture, Livestock Development and Marketing:** (Mr. Saina): What has a jet got to do with this debate? We are debating something else.

**The Assistant Minister for Commerce and Industry:** (Mr. Osogo): Mr. Temporary Deputy Speaker, Sir, I hope you will agree with me that kind of statement by the hon. Member is actually what leaves some of us wondering whether we are responsible or not. The President as an individual is not buying a jet but it is the Government that is buying a jet and it is that Government that should be criticised. I am only pointing out to my friend the former "regional President" as I knew him. He was a regional president at one time but he should grow up and be able to think wisely and guide our people wisely.

**Mr. Mathenge:** On a point of order, Mr. Temporary Deputy Speaker, Sir. Is it in order for hon. Osogo to say that the Member for Gatanga was ever a regional President? That is wrong. He was never a "President of majimbo" in Central Province.

**The Assistant Minister for Commerce and Industry:** (Mr. Osogo): I did not get what the hon. Member for Nyeri Town was saying. I am old enough in this House. When I was in this House in 1963, the hon. Member who has just raised that question, I do not know where he was. He was a chief!

**The Temporary Deputy Speaker:** (Mr. Wetangula): Order! Order! Can we hear hon. Osogo in silence?

**The Assistant Minister for Commerce and Industry:** (Mr. Osogo): Mr. Temporary Deputy Speaker, Sir, I am glad that the debate on this short Bill of only one clause is generating some interest and indeed, I am glad that you ruled the hon. Mwamzandi out of order when he tried to move a closure to this Bill. We have not exhausted debate on this Bill. It is making us know more about what happened in the past and as I was saying, this is an important Bill. But let me just make an appeal, before I end my speech; that the Minister should be able to find a way of trying to persuade those who have taken money from this country and banked it outside, to bring that money back. That money can help this country reconstruct roads. I am being asked where mine is.

**An hon. Member:** Where is your money?

**The Assistant Minister for Commerce and Industry** (Mr. Osogo): My money is in Bunyala if I have got money at all, even if it is Kshs20, it is in Bunyala, my constituency, in fishing nets and---

**The Temporary Deputy Speaker** (Mr. Wetangula): Hon. Osogo, no one has asked you to confess.

**The Assistant Minister for Commerce and Industry** (Mr. Osogo): Somebody asked me where my money is and I am trying to tell him where my money is. Also, somebody asked me whether the Minister knows those who have banked money outside. If the Minister does not know them, he should go to "the Encyclopedia" of time, the hon. Member for Butere.

**The Temporary Deputy Speaker** (Mr. Wetangula): Shikuku purports to know them but that is neither here nor there. Just carry on.

**The Assistant Minister for Commerce and Industry** (Mr. Osogo): Correct. That is what I am saying; that he has said several times, he knows them so, the hon. Minister for Finance might seek the hon. Shikuku's assistance in knowing those people. But we need that money back. I agree with the hon. Muite that we cannot depend on donor money all the time, because that money is drying up. Why is it drying up? Even the U.S. Government is sacking its employees. They are sacking the civil servants because they do not have money to meet their obligations.

Mr. Temporary Speaker, Sir, why should they think of Kenya at all? And in any case, their eyes are now in Yugoslavia and other countries where their kith and kin are, the white ones. Kenyans are nothing to them. So, we cannot depend on them.

Mr. Temporary Speaker, Sir, we are appealing for that money to be brought back. We are also appealing that we should now start thinking of trying to be independent, self-reliant and initiate projects that will make us ourselves and attain self-reliance as a country. This is a very, very important aspect of our sustainability in this world that is changing so fast that people might not even care for their brothers. In fact, brothers will not be caring about brothers at all very soon because everybody will be caring for himself. And when every country cares for itself, Kenya as a country has to care for itself. We have to change our tactics in trying to sustain ourselves and depend on our own income - our own money raised locally.

With these remarks, Mr. Temporary Deputy Speaker, Sir, I beg to support the Bill.

**Mr. Shikuku:** On a point of order, Mr. Temporary Deputy Speaker, Sir. Did you hear the interjection by hon. Misoi?

**The Temporary Deputy Speaker** (Mr. Wetangula): What did he say?

**Mr. Shikuku:** He has turned himself into some sort of a Speaker where he says Mr. Shikuku has been contributing. He does not know that we are talking of a new Bill. And I hope you will give me an opportunity to teach him when I take the Floor.

**Dr. Kituyi:** Thank you very much, Mr. Temporary Deputy Speaker, Sir.

**The Assistant Minister for Agriculture, Livestock Development and Marketing** (Dr. Misoi): On a point of order, Mr. Temporary Deputy Speaker, Sir.

**The Temporary Deputy Speaker** (Mr. Wetangula): I have said many times that you do not provoke a situation and benefit from it by taking the Floor.

**Dr. Kituyi:** Mr. Temporary Deputy Speaker, Sir, one day, I hope hon. Misoi will understand that when the Speaker is speaking, he should keep his seat. He seems not to be able to get some of these basic facts.

**The Assistant Minister for Agriculture, Livestock Development and Marketing** (Dr. Misoi): On a point of order, Mr. Temporary Deputy Speaker, Sir. Is it in order for hon. Dr. Kituyi to address me directly instead of addressing the Chair? Is that in order?

**Dr. Kituyi:** Mr. Temporary Deputy Speaker, Sir. I appreciate that the hon. Misoi is inebriated by exuberance of what I was saying. Be that as it may, I want to start off with the following statements. The hon. Members of Parliament on this side of the House have not made any mistake in any action they did or excluded from doing when the business before the House appeared last time.

We do not start off by offering anybody apologies because we have no apologies to offer anybody for our right to support or defeat any

**[Dr. Kituyi]**

business Government brings to this House. Having said that, I wish to say the following: One, that persons like hon. Saina who is now becoming a heckler, could gain from being more often in the House to see how business is going instead of coming here---

**The Assistant Minister for Agriculture, Livestock Development and Marketing** (Mr. Saina): On a point of order, Mr. Temporary Deputy Speaker, Sir. With all due respect to the Member for Kimilili, I have never been a heckler and I will never be a heckler. Nobody knows that I am a heckler. He is the heckler himself.

*(Laughter)*

**The Temporary Deputy Speaker** (Mr. Wetangula): Order! Order! To begin with, I am not aware that hon. Saina is a heckler, neither do I know that hon. Kituyi is a heckler. Hon. Kituyi will withdraw and apologise and then hon. Saina will also withdraw and apologise and then we carry on.

**Dr. Kituyi:** The grandson of Koitalel is not a heckler. I just hope that he does not become one.

**The Temporary Deputy Speaker** (Mr. Wetangula): Withdraw and apologise.

**Dr. Kituyi:** Okay, I withdraw and apologise.

**The Temporary Deputy Speaker** (Mr. Wetangula): Hon. Saina, withdraw and apologise.

**The Assistant Minister for Agriculture, Livestock Development and Marketing** (Mr. Saina): I respect the House, Mr. Temporary Deputy Speaker, Sir and I withdraw and apologise.

**Dr. Kituyi:** Thank you, Mr. Temporary Deputy Speaker, Sir. What I was saying before I was very impolitely interrupted, this side of the House has been attempting since the start of the Seventh Parliament to rally around the cause of solidarity when it is necessary in the national interest, voting for Government business when it is in the national interest. This is part of Government business which is the national interest. But the assumption that underlies our solidarity with Government business that is considered to be serious, is an assumption that, that other side of the House can also rise beyond the blinkers of partisanship and support serious business that is in the national interest, regardless of which side of the House it comes from. When that capacity of goodwill is lacking from the Government side, Government should not be shocked when we sting it once in a while. And I can assure the National Assembly that this is not the last time that the Government is going to be embarrassed because of its inability to rise above partisanship in matters of national concern. Having said that, I want to make substantive contribution on the matter before the House with the following: The repeal of the Exchange Control Act is truly, is long overdue. But having said that, the amount of religious zeal with which some persons from the Government side are describing how this has to be killed, makes one wonder where this Government was all those years. We have had the Exchange Control Act in place all the 32 years KANU has been ruling this country. Where have they seen the light all of a sudden at the end of 1995 and they are now acting holier than thou? It is belated understanding of the liberalisation or belated acquiescence to donor conditionality that is now making them all sing about liberalisation, about how it is important to repeal the Exchange Control Act as if they have not been with us all this time, as if they have not been hearing all these voices telling them this thing is being used to be a major road-block towards free movement of resources that are necessary for the confidence of investors in this economy. I am glad that they have harkened to the message now, but they should not sound like they are the new found messengers of a message that should have been here all time. The repeal of the Exchange Control Act is important, but it is not a panacea to the problems of lack of domestic and foreign investors confidence in this Government. You may repeal all the contradictory red-tape legislations that exist and of course, one of the worst is the one that is before us now. No debate about that. But so long as your own conduct is not conducive to the cultivation of confidence from investors, however much you talk about enabling environment, however, nicely you roll out doves and you roll back hawks when the situation for negotiations in Paris is arriving, that is not good enough to attract investors. Somebody mentioned here what the relationship is, between the purchase by Government of an aeroplane and Exchange Control Act. I think, that is a very good question because I want to argue that there is a very serious connection. We are talking about the removal of red-tape in the movement of resources for investors. But we are also talking about the need that after the repeal of Exchange Control Act, you have mechanisms through which the Central Bank is capable of monitoring the movement of currency because it is important we have to see what is the source of large sums of money moving into and out of our country, either through tax evasion, drug peddling and money laundering. Without that capacity, the Central Bank of Kenya (CBK) can never ever be able to tell us what our balance of payments is. The economists in this Government or the CBK's economists definitely can tell them this.

**The Temporary Deputy Speaker** (Mr. Wetangula): Dr. Kituyi, do I understand that you are debating the amendment to the CBK Act?

**Dr. Kituyi:** Mr. Temporary Deputy Speaker, Sir, I am discussing what conditions are necessary now for the Minister to consider after the repeal of the Exchange Control Act. I am saying that there are certain positive functions in the Exchange Control Act which are being repealed and I am hoping that some legislation - I do not know which one - will ensure that those functions are strengthened again. I am not anticipating anything but I am encouraging the Minister to do the right thing. If we are talking about repealing the Exchange Control Act and noises are coming from very senior persons within the Government contradicting persons who are saying that we need measures to monitor the movement of large quantities of currency--- When persons in the Government have said that the Treasury and the CBK need ability to monitor movement of large quantities of currency after the

repeal of the Exchange Control Act (ECA,) very senior persons in the Government have gone public as saying: "We do not want any people who want to introduce anti-business measures". This sends out strange signals. Are we repealing the ECA in order to ease investor worries, or are we creating an environment in which those who launder money can move it freely because the environment in terms of infrastructure is business-friendly? What kind of business friendliness are we talking about? It is important that leaders have to address those questions. Under those conditions, it is important that you ask yourself: "How can this House, which is now dealing with the liberalisation of financial markets, fail to see in a Budget before the House, the prioritisation of foreign expenditure by the Government of Kenya, the sourcing and expenditure of \$50 million?". And we are supposed to be telling Kenyans that there is no taxation without representation! This House is supposed to be telling Kenyans: "Your money will never be used to buy an aeroplane, however, cheap, good or necessary it is, without your representatives saying yes or no". How can this Government be taking us for granted and thinking that we are going to heckle it if it tells us about the acquisition of an aeroplane? It is irresponsible, unacceptable and unjustifiable that the Government can use \$50 million of tax payer's money to buy an aeroplane without bringing the matter before the House for approval. This is a fact that there is no running away from. This is an outrage. Let us be clear about liberalisation. Liberalisation is not an excuse for crimes against humanity. Liberalisation is not a catch-it-all, where the vandalism of big capital and financial yeomen are let loose against wananchi, the working class and other vulnerable groups in society. Liberalisation is supposed to be one of those measures which you take in adequate measure, in combination with other instruments of state responsibility in the interests of the national economy. There is no economy in the world which has blindly embraced liberalisation as a catch-it-all.

Why do I say this, Mr. Temporary Deputy Speaker, Sir? I say this because the amount of money the Kenya Government is ready to pay today to purchase one aeroplane would have been enough to purchase this year's surplus maize crop from Kenyan farmers, exported it to Southern Africa and made a profit to leave with the Exchequer before buying that aeroplane after three months. What has been so urgent about buying an aeroplane now that we are forcing farmers to sell their crop at Kshs180 per bag because we want our President to ride a jet worth \$50 million before Christmas? When people are told they blame liberalisation for everything that panacea called liberalisation is a panacea to reasoning and not to economic woes. Yes, we want liberalisation and I am glad that this House is on the brink of passing this ECA and abolishing the Exchange Control Department. That is fine. But beyond the liberalisation of instruments is the conduct of Government leaders domestically and internationally which will raise the confidence of the domestic and the foreign investor. Yesterday, members of the Kenya Police raided the Methodist Guest House in Nairobi. They had been told that it is the policy of the Kenya Government now to arrest all foreigners who do not have documents. And what did they do? They arrested everybody who did not look Kenyan, including Koreans, Americans, Germans and 14 West African girl guides who were here for a conference and took them to a police station before asking them to show their documents. By the time they found out that those people were legitimately in Kenya, the people concerned had been standing in Muthangari Police Station for six hours. A Government which behaves like this to persons because they are foreigners is not trying to cultivate confidence from foreigners. A Government which wants to draw confidence has to put on its best manners in dealing with both domestic and---

**The Assistant Minister for Agriculture, Livestock Development and Marketing** (Mr. Saina): On a point of order, Mr. Temporary Deputy Speaker, Sir. I wonder whether the hon. Member on the Floor is aware that there has been a lot of insecurity in the country and so, there was that swoop to clean the City!

**Dr. Kituyi:** Mr. Temporary Deputy Speaker, Sir, that was a piece of information I did not need from him at this point. All criminals should be---

**The Assistant Minister for Finance** (Mr. Koech): On a point of order, Mr. Temporary Deputy Speaker, Sir. I did not want to interrupt my hon. friend here but the problem is, what relevance does what he is saying have to the ECA?

**Dr. Kituyi:** Mr. Temporary Deputy Speaker, Sir, the hon. Assistant Minister is a nice person on some things and I very much like the truth which he has been speaking recently about university crises. But I also assumed that he could follow the logic I am building up. If you want to use the creation of an environment for domestic and foreign investors as a reason for the liberalisation of the exchange regime, you need to think about what other measures have to be developed in tandem with that liberalisation in order to get the goal you are trying to seek, namely the donor and the domestic and foreign investors in the management of your public affairs. I am saying that nobody out there is going to believe that you have the ability to manage public affairs and protect their investment if you are going to arrest people because they look different from you and make them stand in a crowded police station for six hours before you discover that they are legitimately in your country. I would like to think that is illegitimate. Mr. Temporary Deputy Speaker, Sir, I would also want to say that nobody is going to

have confidence in you and invest their money in your country if you put on your worst manners when you go outside and if you are going to be flashing during international conferences. Indecent exposure is now part of Kenya's foreign policy! If you are doing that---

**The Assistant Minister for Information Broadcasting** (Mr. Nassir): On a point of order, Mr. Temporary Deputy Speaker, Sir. I thought the hon. Member would think about how many Kenyans are taken to police stations to be investigated for security reason, instead of thinking about foreigners!

**Dr. Kituyi:** Mr. Temporary Deputy Speaker, Sir, hon. Nassir has been here for so many years that I thought he knew what a point of order is.

Mr. Temporary Deputy Speaker, Sir, I was saying that you should put on your best manners when you go out to represent this country. Do not be caught in diplomatically embarrassing situations like indecent exposure! If you are part of a Kenyan Government delegation and people see you out there as a flasher, they cannot believe that you will be any better once you are back home. That has nothing to do with people in prison, whom we are talking about.

**The Assistant Minister for Information and Broadcasting** (Mr. Nassir): On a point order Mr. Temporary Deputy Speaker, Sir. I thought that a lawyer Member of Parliament understands everything.

**The Temporary Deputy Speaker** (Mr. Wetangula): He is not a lawyer!

**The Assistant Minister for Information and Broadcasting** (Mr. Nassir): That is why he is making a mistake! I was pointing out to him that there are reasons for putting foreigners in police custody for two or three hours. I have been put in custody for five hours in Hong Kong.

**Dr. Kituyi:** Mr. Temporary Deputy Speaker, Sir, if Kenyans are so outrageous as to do what they have been doing to foreigners, how do they expect them to invest here? But I am glad that the hon. Shariff Nassir is bringing it out inadvertently that Kenyans are suffering much worse in this country than foreigners. At least, when some of the foreigners get shot, it is in the Papers. There are Kenyans who are being shot like wild dogs and it does not get in the Papers. However, the fact that you are committing crimes against your own citizens can never, ever, be a justification to commit crimes against foreigners. To tell us that because Kenyans are suffering more in police custody and, therefore, we should forget about foreigners suffering in police custody, is a sick sense of logic. It is not justifiable, but be that as it may---

**The Assistant Minister for Information and Broadcasting** (Mr. Nassir): Jambo la Nidhamu Bw. Naibu Spika wa Muda. Mhe. Mbunge anasema maneno ambayo hayako katika mambo haya kwa sababu, ikiwa hatuchungi usalama wa nchi hii sawa sawa, wale wenzetu wa mataifa jirani wameona taabu sana. We must protect and look after everybody.

**Dr. Kituyi:** Mr. Temporary Deputy Speaker, Sir, I request that you protect me from hon. Shariff Nassir, who is indulging in dialogue under the excuse of trying to raise a point of order. Hon. Shariff Nassir is not raising any point of order.

If may be allowed to ignore that, I wish to say the following: We, as leaders, have to come to a point where if we want to talk about national interests and what is ailing our society, we should look ourselves in the face and speak the truth. Those components of our national problem which are being imposed on the Government by the donors are not the whole picture of the problem that is with us. The sickness in this society goes beyond the repeal of certain legislation that is contradictory to the development of our capitalist economy. We should proceed as requested and make all those arrangements that are necessary for the creation of a sophisticated financial market for ease of movement of investor monies in and out of the country. But we should also accept that liberalisation is a means and not an end and, that this Government should re-direct its stated policy from the cultivation of liberalisation to the defined socio-economic goals of this society.

**The Temporary Deputy Speaker** (Mr. Wetangula): Dr. Kituyi, you have emphasized that point now three times.

**Dr. Kituyi:** Mr. Temporary Deputy Speaker, Sir, I am glad I will never tire to emphasize the need to go beyond bourgeoisie propaganda about liberalism.

**The Assistant Minister for Agriculture, Livestock Development and Marketing** (Dr. Misoi): On a point of order, Mr. Temporary Deputy Speaker, Sir. Is it really in order for hon. Dr. Kituyi to repetitively continue saying the same things and boring us with his contribution?

**Dr. Kituyi:** Mr. Temporary Deputy Speaker, Sir, "repetitively, continuingly, repeating himself and boring ourselves" are strange use of English. However, as you had put it to me, I have made the point about means and ends and I will leave that point at that.

Mr. Temporary Deputy Speaker, Sir, my concluding remarks are the following:---

*(Dr. Misoi interjected)*



**The Temporary Deputy Speaker** (Mr. Wetangula): Dr. Misoi, you are not allowed by the rules of this House to order your colleague on the Floor on when and when not to finish his speech.

**Dr. Kituyi:** Thank you very much, Mr. Temporary Deputy Speaker, Sir for pointing that out. It is a rather difficult thing to get some persons to grow up into their tusks.

I was coming to my conclusion as follows: That I urge this Government to show goodwill beyond Paris. What do I mean by this? It is a national ritual in this country that all the period in the run-up to donor consultations, the worst hawks are rolled back. The likes of hon. Shariff Nassir do not make dangerous statements about Luos leaving Mombasa, Hon. ole Ntimama does not attack Kikuyus in Enosupukia. You hear them quiet down a bit. Then you start hearing the voices of liberalisation and about efficient management and about Kenya being for everybody in Kenya, and so on. And then, two weeks after the consultations with donors, the doves are rolled in and the hawks are set loose, and all the most wild statements in the world start coming from leaders of the same Government. The threats, the condemnation of the Opposition as working in cahoots with foreign masters who are giving the Government hard conditions. We, the Opposition, have never forced this Government to accept any conditions from any donor. This Government is supposed to be the government. If we were a government, we would take decisions, some of them from the advice of donors, yes, but we would only believe in those decisions as in the national interests. After we take the decisions, I doubt that we will ever have the thought of blaming them for influencing what decisions we make. Do make decisions, do consult, but after you make the decision, be a government and own up that they are your decisions. Even pretend that you believe you made the decisions in the national interests. However, to start masquerading as victims of donor conditionality is less than what we expect of a government.

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

**The Assistant Minister for Finance** (Mr. Keah): Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me the opportunity to speak on the Exchange Control Repeal Bill, 1995. It, certainly, may be very impressive to hear my colleagues with repetitive verbal diarrhoea about the Bill---

**Mr. Shikuku:** On a point of order, Mr. Temporary Deputy Speaker, Sir. I do not think we can take that type of language on the Floor of this House.

**The Temporary Deputy Speaker** (Mr. Wetangula): Indeed, you are right.

**An hon. Member:** But he took it from you!

**Mr. Shikuku:** Mr. Temporary Deputy Speaker, Sir, if it was taken and I did not hear it, now I have heard this one. Is that in order?

**The Temporary Deputy Speaker** (Mr. Wetangula): Hon. Keah, you are grossly out of order. You must withdraw. There is no hon. Member suffering from any verbal diarrhoea or any diarrhoea, for that matter, that the Chair is aware of.

**The Assistant Minister for Finance** (Mr. Keah): Very well, Mr. Temporary Deputy Speaker, Sir. Unreservedly, I withdraw the words and I apologise that I said an hon. Member repetitively bored us with verbal diarrhoea. I withdraw unreservedly.

Mr. Temporary Deputy Speaker, Sir, in withdrawing those unparliamentary words, one of the things I would like to urge in this House is to respect ourselves, this House and to have dignity. Let us speak our minds, but we must stop this abusive language---

**An hon. Member:** Which you have just used!

**The Assistant Minister for Finance** (Mr. Keah): And which I have just withdrawn because I was incensed by the very spirit and the insulting manner shown by the previous hon. Member who was contributing to this Bill.

**Dr. Lwali-Oyondi:** On a point of order, Mr. Temporary Deputy Speaker, Sir. Is the Assistant Minister in order to state here that the Member who spoke before him was using insulting language? He was here; why did he not rise up and ask the Chair to call him to order?

**The Assistant Minister for Finance** (Mr. Keah): Mr. Temporary Deputy Speaker, Sir, it is because I did not want to interrupt the hon. Member. Now that I am on my feet, I can respond to the contributions of the hon. Member. All I am urging this House is that we must respect one another. We must make our contributions, not insulting the

**[The Assistant Minister for Finance]**

Government. Even if the Government makes a decision which you dislike, that is no passport, neither is it a licence for you to insult Members of the Government, the Government or the Head of State. This seems to be the culture of some of our colleagues in this House, and more particularly, some of the colleagues on the other side of

the House.

**The Temporary Deputy Speaker** (Mr. Wetangula): Hon. Keah, in future, you will help this House a great deal if every time you hear insulting language, you invoke Standing Order No.73 (3) which says: "It shall be out of order to use offensive or insulting language whether in respect of Members of the House or other persons".

**The Assistant Minister for Finance** (Mr. Keah): Thank you, Mr. Temporary Deputy Speaker, Sir, for your guidance. Indeed, in future, I shall do my utmost best to follow your guidance. Let me now talk about the Bill.

**Mr. Shikuku:** On a point of order, Mr. Temporary Deputy Speaker, Sir. In view of your ruling and taking into account that some of us have been here from the very beginning - the hon. Member just came in a bit late - could he tell us what was insulting? Some of us did not hear it. Could he tell us the insulting word that the hon. Member used.

**The Assistant Minister for Finance** (Mr. Keah): Mr. Speaker, Sir, that has nothing to do with the Exchange Control (Repeal) Bill No.17.

**The Temporary Deputy Speaker** (Mr. Wetangula): I recall hon. Kituyi insulting hon. Nassir but he did not take it up. Carry on.

**The Assistant Minister for Finance** (Mr. Keah): I now want to go to the substantive aspects of the Exchange Control (Repeal) Bill No. 17 which is before us. This Bill has only a few lines. We have debated it before but I would also like to thank this House for indeed, making it possible for the House to re-introduce it. This Bill has made history because it has taught us a lot of things. It has taught those of us on the Government side that we must always be on our guard because even when the Opposition Members support a Bill, they may not be serious enough in their support as was evidenced by the manner in which they voted against the original Bill, that is indeed a good lesson for those of us on the Government side. We must be careful. The re-introduction of this Bill is indeed history, once again, because it tells the Members on the Government side to be much more serious. It certainly did expose sinister motives that the Opposition does have. Could they possibly have the interest of this country---

**Dr. Lwali-Oyondi:** On a point of order, Mr. Temporary Deputy Speaker, Sir. Is this Assistant Minister for Finance in order to call the decision of the House sinister?

**The Assistant Minister for Finance** (Mr. Keah): Mr. Temporary Deputy Speaker, Sir. I would like to explain. The sinister motive is there because all of us spoke for the Bill, only to later on stand up and vote against it. What would you interpret that to mean? Those are my views and because they are my views---

**Dr. Lwali-Oyondi:** On a point of order, Mr. Temporary Deputy Speaker, Sir. Yesterday, the Speaker ruled that this House can decide to support or oppose any Bill at any time and this is perfectly in order. Is he in order, therefore, to impute improper motives to the decisions of this House and particularly to the Opposition?

**The Assistant Minister for Finance** (Mr. Keah): Mr. Temporary Deputy Speaker, Sir, I did not challenge---

**The Temporary Deputy Speaker** (Mr. Wetangula): Order! Hon. Keah, you are violating Standing Order, No. 73 (3). The Speaker ruled yesterday that the right to vote for any Member of this House will not be explained and if you can see anything sinister in it, it is certainly not provided for in the rules of this House.

**The Assistant Minister for Finance** (Mr. Keah): Mr. Temporary Deputy Speaker, Sir, that was my opinion. Be it as it may, let me continue to say that it did not look right. Indeed, it did not look advantageous to this country.

**Dr. Lwali-Oyondi:** On a point of order, Mr. Temporary Deputy Speaker, Sir. In view of your ruling, should it not be in order for the Assistant Minister to withdraw those words, "sinister motive"?

**The Assistant Minister for Finance** (Mr. Keah): Mr. Temporary Deputy Speaker, Sir, you have not ruled but if it will please the hon. Member for me to withdraw the word "sinister," I do so without any reservations. This is to his advantage and indeed to the advantage of this House and anybody else.

Mr. Temporary Speaker, Sir, let me say this: It does not do this House any dignity whatsoever if, and I say if, we speak in favour of a topic or a subject and then come back and indeed, vote against it. It just does not make sense whatsoever. That is the point I am making. The whole country, and indeed the entire economic fraternity, has been up in arms asking what kind of House this is, that rejects such a marvellous Bill, a Bill that repeals the Exchange Controls.

**Mr. Shikuku:** They do not know why.

**The Temporary Deputy Speaker** (Mr. Wetangula): Hon. Shikuku, you are on the verge of heckling, most unlike you. Carry on, hon. Keah.

**The Assistant Minister for Finance** (Mr. Keah): I thank you for your protection. Let me say that although the Bill did create a history, I do want to thank the House for the re-introduction of this Bill. Let me talk on the advantages of the repeal of the Exchange Control (Repeal) Bill (Bill No. 17). Yes, indeed we know, and I know that hon. Shikuku knows very well, that we are here to debate and really emphasize the reasons and the benefits of why we want to repeal the Act and why it was disastrous to reject it. Why indeed, it was very sad that hon. Shikuku, and others, found it fit to throw the Bill out.

Let me say that the repeal of this Act will have the following benefits: One, it will help to enhance the liberalization process that at the moment is in problems. We have made tremendous achievements in liberalizing our economy. We have taken major steps to bring reforms. Even in the Government itself, there are reforms going on. We have taken steps to reform the Foreign Exchange and indeed, the reforms in the Foreign Exchange are already in place. What we are trying to do with this Bill is to give legal effect to what is already in place, so that people can be free to bring in money and take out money and do what they want. In other words, to bring in free market economy and make it much more meaningful. The repeal of this Act will not only enhance the liberalization process, but it will also create or enhance more confidence in our investors both local as well as foreign. We need to do this because if an investor is going to bring his millions of dollars into this country, he should have confidence and be sure that in fact, he can expatriate his money when the need arises. We want to repeal this Act because the repeal of this Act will certainly enhance the action of the market forces within our economy. Market forces do determine their own prices, price equilibrium *et cetera*. The shilling will find its own equilibrium; its own price within the market. It will also enhance those with funds outside to freely bring them into Kenya. At this juncture I want to urge any Kenyan who may have money stashed outside to now feel safe to bring that money back into the country. This really is the essence of this Bill. We are trying to make it simple for them. Nobody will ask them how this money came about but of course as a Government, through the Central Bank of Kenya, we must have regular parameters that in fact will be able to regulate the currencies here and give guidance with respect to the currencies within our economy. Indeed, we must be very careful about money laundering and drug money. It is in this regard that hopefully, after this Bill goes through, we will bring the necessary amendments to the Central Bank Act, so that it can be complimentary to the repeal of this Bill. There are all the good things to be said about this Bill about the good things that this country is bound to benefit once we repeal this Act.

There are of course, dangers which we must watch out because we cannot, for example, permit all the foreign reserves of this country to leave the country. If that were to happen because we are in a liberalized economy; we would be in trouble but of course, this calls for more hard work within our economy. We must work harder and harder to make sure that we export adequately in order to earn the Foreign Exchange that we need in this country.

In this regard, the doors are open for the locals to invest more and more. What we ought to be doing is to enhance and make it possible for Kenyans to be the entrepreneurs and business investors in this country. This is what we want to be putting in place, and we in the Government will be willing to receive any ideas or suggestions from any side of the House, from the Government side and the Opposition, in order for us to incorporate into the economic structures and politics.

A lot has been said here about the Government measures, like the issue of the Government not bringing everything into this House, including the purchase of aeroplanes. I would like to give my own views in so far as that is concerned. We, as a Government, have a mandate, the power, and the responsibility to manage this country, and in this respect, we will manage to the best possible way that we can. If some of our colleagues do not like this policy, well, we appreciate any objections, and if they are constructive, we will take them into consideration. But, as a Government, we must govern and manage and we are neither afraid of governing, nor are we afraid of managing. Let me put it quite clear that there may be professors here and they can talk as eloquently as they can, but let me assure this House that the Government is firm, determined and is willing and is ready to govern and we shall govern. With these remarks, I trust and hope that every hon. Member of the House will support the repeal of this Bill, so, that we can proceed with the total liberalisation. Let me finally add that we are not hurrying this Bill. We are not even hurrying this Bill for the Paris Club at all.

**The Temporary Deputy Speaker** (Mr. Wetangula): The Bill is properly before this House and the issue of hurry does not arise.

**The Assistant Minister for Finance** (Mr. Keah): Mr Temporary Deputy Speaker, Sir, it is because somebody dwelt on this issue, an hon. Member dwelt on this Paris issue for half an hour, that I from the Government, want to make it categorically clear that this side of the House, the Government side, is bringing this Bill here to assist us in the management of our economy and not for the Paris Club.

With these remarks, I beg to support.

**Mr. Shikuku:** Thank you very much, Mr Temporary Deputy Speaker, Sir. I will speak in English, so

that I can be better understood by the last Speaker.

*(Laughter)*

**The Temporary Deputy Speaker** (Mr. Wetangula): Mr. Shikuku, that is imputing an improper motive on your colleague; that he does not understand any other language. He is very good in Kiswahili!

**Mr. Shikuku:** Mr Temporary Deputy Speaker, Sir, I do not wish to impute any improper motive on my hon. friend. If that is what you think he is, I am not. But I want to tell this House why I felt I should speak in English. He said that "they are the Government and they intend to govern." These are the same words which I can recall I was told or I was with the late Ngala, the late Muliro, myself and the late Tipis, in Government House by that time, and these words were spoken by the then Governor, and, I think, he was the late, Patrick Renson. When we were demanding the release of Mzee Jomo Kenyatta, the late Ngala spoke and used every good language he could, but at the end of it, instead of the late Patrick Renson being angry, he just interrupted and said, "Mr Ngala, would you like to have a cup of tea or coffee?"

**The Assistant Minister for Finance** (Mr. Keah): On a point of order, Mr Temporary Deputy Speaker, Sir. We are debating the Exchange Control (Repeal) Bill. What has Mr. Ngala, Patrick Renson, got to do with the Exchange Control (Repeal) Bill?

**Mr. Shikuku:** Mr Temporary Deputy Speaker, Sir, I will tell the House a story, then, I will come to these remarks.

Do you know that this is also educative to him because he should know where we came from, where we are, and where we are going? He should be grateful to people like ourselves, who fought---

**The Assistant Minister for Finance** (Mr. Keah): On a point of order, Mr Temporary Deputy Speaker, Sir. Are you satisfied that this a classroom? This is an hon. House where we come to debate laws and Bills, so, that, they can be laws for this country. We are not here to hear stories. Are you satisfied? Is it in order that the hon. Member should take us through a classroom?

**Mr. Shikuku:** Mr Temporary Deputy Speaker, Sir, I will leave it at that because the Swahili people say, "kumwashia kipofu taa ni kuharibu mafuta."

*(Laughter)*

**The Assistant Minister for Finance** (Mr. Keah): Jambo la nidhamu, Bw. Naibu Spika wa Muda. Yeye anajaribu kulipotosha Bunge hili. He is imputing improper motive---

**The Temporary Deputy Speaker** (Mr. Wetangula): Order! Order! You are getting out of order. He is hon. Shikuku, not "yeye."

**The Assistant Minister for Finance** (Mr. Keah): On a point of order, Mr Temporary Deputy Speaker, Sir. Is the hon. Shikuku in order to impute improper motive that I am "a kipofu," by saying that "usimwashie kipofu taa," meaning the previous Speaker, who is me, I am a "kipofu." I want to assure you, I can see you very clearly from here and I can also see the hon. Shikuku, clearly and I am not a "kipofu". He must apologise and withdraw!

*(Applause)*

**Mr. Shikuku:** Mr Temporary Deputy Speaker, Sir, if he wants me to apologise, I will apologise. But I will still make it clear that we are allowed by our Standing Orders to give quotations. If he finds that not ideal, I will apologise.

**The Temporary Deputy Speaker** (Mr. Wetangula): I am satisfied that you did not call hon. Keah blind.

**Mr. Shikuku:** Thank you, Mr Temporary Deputy Speaker, Sir. I will substitute that by saying Waswahili husema, "asiyejua maana haambiwi maana."

Mr Temporary Deputy Speaker, Sir, the reason for my standing up, I am trying to speak in English today, it is because I want to explain, and using the Floor of this House, and because Mr. Speaker ruled yesterday that if anyone has to explain anything on that Motion, he should do it in the Second Reading of this Bill, the new Repeal Bill (Bill No.17). It must be made very clear to this House, that we, on this side of the House, did as a matter of fact, vote in broad daylight, in front of the Chairman. When the Chairman put the Question to the House, we voted NO! The issue here is not because we voted NO, and our brothers did not know what was happening, it is

because they do not understand Parliamentary procedures, particularly in the Committee Stage, and also through all the stages until the Bill is read the Third Time. What happened is that earlier on, the other side of the House---

**Mr. Temporary Deputy Speaker** (Mr. Wetangula): Mr. Shikuku, are you also offering an apology for the manner in which you voted as hon. Muite did?

**Mr. Shikuku:** No, Mr. Temporary Deputy Speaker, Sir. I am not offering an apology. The ruling of the Speaker---

**The Minister for Labour and Manpower Development** (Mr. Masinde): On a point of order, Mr. Temporary Deputy Speaker, Sir. Is it in order for hon. Shikuku to start explaining what happened, when the Speaker yesterday ruled that hon. Members have the right to vote the way they voted? We accepted that and we do not need explanations on why they voted that way.

**Mr. Shikuku:** Mr. Temporary Deputy Speaker, Sir, I stay most of the time in this House. I always listen.

**The Minister for Labour and Manpower Development** (Mr. Masinde): So do I.

**Mr. Shikuku:** The hon. Speaker did say, and it can be found in the HANSARD, and I will produce a copy next week. He ruled that we do not go into the question as to how that happened on the Motion, but we will do so when we are discussing the new Bill which will be re-introduced. This is in the HANSARD; I was here, and I understood him very clearly. Mr. Temporary Deputy Speaker, Sir, I do not only speak in this House, but I also stay listening to all other contributors. I do not only address this House, but I sit here listening to my colleagues and when---

**Mr. Temporary Deputy Speaker** (Mr. Wetangula): That is common knowledge, Mr. Shikuku!

**Mr. Shikuku:** It is common, but to hon. Masinde it is not common. So, I know what the Speaker ruled.

**Mr. Temporary Deputy Speaker** (Mr. Wetangula): You sit here longer than any other hon. Member!

**Mr. Shikuku:** Thank you, Mr. Temporary Deputy Speaker, Sir. So, I heard the Speaker's ruling and I remember I was interjected, and he ruled that Mr. Shikuku can explain that in the Second Reading of the new Bill which will be introduced. It is also in the HANSARD. So, that is why I am here speaking in English, so that my colleagues can understand me loud and clear because when I speak in Swahili and some of them do not follow. What happened was due to the fault of this House, and particularly the other side of this House. They all left after Question time because they assumed that since the Bill had gone through the Second Reading, when it reached the Committee Stage, it will just flow without any problems. They took the Opposition for granted.

**The Minister for Labour and Manpower Development** (Mr. Masinde): On a point of order, Mr. Temporary Deputy Speaker, Sir. Does the House really need an explanation on what happened when they were really here?

**Mr. Shikuku:** Mr. Temporary Deputy Speaker, Sir, the hon. Member should really give me a chance to speak. He was here and he is one of the people who was saying that they had enough hon. Members when they did not have enough hon. Members.

**The Minister for Labour and Manpower Development** (Mr. Masinde): Who said there were enough hon. Members? You are used to saying a lot of tirades without any truth!

**Mr. Shikuku:** Mr. Temporary Deputy Speaker, Sir, could you ask the hon. Member to give me an opportunity to speak? He is speaking as if he is in a market somewhere in Nambale. He is talking while he is seated.

**The Assistant Minister for Agriculture, Livestock Development and Marketing** (Dr. Misoi): On a point of order, Mr. Temporary Deputy Speaker, Sir. Are you satisfied that the hon. Member is in order to direct his address to the hon. Member directly, without doing so through the Chair?

**Mr. Temporary Deputy Speaker** (Mr. Wetangula): That is wrong.

**Mr. Shikuku:** Mr. Temporary Deputy Speaker, Sir, I did not say "you". I said he is sitting like somebody in Nambale Market, and he goes on talking while seated, which is completely out of order.

**The Minister for Labour and Manpower Development** (Mr. Masinde): That is my headquarters.

**Mr. Shikuku:** Mr. Temporary Deputy Speaker, Sir, I am glad he likes that as his headquarters, but that does not justify him to sit there and go on talking while I am talking.

Mr. Temporary Deputy Speaker, Sir, they left, and some of us here thought that was the time to take advantage of their absence from the House. We are paid to be here from 2.30 p.m. to 6.30 p.m. or 7.00 p.m. This should be the duty for us to be here all the time. When they left, we took advantage of voting against the Bill out at the Committee Stage. This is the clearest thing to teach them a lesson because they only know how

to vote, and they do not know any procedures at all. So, when they left, we voted them out.

**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 for hon. Shikuku to impute improper motives on other hon. Members of this House, that they do not know the procedures? **Mr. Shikuku:** Do you know that for sure?

**The Vice-President and Minister for Planning and National Development** (Prof. Saitoti): No! No! No! Mr. Temporary Deputy Speaker, Sir, are you satisfied that Mr. Shikuku is in order to continue imputing improper motives to hon. Members, that the only thing they know is to vote, and that they do not know the procedures?

**Mr. Shikuku:** You are out of order!

**Mr. Temporary Deputy Speaker** (Mr. Wetangula): Order! Order, Mr. Shikuku. Every hon. Member in this House has been supplied with a copy of the Standing Orders, and the presumption is that every hon. Member knows them backward.

**Mr. Shikuku:** Thank you, Mr. Temporary Deputy Speaker, Sir. I like the word presumption. Being a lawyer, you know how to choose your words. Presumption means that there is possibility they know them or not. But what do we see in reality? That is how the matter happened. When you put the Question in the Committee Stage, the Chairman proposed and put the question - my brothers did not know what was going on. If they had known, they should have defeated us. From that, the Speaker came into the Chair and you reported that the Committee of the Whole House had considered Bill No. 10 and rejected it. Then the Speaker proposed the question. It was at that time that the Government side should have stood and addressed the House to make those who came in late, to understand what was happening. But when the Speaker proposed the question, nobody stood up to speak and explain to those who had come in, to know what was happening. So, the Speaker stood again and put the question. We, who knew what was going on responded with "no", and at that time, they were three times more than us. But because they did not know what was happening, we won again. Only one hon. Member, hon. Chebelyon stood up, when he heard the Speaker ruling that the "noes" have it, and shouted for Division. They were over 50 or 60, but only three of them stood up---

**The Assistant Minister for Finance** (Mr. Keah): On a point of order, Mr. Temporary Deputy Speaker, Sir. My point of order is this: We are debating the Exchange Control (Repeal) Bill (Bill No. 17). With due respect, Mr. Temporary Deputy Speaker, Sir, is the hon. Member in order to continue going into an history of irrelevances and not confining himself to this Bill? Is he in order?

**Mr. Shikuku:** Mr. Temporary Deputy Speaker, Sir, I am in order because the Speaker ruled yesterday. The Speaker ruled that this explanation can be given during the Second Reading of the new Bill. That is what I am doing. Since I promised, and that is why some of them do not sit here, I will bring the HANSARD of the ruling of the Speaker, next Tuesday.

**Mr. Temporary Deputy Speaker** (Mr. Wetangula): Indeed, the Speaker ruled. Hon. Shikuku, what I do not understand is whether you are being haunted by guilt because of the manner in which you voted, or what is the problem?

**Mr. Shikuku:** Mr. Temporary Deputy Speaker, Sir, what I am trying to do is to explain to them the position, so that we learn in the future, that since we have taken a lot of time which would otherwise not have been wasted, they do not repeat the same mistake. If they had moved when the Speaker proposed the question, that matter would not have arisen. They did not know what was happening and we voted them out, and now I am teaching them, so that they will not repeat that mistake again. That is all.

**The Assistant Minister for Agriculture, Livestock Development and Marketing** (Dr. Misoi): On a point of order, Mr. Temporary Deputy Speaker, Sir---

**Mr. Shikuku:** He does not want to learn. He is very ignorant!

**Mr. Temporary Deputy Speaker** (Mr. Wetangula): Mr. Shikuku, that is a very unkind remark against hon. Dr. Misoi. He is not ignorant. You must withdraw that unconditionally.

**Mr. Shikuku:** Mr. Temporary Deputy Speaker, Sir, I did not refer to hon. Misoi. I said you in plural because they do not want to learn. But if they feel the word ignorant is not good, I withdraw. But I do not know what other language I can use. They do now know.

**Mr. Temporary Deputy Speaker** (Mr. Wetangula): You have not withdrawn, Mr. Shikuku. Mr. Shikuku, that is a conditional withdrawal.

**Mr. Shikuku:** Mr. Temporary Deputy Speaker, Sir, I was not referring to him. I was referring to you, "the people in the---"

**Mr. Temporary Deputy Speaker** (Mr. Wetangula): As a matter of fact, there are no ignorant hon.

Members in this House.

**Mr. Shikuku:** Well, I withdraw. But when you do not know anything else, what do you say according to the Standing Orders? Can you give me the right word to use because you are a lawyer?

**Mr. Temporary Deputy Speaker** (Mr. Wetangula): You say they might not have a lot of knowledge. You do not say they were ignorant!

**Mr. Shikuku:** Lack of knowledge!

**The Assistant Minister for Agriculture, Livestock Development and Marketing** (Dr. Misoi): On a point of order, Mr. Temporary Deputy Speaker, Sir. You have made a ruling that hon. Shikuku withdraws that word unconditionally, without 'but'.

**Mr. Shikuku:** Mr. Temporary Deputy Speaker, Sir, I have withdrawn and you have accordingly advised me, being a lawyer, on the word to use, "lack of knowledge."

*(Laughter)*

Now, I would like to come to the Bill

**The Assistant Minister for Agriculture, Livestock Development and Marketing** (Mr. arap Saina): On a point of order Mr. Temporary Deputy Speaker, Sir.

**The Temporary Deputy Speaker** (Mr. Wetangula): Hon. Saina, I have once sent you out for behaving in that manner. What you should do, is, stand where you are and shout "on a point of order." When I give you the Floor, is when you move to the next microphone.

**Mr. Shikuku:** He thinks he is in a  
*Manyatta!*

*(Laughter)*

**The Assistant Minister for Agriculture, Livestock Development and Marketing** (Mr. arap Saina): On a point of order Mr. Temporary Deputy Speaker, Sir. The allegation by the hon. Member for Butere that we have no knowledge or that we lack knowledge here is very serious. It is indeed, very serious. How does the Member qualify to say that we lack knowledge when some of us are more educated than the hon. Member?

**Mr. Shikuku:** You can be a Professor and being a Professor does not mean that you know all the Standing Orders and Procedures. I am a master of these Standing Orders and you lack the knowledge of the Standing Orders and Parliamentary Procedures. The hon. Member lacks that. If he tells me what Standing Order No. 37 says, I will resign my seat; to show that he does not have the knowledge.

**The Temporary Deputy Speaker** (Mr. Wetangula): Order! Order! Hon. Shikuku, you will not use your knowledge of Standing Orders to bully your colleagues. What is it Mr. Kamuren!

**Mr. Kamuren:** On a point of order, Mr. Temporary Deputy Speaker, Sir. I am seeking a ruling from the Chair since the hon. Member on the Floor who happens to be my friend from Butere, has repeated himself as many times as possible to make Members of this side of the House to raise a lot of points of order. I am sure that at this juncture, the Mover should be called upon to reply.

*(Applause)*

**The Temporary Deputy Speaker** (Mr. Wetangula): If that is what you want, I will let the House decide.

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

**The Assistant Minister for Finance** (Mr. Koech): I would like to thank the hon. Members for---

**Mr. Falana:** On a point of order Mr. Temporary Deputy Speaker, Sir. I am sure you have heard hon. Shikuku calling other hon. Members crooks. Is that in order?

**Mr. Shikuku:** Mr. Temporary Deputy Speaker, Sir, I whispered to hon. Nthenge here. I whispered that when we have been talking of co-operation in the House, they have started to act like this because the Motion has gone through. I whispered to my hon. friend here that, "these must be crooks!" That is what I whispered to my hon. friend here, and I think they are crooks!

**The Temporary Deputy Speaker** (Mr. Wetangula): Order Mr. Shikuku. If you did that, then you must withdraw and apologise to the House. There are no crooks here.

**Mr. Shikuku:** Well, Mr. Temporary Deputy Speaker, Sir, I whispered and I am sorry that my whisper was slightly loud and it has got to you. But I have confirmed it because I am honest with myself. I withdraw that word. But what do you do with somebody who does not keep his promise? What is he called.

**The Temporary Deputy Speaker** (Mr. Wetangula): That is a conditional withdrawal.

**Mr. Shikuku:** I withdraw, but can you give me the right word to describe that?

**The Temporary Deputy Speaker** (Mr. Wetangula): Order hon. Shikuku. Could you withdraw unconditionally, so that we can carry on?

**Mr. Shikuku:** Mr. Temporary Deputy Speaker, Sir, I withdraw unconditionally but I am asking you, what word could I use? Dishonest? Wafisadi?

**The Assistant Minister for Finance** (Mr. Koech): Mr. Temporary Deputy, Speaker Sir, I would like to thank the hon. Members for their contribution towards this Bill.

I do believe that at this time, many of us have learned a lesson. We should make this House to be an honourable House and also, we should make sure that we do something that is good for this country, because the people outside there are waiting for the hon. Members to do something which is good for them in this House and not to spend a lot of time on things which do not matter.

Mr. Temporary Deputy Speaker, Sir, since this is a very straightforward Bill and we, in the Ministry of Finance have noted the comments that have been made by hon. Members, we will take them into consideration.

With those few remarks, I beg to move.

*(Question put and agreed to.)*

*Second Reading*

THE VALUE ADDED TAX (AMENDMENT) BILL

*(The Minister for Finance on 29.11.95)*

*(Resumption of Debate interrupted  
on 29.11.95)*

**The Temporary Deputy Speaker** (Mr. Wetangula): Who was on the Floor yesterday?

**The Assistant Minister for Finance** (Mr. Keah): I was, Mr. Temporary Deputy Speaker, but I had concluded my remarks.

**The Temporary Deputy Speaker:** The Floor is open to anybody who wants to speak on VAT or the Mover to reply.

**The Assistant Minister for Finance** (Mr. Koech): Mr. Temporary Deputy Speaker, Sir, I believe, since this Bill was dealt with at length and very exhaustively yesterday, now I see the hon. Members have no need to continue. And, in any case, this is again a very straightforward Bill, just requesting this House to approve the international coding system, so that we come in line with the World Trade Organization and other organizations in the coding of what is taxable.

Mr. Temporary Deputy Speaker, Sir, I would like to thank the hon. Members, once again, for the contributions which they have made. Now, I would like only to make two points on this particular issue. One, when it comes to VAT, the Bill does not say, there is an additional taxation. It was only classifications of items.

Now, when it also comes to VAT, I found out that many hon. Members, especially from the other side, gave very erroneous information that somebody is taxed, if it is 15 per cent and you are paying 100 per cent, it does not mean that what is taxed is only the value which is added. It does not mean that you total the previous lumpsum cost of that particular item and then you tax again that amount. What it only means, is what is normally taken by the VAT is what is valued. This also includes what is added by the person who handles the second time. And even the third time.

**Dr. Lwali-Oyondi:** On a point of order, Mr. Temporary Deputy Speaker, Sir. Is the Minister in order to mislead the House, by saying that what is taxed on VAT is only what is added on top when they actually charge 15 per cent of the whole price?

**The Assistant Minister for Finance** (Mr. Koech): Mr. Temporary Deputy Speaker, Sir, if the hon. Member can agree, we should know where to go, as far as that is concerned. Since this is a very straightforward Bill, I beg to move.



*(Question put and agreed to)*

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

**ADJOURNMENT**

**The Temporary Deputy Speaker** (Mr. Wetangula): Hon. Members, we have exhausted our business of the day. The House, is therefore, adjourned until Tuesday, 5th December, 1995, at 2.30 p.m.

The House rose at 5.45 p.m