

H A N S A R D

Tuesday, 14th June, 1988

The House met at thirty minutes past Two o'clock.Mr. Speaker in the Chair

PRAYERS

PAPERS LAID

The following Papers were laid on the Table:-

1. (a) 1988/89 Estimates of Recurrent Expenditure
(b) 1988/89 Estimates of Development Expenditure
2. Legal Notice No. 192 - The Price Control General Order, 1988
3. Legal Notice No. 193 - The Price Control (Sugar) Order, 1988

(By the Assistant Minister for Finance (Mr. Keah) on behalf of the Minister for Finance)

The Economic Survey, 1988

(By the Assistant Minister for Planning and National Development (Mr. Opembe) on behalf of the Minister for Planning and National Development)

Annual Report and Accounts of Mumias Sugar Company for the year ending 30th June, 1987

(By the Assistant Minister for Agriculture (Mr. Kariuki) on behalf of the Minister for Agriculture)

National Housing Corporation of Kenya - Annual Accounts, 1981

National Housing Corporation of Kenya - Annual Accounts, 1982

National Housing Corporation of Kenya - Annual Accounts, 1983

National Housing Corporation of Kenya - Annual Accounts, 1984

(By the Assistant Minister for Lands and Housing (Mr. Mutiso) on behalf of the Minister for Lands and Housing)

ORAL ANSWERS TO QUESTIONS

Question No. 47

MR. LOTODO asked the Minister of State, Office of the President:-

- (a) whether he is aware that the Chief of Kapenguria has no office; and
- (b) if so, when he will provide funds for putting up the office.

THE ASSISTANT MINISTER, OFFICE OF THE PRESIDENT (Mr. Kamotho): Mr. Speaker, Sir, I beg to reply.

- (a) Yes, I am aware that the Chief of Kapenguria Location has no office.
- (b) Funds have been provided for in the 1988/89 Financial Year for the completion of that particular office.

MR. EKIDOR: Mr. Speaker, Sir, can the Assistant Minister tell us whether funds for the construction of chiefs' offices all over the country have been provided for in the 1988/89 Financial Year or it is only Kapenguria Location that has been catered for?

MR. KAMOTHO: Mr. Speaker, Sir, the Question before the House is specifically about a chief's office in Kapenguria Location. I think chiefs in most parts of the country have offices.

MR. LOTODO: Mr. Speaker, Sir, could the ~~18~~ Assistant Minister tell the House how much money they have set aside for the construction of the chief's office in Kapenguria?

MR. KAMOTHO: Sir, the Government had already spent some KShs.60,000/- during the 1983/84 Financial Year for the construction of this particular office. Although the local people had pledged that they would chip in something to complete the office, they have not been able to do so. So, Government is putting in ~~xx~~ another KShs.60,000/- to complete the construction of the office.

MR. LOTODO: Mr. Speaker, Sir, could the Assistant Minister tell the House what actually happened to the KShs.60,000/? Did ~~it~~ they use the money to buy blocks or ballast?

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MR. LOTODO: Mr. Speaker, Sir, could the Assistant Minister tell the House what actually happened to the KShs.60,000/?. Did ~~it~~ they use the money to buy block or ballast?

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MR. KAMOTHO: Mr. Speaker, Sir, the KShs.60,000/- which was allocated during the 1983/84 Financial Year was used to start the foundation of the chief's office and also to purchase materials such as sand, ballast and blocks and other materials which are already on site. Therefore, the other KShs.60,000/- which has been provided for is for completion of the work.

Question No. 43

MR. SPEAKER: Dr. Njoroge Mungai not in to ask his Question? We will leave it until the end then. Next Question.

Question No. 45

MR. SPEAKER: Mr. A.I. Mohamed not in to ask his Question? We will leave it until the end then. Next Question.

Question No. 22

MR. KILIKU alimwuliza Waziri wa Serikali za Wilaya na Mipango ya Miji:-

- (a) kama anafahamu kuwa kuna upungufu wa magari ya kubebea wagonjwa katika Mji wa Mombasa; na
- (b) anachukua hatua gani kuyaongeza magari haya.

THE ASSISTANT MINISTER FOR LOCAL GOVERNMENT AND PHYSICAL PLANNING (Mr. Mbori): Bw. Spika, naomba kujibu.

- (a) Ninafahamu.
- (b) Mji wa Mombasa unatafuta njia ya kukopa pesa ili kununua magari mapya ya kubebea wagonjwa. Pamoja na hayo, baraza hilo limepata magari mengine mawili kutoka Ujerumani, na mipango ya kuyatoa katika Bandari ya Kilindini imefanywa.

MR. KILIKU: Bw. Spika, nikiwashukuru Waziri Msaidizi kwa jawabu lake zuri; ningetaka atueleze itachukua muda gani kwa Mji wa Mombasa kupata mkopo ambao ametaja na ni magari mangapi yatakayonunuliwa.

END..... A.

MR. MBORI: Bw. Spika, mhe. Mbunge anaelewa kwamba mpango ukifanywa hauwezi kutekelezwa baada ya siku moja tu, bali unachukua muda fulani. Baraza hili litaendelea kuangalia ni magari mangapi ambayo litatoa kulingana na mkopo huu.

MR. KILIKU: Bw. Spika, kulingana na mpango huu wa kutoa magari bandarini, magari hayo yametolewa bandarini ya Mombasa na kuanza kufanya kazi au bado yako njiani yakielekea kufika?

MR. MBORI: Bw. Spika, mhe. Mbunge anafaa kuelewa kwamba mpango wa kuyatoa magari haya hapo bandarini uko karibu kukamilika. Mpango huu unahusika na mambo ya clearance, na kadhalika.

MR. SPEAKER: Let us now go to Question No. 42, Mr. Njenga Mungai.

Question No. 42

MR. SPEAKER: Is Mr. Njenga Mungai not here?

Let us move on to Question No. 41, Mr. Mate.

Question No. 41

MR. SPEAKER: Is Mr. Mate not here?

Let us move on to Question No. 44, Mr. Mwamzandi.

Question No. 44

MR. MWAMZANDI asked the Minister for Water Development:-

(a) whether he is aware that since the construction work of Msambweni District Hospital started last year, people no longer get water from Msambweni Water Supply;

(b) why all the water was diverted to the construction site; and

(c) what action he is taking to ensure that Msambweni residents get their normal supply of water.

(Silence)

MR. SPEAKER: Is the Minister for Water Development not here?

THE ASSISTANT MINISTER FOR WATER DEVELOPMENT (Mr. Mweu): - Mr. Speaker, Sir, the hon. Member is talking about Question No. 40, instead of Question No. 44.

THE ASSISTANT MINISTER FOR WATER DEVELOPMENT (Mr. Mweu)(Ctd.):

I am waiting to answer Question No. 44, and not Question No. 40.

MR. KILIKU: On a point of order, Mr. Speaker, Sir. I think that the hon. Member asked Question No. 40, which is not on the Order Paper. Could he now correct the record?

MR. SPEAKER: We are now dealing with Question No. 44.

MR. MWAMZANDI: Mr. Speaker, Sir, I have asked Question No. 44. I do not know how many Order Papers we have. My Question here is No. 44, and that is the Question I asked.

THE ASSISTANT MINISTER FOR WATER DEVELOPMENT (Mr. Mweu): Mr. Speaker, Sir, I heard the hon. Member ask Question No. 40 very well, but we are dealing with Question No. 44.

I beg to reply.

(a) I am aware that since the construction work of Msambweni District Hospital started last year, people have been getting intermittent supply of water, not because of the construction work, but due to frequent breakdowns of the pumping set at the water supply.

(b) No water was diverted to the construction site as the contractor has been using the old hospital connection.

(c) the Ministry purchased a pumping set which was installed on 28th April, 1988, and the supply to the township is now back to normal. The Ministry is also in the process of purchasing a standby pumping set to contain such breakdowns in future.

The Ministry also plans to drill two more boreholes when funds become available to increase the water supply in the area.

MR. MWAMZANDI: Mr. Speaker, Sir, arising from the Assistant Minister's reply - appreciating that no water was diverted to the new site and that the Ministry installed new generators to contain the situation prevailing then - is he aware that due to the new development in the hospital, water will not be enough for Msambweni Township and the hospital there as well?

MR. MWEU: Mr. Speaker, Sir, if the hon. Member was paying attention ^{would recall me saying} he knows that I said that because of the shortage of water in that area, water supply is not enough. That is why I said that we are contemplating drilling two more boreholes when funds are made available. We know the importance of this step because the initial project was meant for a smaller number of people, but the population of the area has gone up. So, the present amount of water there is not enough for everybody.

MR. KILIKU: Mr. Speaker, Sir, the Assistant Minister has talked about the availability of funds. What action has the Ministry taken to make these funds available, and when is this work going to start?

MR. MWEU: Mr. Speaker, Sir, my hon. friend knows that we are waiting for the next financial year to start at the beginning of next month. Part of this money could come from the new financial year's allocation.

MR. MWAMZANDI: Mr. Speaker, Sir, is the Assistant Minister confirming that the funds he is talking about are going to be available in the next financial year? He has not been clear enough as to what is going to happen in the coming financial year, but we want to be absolutely clear whether these funds have been set aside for use in the next financial year. The day after tomorrow is the beginning of the coming financial year. According to the present situation in this area, if these funds are not available the area is going to have no water enough for the people's use.

MR. MWEU: Mr. Speaker, Sir, I am not confirming that these funds will be available as soon as the hon. Member wishes, but I repeat what I have said that the Ministry also plans to drill two more boreholes when funds become available to increase the water supply there. What I am saying is that when funds are made available, these two more boreholes will be drilled. However, I do not want to be definite about the availability of funds. I do not know whether the funds will be available in the coming financial year, but this is a possibility.

MR. SPEAKER: Let us go to the next Question, Mr. Jalang'o.

Question No. 59

MR. JALANG'O asked the Minister for Regional Development:-

(a) whether, arising from the answer given by him to Question No. 20 of 1988, he can give the names of the five companies or individuals licensed to buy and process fish from Lake Victoria; and

(b) which of the five companies are owned by indigenous Africans.

THE ASSISTANT MINISTER FOR REGIONAL DEVELOPMENT (Mr. Omido):

Mr. Speaker, Sir, I beg to reply.

(a) The following are the names of the five companies involved:-

Victoria Nile Perch Company, Moth Fish Farming Group, Gingo Posho Mills, Dunga Fishermen's Co-operative Society and Fishermen Products Ltd.

(b) All these companies are owned by indigenous Africans.

I would like to add here that the Ministry has intensified fishing business in order to improve the fishing industry. Up to date, 22 companies have been licensed to do this business. Fifteen of these companies are run by indigenous Africans.

MR. JALANG'O: Mr. Speaker, Sir, one important part of the Question which the Assistant Minister has not answered is that ~~xxxx~~ the 22 individuals whose names he has laid on the Table constitute only five per cent of the total fishing in Lake Victoria. There are non-indigenous African-owned companies, such as SVR Company, Afro Meats Company and Fish Masters Company, which have trawlers in the lake. Why does the Assistant Minister not tell us that only five per cent of these companies are owned by indigenous Africans and 95 per cent of them by non-indigenous Africans?

MR. OMIDO: Mr. Speaker, Sir, unless the hon. Member's arithmetic is wrong, I told the House that there are 22 licences operating in the lake and out of this number, 15 companies are held by indigenous Africans. Surely, 15 out of 22 is more than five per cent.

MR. JALANG'O: Mr. Speaker, Sir, I am talking about the fishing

MR. JALANG'O (CTD.):

volume involved. The companies involved may be many, but I am talking about the fishing volume in the lake.

MR. OMIDO: Mr. Speaker, Sir, the question of fishing volume lies with the individuals concerned. If licensees wish to improve and increase their fishing volume, there are facilities for this venture and the Government is always ready to assist. However, the individuals concerned must come forward and say what assistance they require.

END B



Question No.49

MR. MALEBE asked the Minister for Public Works:-

(a) if he is aware that Road No. 813 from Maua town to Katithine through Kanuni market serves a highly potential agricultural area which has remained undeveloped; and

(b) the steps he is taking to grade and re-construct the three bridges ~~in~~ Kimerianjogu, Ura and Majira so that the road can serve wananchi and open the area for development. *[for exam]*

THE ASSISTANT MINISTER FOR PUBLIC WORKS (Mr. Maiyani): Mr. Speaker, Sir, I beg to reply.

(a) I am aware that the classified road E813, which connects Maua town and Katithine through Kanuni market serves a highly potential agricultural area, which is not fully developed. I am also aware that two bridges, Ura and Majira are missing on road E813, while Kimerianjogu bridge is missing on road E816, which joins road E813.

(b) My Ministry is pursuing plans which were approved by the Meru District Development Committee (D.D.C.) with a view to reconstructing two of the above mentioned three bridges during the 1988/89 financial year. Once the two bridges are re-constructed, it is anticipated that the link between Maua and Katithine would be provided through roads E813 and E816.

MR. MALEBE: It is true that the Ministry is pursuing the plans which were approved by the D.D.C., however, I have not seen *funds during* any ~~Estimates for~~ 1988/89 having been set aside for the re-construction of the bridges, particularly in respect to Majira bridge.

MR. MALEBE (contd.):

Could
 Would the Assistant Minister confirm that this road ~~will~~ ^{would} be graded
~~and the bridges~~ ^{that} also ^{would be} built during this 1988/89 fiscal year?

MR. MAIYANI: Mr. Speaker, Sir, in response to that supplementary question, I would like to state that the road E813 has been badly eroded by the recent rains and there are ~~extensive~~ ^{of rocks} rock outcrops which are exposed in some of the sections. The road, therefore, would be impassable even if the two bridges - Ura and Majira - were constructed. The road was last graded in 1984, and as such it would be difficult to grade it in its present condition, unless a bulldozer first removes the outcrop of the ~~same~~ rocks. The alternative route, which is road E816, is in a much better condition, and it is for that ~~it~~ reason, and that is why its construction is being treated as a first ~~priority~~ priority.

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^{and} The road E816 joins the road E813 at two different places. In so doing, it by-passes Ura bridge which is on road E813, which is more expensive and difficult to construct than each of the other two bridges.

Once completed, the two bridges - Kimerianjogu and Majira - on roads E816 and E813 respectively, will provide a link between Maua and town and Katithine. The three bridges under reference were once washed away by the floods of 1983, and rectified by the then Ministry of Transport and Communications.

I can assure the hon. Member that these two bridges are going to be re-constructed, and will, therefore, serve Maua town satisfactorily.

MR. MALEBE: Mr. Speaker, Sir, I was in the area the day before yesterday ^{does} and was told that Government ^{has} ~~has~~ not have a ^{lean order} ~~lean order~~ to carry the bulldozer to ^{so that} ~~start~~ start grading the ^{at least we can} ~~start~~ start grading the

MR. MALEBE (contd.):

roads." Since the Assistant Minister has confirmed that we need a bulldozer to grade the roads, could he make sure that the ^{loan} order ^{is made} is available so that work on the roads can start immediately?

Secondly, ^{would} will the Assistant Minister be able to give me a ---

MR. SPEAKER: Order, Mr. Malebe. Will you please ask one question at a time.

MR. MALEBE: Mr. Speaker, Sir, will the Assistant Minister then make sure that the ^{loan order} is available to enable us to get a bulldozer to start grading the road immediately?

MR. MAIYANI: Mr. Speaker, Sir, as I have already said in my answer, the Ministry is doing everything possible to see that the roads are put in order. I hope that this is going to be done after ^{the} ~~this~~ budget.

MR. KAGWIMA: Mr. Speaker, Sir, I would like to draw the attention of the hon. Assistant Minister, to the fact that ~~in this area~~ as he has said, ~~it has a very high agricultural potential~~ has a very high agricultural potential. The roads in question are very important, not only ^{for serving} to serve the area as an agricultural area, but also for security purposes.

We have mentioned in the past that that area is infested by bandits. Through the Chair, Mr. Speaker, Sir, I would request the Assistant Minister to take the matter very seriously, because once graded, these roads could help ^{us} a great deal ^{in trekking} to trek down the bandits in that area. ^{Could} He should confirm to this House when the bulldozer will ---

THE ASSISTANT MINISTER FOR CULTURE AND SOCIAL SERVICES (Mrs. Ogot): Ask your question?

MR. KAGWIMA: The question is: The Assistant Minister has not confirmed, ^{as to} when the bulldozer will be taken to the area ^{in question} concerned.

MR. KAGWIMA (cont.):

to start ^{working} ~~the work~~. ^{asto} Can he confirm when the bulldozer will be taken to the area concerned? ^{in question}

MR. MATYANI: Mr. Speaker, Sir, it appears as if the hon. Member is making a speech on ^{the} subject. As I have already said in my reply, the Ministry is planning to put these roads back into use. ^{are going to} Whether we use a bulldozer or hoes, the Ministry is going to do the work.

Question No. 57

DR. MISOI asked the Minister for Lands and Housing:-

(a) whether he is aware that there are many squatters who were not allocated plots in the Lelmolok and Bindura Settlement Schemes in Uasin Gishu District;

(b) the action which he is taking to settle them; and

(c) whether he will ensure that these landless people are given priority when land becomes available.

THE ASSISTANT MINISTER FOR LANDS AND HOUSING: (Mr. Mutiso)

Mr. Speaker, Sir, I beg to reply.

(a) My Ministry is not aware that there are many squatters who were not allocated plots at Lelmolok and Bindura Settlement Schemes in Uasin Gishu District. However, ^{the} Ministry is aware that at the time of replanning this scheme from a Shirika Settlement Fund Trustee farm, to a settlement scheme, there were no squatters on these two farms, but only 230 and 260 registered Shirika families at Bindura and Lelmolok farms respectively. ^{settled} These families were settled by the Government in the same schemes on five acre plots.

(b) If, indeed, there are any squatters in these schemes, then I believe their names have already been recorded by the Provincial Administration, which is the Government arm currently dealing with such matters.

NNP

THE ASSISTANT MINISTER FOR LANDS AND HOUSING (Mr. Mutiso)(contd.):

(c) My Ministry would like to point out³ first and foremost that ~~there~~ there is no more land available for settlement,² but should land be available in future,² priority will be given to the landless.³

End C.....

Dw

DR. MISOI: Mr. Speaker, Sir, the answer to part (a) of the Question maybe correct, but it is true that there were squatters who were left out ~~during their settlement~~ at that time. Also the answer to part (b) contradicts ~~the~~ part (a) of the answer which says 'if indeed they were ^{any} ~~it~~ this means that there ~~were~~ was no thorough research ~~which was~~ done to identify the landless squatters. I mean the squatters who ^{were living on} ~~live~~ in this land, but not from outside. Therefore, I am satisfied with ~~part (b) of the~~ the answer to part (b) of the Question. It is not specific and it leaves a lot ^{of} doubts.

AN HON. MEMBER: The answer is not specific!

DR. MISOI: Sort of!

MR. SPEAKER: Do not make a statement, but ask ~~you~~ your question.

DR. MISOI: I want to ask the Assistant Minister to confirm that these squatters exist, and that they ^{would} ~~should~~ be given priority when land becomes available.

MR. MUTISO: Mr. Speaker, Sir, as I said earlier on, ~~that~~ the information ^{that} we have is that there were no squatters. However, ~~but~~ according to the hon. Members Questions, it seems ^{that} there were squatters and that is why I said 'that' if ~~they~~ there were any, they must have been recorded by the provincial administration, but we do not have that information. It has never been indicated to us that there were any squatters at all. So, should there be any squatters, it is our ^{belief} ~~believe~~ that the provincial administration has recorded them and ~~they~~ their cases will be dealt with in future.

MR. SPEAKER: Let us go back to those Questions which were not asked.

Question No.43

MR. SPEAKER: Dr. Mungai not in? Let us move on to the next ~~one~~ *Question.*

Question No.45

MR. SPEAKER: Mr. Mohamed not in? Let us move on to Question 42.

Question No.42

MR. SPEAKER: Mr. J.N. Mungai not in? Let us move on to Question ~~42~~ No.41.

Question No.41

MR. SPEAKER: Mr. Mate not in? Let us move on to Questions by Private Notice.

QUESTIONS BY PRIVATE NOTICE

MR. BUJRA: Bw. Spika ^{naomba} ~~naomba~~ kumuuliza Waziri wa Afya Swali Maalum lifuatalo.

(a) Waziri anafahamu kuwa wananchi wa sehemu ya Mokowe - Hindi, Bargoni, Mkunumbi Mpeketoni na Witu wanapata shida ya kuwavukisha wagonjwa wao kwa matibabu huko kisiwani Lamu kwa ukosefu wa mashua, hasa wakati wa usiku?

(b) Waziri anaweza kuamuru kupelekwe mashua Mokowe Jetty ili iweze ^{wa} kuhudumia wananchi wa sehemu hii?

THE ASSISTANT MINISTER FOR HEALTH (Mr. Ogur):

Bw. Spika naomba kujibu.

THE ASSISTANT MINISTER FOR HEALTH (Mr. Ogur)(ctd.)

(a) Sina habari kwamba wagonjwa kutoka sehemu zilizotajwa na ~~mek~~ mhe. Bujra wanapata shida ya kuvuka kwenda kupata matibabu ~~k~~ huko kisiwani Lamu.

(b) Si lazima kupeleka mashua huko ~~Mk~~ Mokowe Jetty kwa sababu sehemu zilizotajwa na mhe. Bujra zinahudumiwa na mashua zilizo katika kisiwa cha Lamu.

MR. MWAMZANDI: Bw. Spika, Waziri Msaidizi amesema kwamba hana habari ijapokuwa tayari amepatiwa habari hiyo na mhe. Bujra Ni kwanini hakufanya jitihada kutafuta ukweli kuhusu Swali hili? Yeye amekuja hapa na kusema kuwa hana habari.

MR. OGUR: Bw. Spika, nimekwisha jibu hili Swali. Si lazima tupeleke mashua huko kwa sababu hivi sasa kuna mashua mbili katika ~~xi~~ kisiwa cha Lamu. Ingawa moja imeharibika ile nyingine ya pili bado inahudumia zile sehemu zilizotajwa na mhe. Mbunge bila shida.

(applause)
MR. KUBO: Jambo la nidhamu, Bw. Spika.

MR. SPEAKER: Order! Order!

MR. KUBO: Jambo la nidhamu Bw. Spika, Swali langu ni hili Waziri Msaidizi ~~ans~~ anasema kwamba kuna mashua katika kisiwa cha Lamu. Lakini mhe. Bujra anamuuliza ni kwa nini hawezi ~~kuk~~ kuweka mashua moja pale Mokowe Jetty iwe ikihudumia sehemu hiyo wakati wote? Waziri Msaidizi amesema kwamba kuna mashua katika kisiwa cha Lamu lakini hakusema chochote juu ya ~~Mek~~ Mokowe Jetty.

MR. OGUR: Bw. Spika itakuwa hatari sana kuweka ~~z~~ mashua huko Mokowe Jetty kwa sababu inaweza kushambuliwa na meri hatari. Mara kwa mara sehemu hii imekuwa na wezi wa mifugo.

(laughter)

MR. SPEAKER: Order! Order!

MR. OGUR: Bw. Spika, wakati kuna wagonjwa wanaohitaji matibabu kwa haraka katika sehemu zi hizi zilizotajwa na mhe. Bujra, hospitali inayohudumia kisiwa cha Lamu hujulishwa kwa simu au radio call. Wagonjwa hupelekwa Mokowe Jetty ambapo wanachukuliwa na mashua kupelekwa hospitalini. Sehemu zote zilizotajwa na mhe. Mbunge ziko na huduma ya simu isipokuwa Bargoni ambayo inatumia radio call system. Mashua ambayo imeharibika itatengenezwa mwaka wa 1988/89.

(applause)

MR. KUBO: Bw. Spika naomba kumuuliza Waziri wa Kilimo Swali Maalum lifuatalo.

(a) Waziri anafahamu kuwa mboga za 'kuuza ng'ambo yaani 'horticultural ~~xxxx~~ exports' kutoka mashamba ya kunyunyizia maji ya Njukini huko Taveta, zinaharibika kwa ukosefu wa wanunuzi?

(b) Waziri ana mipango gani ya kuhakikisha kuwa mboga zote zimenunuliwa ili wakulima wasife moyo?

THE ASSISTANT MINISTER FOR AGRICULTURE (Mr. Kariuki):

Bw. Spika naomba kujibu.

Kusema kweli, Bw. Spika, ninapojibu Swali hili ninafuraha kubwa kwa sababu hivi sasa tunapozungunza wale wakulima ~~ki~~ kutoka Njukini na kwengineko katika Taveta wanauza mboga zao. Malori yamejaa huko yakienda kuchukuwa mboga zao. Ningependa kusema kwamba ni kweli kulikuwa na taabu kidogo. Wakati kulipokuwa kukinyesha sana ile barabara ya kwenda Njukini ilikuwa haipitiki lakini tingatinga ~~itix~~ lilipelekwa huko na ile barabara ikatengenezwa na sasa wakulima wanafuraha na ^{wanauza} ~~wanauza~~ mboga zao na wametoshaka kabisa.

Asante Bw. Spika.

MR. KUBO: Bw. Spika, nikimshukuru Waziri Msaidizi kwa jibu lake, kwa vile wakulima walikuwa wakipata shida wakati wa mvua, anaweza kufanya mipango na extension officers wake ili hizi ~~ME~~ mboga ziwe zikinunuliwa wakati ~~amf~~ ambapo hakuna ~~shika~~ shida ya kuzisafirisha.

(END...)

MR. KARIUKI: Bw. Spika, hii itakuwa ni vigumu. Kama vile mhe. Mbunge anavyo jua, hizi ni mboga huuzwa katika nchi za ng'ambo. Hatuwezi kuwaambia wale wateja wetu wawe wakinunua katika msimu fulani au wasiwe wakinunua katika msimu ~~wi~~ mwingine. Ningependa kumuuliza mhe. Mbunge mwenzangu w awashauri wale wakulima ~~na~~ wa Njukini kuwa wakati wanapofanya maagano ya ununuzi wa mboga na wale wanunuzi wanaouza katika nchi za ng'ambo wayalete hayo maagano katika Wizara yetu kupitia kwa Horticultural ~~Ex~~ Crops Development Authority (H.C.D.A.), ili tujue ni maagano yapi wamefanya. Hao ~~waka~~ wanunuzi wakishindwa na kuyatimiza yale maagano ambayo wamekubaliana na wakulima, basi tunaweza kuchukua hatua. Lakiniw ningependa kumbakikishia mhe. Mbunge mwenzangu kvamba, kwa hivi sasa, hakuna taabu yoyote. Mboga zote ambazo hukuzwa katika eneo hilo zina soko na hakuna shida. Ahsante.

MR. WASIKE-NDOMBI: Mr. Speaker, Sir, I beg to ask the Minister for Transport and communications the following Question by Private Notice.

When will the Minister implement the announcement by the Government, made a few months ago, that all logs of wood for Webuye Pan Paper Mills' would be ferried by the Kenya Railways in order to avoid the damaging of roads between Molo and Webuye town?

THE MINISTER FOR TRANSPORT AND COMMUNICATIONS (Mr. Matiba): Mr. Speaker, Sir, I beg to reply.

The ~~is~~ Government directive that all logs of wood for Webuye Pan Paper Mills would be ~~bxr~~ ferried by the Kenya Railways was implemented with effect from the 20th May, 1978. However, the wagon and locomotive power capacity has been inadequate and approximately 40 per cent of the logs has been transported by road. Arrangements are now underway to increase the wagon and ~~locomotive~~ locomotive power capacity and it is anticipated that all logs will be transported by rail to Webuye from any part along the railway line by the middle of 1989.

MR. NYAEZANDI: If 40 per cent of logs is still being transported by road and the Government directive was that the whole load should be transported by rail, does that not amount to sabotage of the directive.

MR. MATIBA: Mr. Speaker, Sir, I do not quite understand the usage of the word 'sabotage' in relation to what is happening. The directive was implemented but not in toto because of lack of wagon capacity and locomotive capacity. Since there was a shortage of engines we were not able to pull as many wagons as possible. That has been the problem and that is why we have not been able to fulfil the directive in toto.

MR. WASIKE-NDOMBI: Mr. Speaker, Sir, while thanking the Minister for his reply, is he not aware that the Kenya Railways has the wagons lying there idle? Is he also aware that the loaders which were prepared are lying there idle? How does the 2 question of shortage of wagons arise?

MR. MATIBA: Mr. Speaker, Sir, the problem is not that the wagons are lying there. The wagons which are there are the ones ~~which~~ which are being converted to something else to enable the railways to carry the logs. They could not carry the logs until they were converted. At the moment 50 of those wagons are under modification and it is anticipated that by the end of the year, they will be ready. However, even then, it will not be possible to carry the ~~the~~ entire ~~load~~ load because we have a problem with regard to railway engines which are not available at the moment. We have a fairly large number of engines broke down because of one reason or another.

MR. WASIKE-NDOMBI: Looking at the answer given by the Minister and the cost that is incurred in repairing ~~the~~ the road between Molo and Webuye, the Minister should take urgent steps ~~to~~ to make sure that these lorries are phased out earlier than 1989 ~~to~~ that he is talking of.

MR. MATIBA: I will do my best to make sure that these ~~engines~~ engines and wagons are available before the middle of 1989, but I cannot guarantee that I am going to ~~be~~ succeed because there may be serious technical problems.

MR. WASIKE-NDOMBI: The Minister is not very categorical in what he is saying. The road carnage between Molo and Webuye has increased due to the fact that these lorries ferry these logs of wood at night. Will the Minister confirm to this House that these lorries will carry these loads only during the day?

MR. MATIPA: That is a very difficult Question. I cannot give an undertaking at this time because the whole policy on either during the day or night transportation will be viewed not only in respect of the lorries that carry logs, but also in respect of all other forms of transport on the road.

MR. GAIGALLO: Mr. Speaker, Sir, I beg to ask the Minister for Water Development the following Question by Private Notice.

(a) Is the Minister aware of the perennial water shortage at Bangal Trading Centre in Tana River District?

(b) Will the Minister, as a matter of urgency, dig boreholes to ensure a regular water supply?

THE ASSISTANT MINISTER FOR WATER DEVELOPMENT (Mr. mwu): Mr. Speaker, Sir, I beg to reply.

(a) The Minister is aware that Bangal Trading Centre in Tana River District has never had any reliable water supply. The hon. Member for Galole should join me in thanking the National Youth Service which has continually used its tankers to supply the trading centre with water in times of hardship.

(b) The Minister is unwilling to sink boreholes in the area as Bangal's ground water potential is low. Two exploratory boreholes dug there earlier on at a depth of 137.150 Metres were found to be dry. The only alternative left to the Minister is to construct a dam for the centre and rehabilitate an old one which is silted.

MR. GALGALLO: I concur with the Assistant Minister that the National Youth Service has been providing a very efficient service in supplying water to our people. The entire population of Bengal is very grateful. When will the Minister construct the extra dam and desilt the current silted dam?

AN HON. MEMBER: Tomorrow!

MR. MVEU: It cannot be possible by tomorrow as the hon. Member is trying to suggest. Since the Tana River District Development Committee has agreed to construct a new dam, to desilt the other one - it is priority number four - when funds will be made available, we will be able to go ahead with the work.

MR. MALEBE: Could the Assistant Minister assure this House that an area like Tana River, which does not have any ^{other} source of water at all apart from River Tana would be supplied with water? Could he give us more reasons to support his answer because there have not been any studies done to assess or explore the ground water potential in the ~~xxxx~~ area?

~~MR. MVEU: I would like to ask the Assistant Minister~~

MR. MVEU: The hon. Member can perhaps explore the ground water potential in that area. All that I know is that the Government sunk two experimental boreholes. I am talking about what we as a Ministry have done. We have sunk two boreholes to explore possibilities of the availability of ground water, and as I have already ~~said~~ said, the response was negative.

END E.....

MR. GALGALLO: Mr. Speaker, Sir, arising from the Assistant Minister's reply, is he aware that the Treasury has been giving money for the last three years, but because there was no positive response from the Ministry of Water Development, this money has always been going back to the Treasury? At the same time Bangal is a very important security station. We have schools there and the police who try to control cattle rustling between Kitui and Tana River Districts. Since these people cannot carry out those services without a permanent water supply, would the Assistant Minister state, as a matter of priority, that this money which has been going back to the Treasury shall be given for use in order to desilt the existing dams and construct another one immediately?

MR. MVEU: Mr. Speaker, Sir, I am not aware of any funds which have been returned to ^{the} Treasury because they were not made use of. Perhaps, the hon. Member ~~xxx~~ could give us a detailed report on the funds and when they were returned. But if we get hold of any funds, we will definitely put the same into use so that the people of Bangal do not suffer.

Second Reading

The Cotton Bill

(The Minister for Agriculture on 11.5.88)

(Resumption of Debate interrupted on 12.5.88)

MR. GALGALLO: Mr. Speaker, Sir, I would like to continue with my contribution. Cotton farming has been improved to be the only cash crop that can be grown in marginal areas. I would say here that my own district of ~~XX~~ Tana River grows between 30 and 40 per cent of all the cotton produced in this country. We appreciate the efforts made by the Government to ensure that people in marginal ~~lands~~ areas also have cash crops to produce and enjoy the same benefits as people in high potential areas. ~~EMEXEMEXPRABLE~~

But the problem has always ~~been~~ been that cotton growers have always been given a raw-deal. I say this because the cotton

MR. GALGALLO (CTD):

farmer lives under very, very hard conditions: he ceases to be the owner of the crop as soon as ~~pick~~ picking of the crop starts. In the first place the cotton farmer does not know the price fetched by cotton once it goes to the Cotton Lint and Seed Marketing Board. Therefore, he does not have the ability to negotiate with the Ministry or the cotton buyers outside this country. Secondly, the cotton farmer pays for ~~ix~~ inputs but he does ~~x~~ not know who determines their prices.

Mr. Speaker, Sir, you will find that both the Cotton Lint and Seed Marketing Board and the National Irrigation Board are involved in cotton growing. I hope that the Minister for Agriculture will listen, because this is very important. In 1987/88 a cotton farmer was paying Sh.169.75 for a bag of fertiliser, Sh.762.85 for aerial spraying per acre, Sh.39.40 for spraying done over the shoulder and Sh.150/- as cultivation charges per acre. Incidentally, as soon as the price of cotton was raised by Sh.1/- fertiliser price has ~~x~~ gone up from Sh.169.75 ~~xxx~~ to Sh.230/- per bag; ~~xx~~ aerial spraying has gone up from Sh.762.85 per acre to Sh.1,245/-. Now, the cotton farmer is never consulted during the determination of these prices. So, there ^{is} a lot of extreme exploitation ~~by the six chemical companies~~ of the cotton farmer by these chemical companies.

So, we would like the Minister for Agriculture to ensure that cotton growing ~~x~~ schemes have representatives on the intended Board so that they participate effectively in the determination of cotton prices. At the same time it seems that most of ~~interest~~ of the cotton farmers ^{interests} are being taken care of by the National Irrigation Board, which is completely different from the Cotton Lint and Seed Marketing Board. So, cotton farmers have been suffering for so long that a lot of them have decided ^{to} stop growing cotton. Cotton farming has grown to be very important. A lot of the previous speakers praised the high quality of our cotton fibre, but the farmer himself lives in

MR. GALGALLO (CTD):

a very, very difficult situation. He does not have money; he does not have the privilege of taking advances; so as to take his child to school; he ~~even~~ cannot ^{even} feed his family properly; all the advances which were being granted before while the crop was still in the field have now been completely denied. Therefore, I would like to ask the Ministry of Agriculture to take cotton as a very important export ~~export~~ crop for this country.

Mr. Speaker, Sir, it is my opinion that all cotton-growing areas must have ginneries. This is because the cost involved in transportation of cotton is very high.

END F



MR. GALGALLO (Ctd.):

Therefore, Mr. Speaker, Sir, the Ministry must find a formula to see whether it can provide ginneries to the farmers so that the farmers are not charged any additional money for the transportation of their crop. In fact, you will find that for every acre of cotton from which an average crop of 1,000 kilogrammes is produced, the cotton farmer incurs a debt of shs.22/- from the Cotton Lint and Seed Marketing Board. This has been very unfair to the farmers. At the same time, those who have been handling the issues and problems of cotton farmers are National Irrigation Board and not the Kenya Cotton Lint and Seed Marketing Board as such.

I would like to insist that the cotton farmer must have a representative in the Kenya Cotton Lint and Seed Marketing Board as well as in the National Irrigation Board. This is because, these two boards are the ones that are concerned with supplying water to this scheme. We have found out that, and experience has shown that, crop failures come about as a result of lack of water supply to the cotton farms. This has been the fault of the National Irrigation Board. At the same time, the cotton farmer was made to shoulder the burden and was also charged for his second crop to repay for the water that had been used. It is very unfortunate that a farmer, a tenant that he is, living in a hut with no cash, has continued to pay debts for which he was not responsible.

I am also of the opinion that the pricing of ~~cotton~~ cotton must be valuated. There is cotton that is grown through irrigation and another that is not grown through irrigation. The farmer who grows his own cotton without the use of irrigation has a better deal. In fact, we should thank him. We should not pay him on the basis of the quality of the cotton he grows. We must, therefore, have cotton grades. Irrigated cotton which is the finest, must fetch a higher price than the cotton, that is watered by rain.

MR. GALGALLO (ctd.):

At the same time, Mr. Speaker, Sir, the marketing of cotton, particularly transportation, should strictly be left to the cotton co-operative societies. This is because we have found out that the co-operative ^{societies} would be in a better position to cater for the needs of a farmer. For this reason, I would urge the Ministry of Co-operative Development to try and strengthen co-operative societies in cotton growing zones.

Cotton farmers, Mr. Speaker, Sir, do not have incentives like other cash ^{crop} growing farmers. It is imperative, therefore, that the Ministry considers reviving the old system ^{whereby} where farmers were paid bonuses. These bonuses are very important ^{because} as they encourage the farmers to grow more cotton, to be more effective and to take good care of their crops. I wanted, therefore, to ask the Minister to consider reviving the old method of providing bonuses to the cotton farmers. This should, of course, be done on the basis of the zones that grow more cotton.

The other additional thing that I wanted to say here is that, the management of cotton contracts must be carried out effectively and they must be fair to the tenants. We have seen in places like Bura or Lalkola, and I want the Minister to very keen on that, where decisions were made without the farmers' knowledge. There were contracts that were awarded to some special firms to produce sprays. We have seen and records bear this out that some chemical producing companies have merely been exploiting the farmers. Their chemicals have in fact produced more mildew than ^{there was} ~~they were~~ in the past. The farmers have complained about this and nobody has taken any action. They have, in fact, been left out in the dark for two years. The problem is still there even now. That, hon. Minister is a loss to the farmers. These chemicals have been ineffective. I can, in fact, assure

MR. GARGALLO (ctd.):

you that the farmers will harvest less crop than they expected to. So, we must have farmers in the panel that determines who should be hired to provide cotton sprays during any particular season.

Mr. Speaker, Sir, the farmers have been ^{left at} ~~put~~ under the mercy of the officials of the National Irrigation Board. They have been getting a raw deal. The board officials are very arrogant and do not visit the farmers to advise them. This results in poor crop production which makes the farmers have no money to take their children to school and money to feed them. Sometimes in the past these officers used to advise farmers on how best to grow their cotton. They even used to give the farmers tools, but nowadays this has been curtailed completely. Last week on 2nd May, farmers who had deposited their money in a bank wanted to withdraw it because they had no money to pay for the children's school fees. As the whole of this programme is under the management of the National Irrigation Board, they went there to complain, but were told: "To hell with you". I stopped them and told them: "Listen, we will do this thing administratively". The manager of Kōla Farm, when he tried to solve this, was told: "Wewe ni mzembe. Nenda zako. Huna k kitu hapa". Yet, the cotton is right there in that farm. I would like the Minister to be very keen on that because the fate of those farmers is very important to us. Every year Tana River District produces not less than ^{8 million} ~~eight million~~ kilogrammes of cotton. Therefore, I would like the Minister to take a very keen interest ⁱⁿ on that. I have no doubt ^{about} on the possibilities of producing more cotton from that area.

I would like to complement the Minister for Agriculture because as soon as he was appointed to that Ministry, he visited that place. Hon. Minister, I can assure you that we ^{you} support ⁱⁿ your ^{endeavours} endeavours and ~~pr~~ plead with you that you take care of farmers

MR. GALGALLO (ctd.):

to the best of your ability. In the process of learning about the problems of the cotton farmers, we must have representatives of those farmers in the National Irrigation Board too. We feel that the charges of water supply are very high. In 1984/85 there was a crop failure in Bura and even in Hola.

END G.....

MR. GALGALLO (Ctd.):

This was not the fault of the farmers. There was a breakdown of the ^{machinery} ~~machines~~ and yet the farmers had to pay the same charges.

Last year, there was a failure in the production of maize and yet the farmers ended up paying the same charges of water when they had not actually grown any maize in that place. I think the National Irrigation Board (N.I.B) is being very unfair to these farmers. We would like to guarantee continuation and in order to do that, we must have co-operation between all parties. Right now as I am talking here, these insects which destroy cotton have already invaded it.

Sir, there is another problem when it comes to spraying because what the National Irrigation Board has done is that it has decided to confine farmers in a small area. After such arrangements, they are directed to grow maize ^{during} ~~at~~ a certain season and then the next season to grow cotton. When it comes to spraying, some farmers get seven ~~or~~ rounds of spray for their crop, others have five, others three and ~~some~~ ~~may~~ have only two. The problem is that even those farmers who had only two rounds of spray for their crops will be charged the same amount of money as those who had seven times. Therefore, there is unfairness particularly with this method of spraying. Some farmers do not get the required number of times of spray because the instructions are that cotton should be sprayed seven times before it can be ready for picking. Some farmers do not get this service because the ~~time~~ timing of spray is determined somewhere in Nairobi. The people responsible for spraying go there even before the farmers have started ~~growing~~ growing. After spraying the first round, the spray is finished. In that case, the farmer who had only one or two rounds of spray is charged the same amount of money as that one who had seven rounds. I think the Minister will look into this matter and rectify the situation ^{because that} ~~as it is necessary~~.

Mr. Speaker, Sir, thirdly, I would like to touch on the issue of pricing of cotton. I think the farmers ~~would~~ would like to know the price of cotton before it has ^{been} ~~been~~ purchased from them. I think the Minister will tell us when he stands up to respond. This is because unless someone knows what he is ~~going~~ going.

MR. GALGALLO (Ctd.):

to get for whatever crop he is growing, then that type of farming is very difficult. In this case the farmer knows what he is growing; it is cotton ~~for~~ and it is used in manufacturing of clothes but he does not know how much he is going to be paid for it. Therefore, he ~~has~~ does not have that courage to ~~grow~~ grow cotton because he feels that he is always being exploited. I would, therefore request the Minister to ~~examine~~ look into this matter and educate the cotton farmers because these farmers depend on cotton as their ^{only} livelihood. Cotton farmers are very much interested in growing cotton but they do not know how much their cotton fetches outside. At least ^{the} coffee farmer, the tea farmer, the pyrethrum farmers knows how much his crop fetches outside, but the cotton farmer does not know. He is blind. I think this is the responsibility of the Minister for Agriculture and the farmers must be encouraged to love their crop: because of what they are doing.

As I said ~~in~~ earlier, ... cotton grown by use of rain water and that one grown through irrigation must be differentiated. This is because the farmer who grows his cotton through irrigation bears a lot of costs. In fact, I had given the cost per acre of irrigated cotton as Kshs. 1,522/- during the year 1987/88. This year the cost of spraying has ^{gone} up to Kshs. 1,245/-, fertilizer per bag has gone up to Kshs. 280. Therefore the cost of growing cotton through irrigation is going to double and in that case an additional ~~of only~~ one shilling per kilogramme is not enough for that ^{farmer who irrigates his crop} irrigation farmer. However, the person who grows cotton by use of rain ~~x~~ water does not have this burden; even if he has, it is much lesser. In 1987/88, ~~growing four~~ the cost of growing four acres of cotton was Shs. 6,038/-. What is it going to be this time? I think the cotton farmer will have to dispense two or three acres and probably remain with one as the only profit. I hope the Minister will look into this matter very seriously.

Another issue, and I think this is very crucial, is that the land that has been allocated for ~~ex~~ cotton growing, and people have been evicted to give way to cotton ^{growing,} should ~~be~~ remain for cotton ~~x~~ farming. There should not be a shortage of cotton growing land because a specific area has been set aside ~~x~~ for that purpose. However, what is happening ~~is~~ is that this land is now being allocated

MR. GALGALLO (Ctd.):

to individuals. This is something we are not going to accept and I hope the Minister is hearing me. The ~~pi~~ point is; ~~pea~~ people have been ~~x~~ moved away from this area and told that it is strictly for cotton growing, but ~~tht~~ then an individual applies for land, gets recommendations from somewhere and is finally given land—. We are not going to allow this. We have squatters who moved out of this place at the request of the Government and they were promised that they were going to be given an alternative land for farming. Now this land is being allocated to individuals. I am ~~x~~ asking the Minister responsible to be very careful. We cannot allow other people to be given land where our people have been moved from so that ^{the} ~~the~~ land can be used for growing of cotton by the N.I.B. Whenever, funds are available, we want the cotton growing zones to be expanded so that ^{more} ~~move~~ tenants can be accommodated. We already have ~~prstak~~ problems; we have thousands of applicants who cannot have an acre to farm. We expect the Government ~~is~~ to look for more funds.

I am aware that the Bura Irrigation Scheme fund ~~was~~ was misappropriated but we still expect the Government to look for an alternative and come back with the same programme so that Bura Irrigation Scheme ~~x~~ can be extended up to Hola. We shall not accept this idea of individuals ~~xxx~~ coming in and purchasing that land; this is in Hola. I appealing to the Minister to see that that ~~land~~ which has been set aside for cotton farming is used ^{purpose} ~~en-exactly~~ that, irrespective of when funds will be available.

I would also like to thank all those who have been involved in the ~~the~~ cotton industry and in particular our former Provincial Commissioner for ~~the~~ Coast Province Mr. Mahihu who is now an hon. Member of this ~~the~~ House for the support they have given the cotton farmers. ~~W~~ He has done a lot for the farmers and we are very grateful.

With those few remarks, I beg to support.

END H....

THE ASSISTANT MINISTER FOR ENERGY (Mr. M' Mukindia):

~~Thank you very much for giving me~~ Thank you, Mr. Speaker, Sir, for giving me this opportunity to contribute to this very important Cotton Bill.

First of all, I would like to thank the hon. Minister ^{For Agriculture} for bringing the Bill to this House; a Bill ~~which~~ that I believe was long overdue. As has been said earlier, the cotton industry has been ignored for several years unlike, say, the coffee and the tea industries. I think that it is time that the whole of the cotton industry is rejuvenated and put into better footing like the coffee and the tea industries. ~~xxxxxxx~~

In this country, we have been faced with a rather ridiculous position where a lot of our land which can possibly be used to produce cotton lies idle. At the same time, we have been forced to import cotton. That means that the foreign exchange which has been generated by the sale of coffee or tea is now being used to import cotton, a thing that is really quite ridiculous to happen in this country. This is why I particularly thank the Minister for Agriculture for trying to rejuvenate the cotton industry through this Bill.

The cotton industry has been faced with a number of problems which culminated in 1984- and 1985 when cotton farmers in this country almost lost confidence in the Cotton Board. Cotton farmers went ~~on strike~~ ^{unpaid} for several months and for that reason, they lost interest in the cultivation of cotton. To give an illustration, in Meru District alone, in the crop year 1983-84, the district produced something like 4.6 million kilogrammes of cotton. This year, it is estimated that only 2.5 million kilogrammes will be produced by the whole district - which is approximately a fall of ^{about two} 10 million kilogrammes of cotton from only one district. I think that

THE ASSISTANT MINISTER FOR ENERGY (Mr. M'Mukindia) (Ctd.):
 really, something ought to be done urgently to bring back
 the rate of production to what it was around 1983 to 1984.
 I know that ~~xxx~~ in a district such as Meru, the potential
 for cotton production is probably somewhere between 40 and 50
 million ^{Kilogrammes} ~~kg~~ a year. But, due to the problems that have brought
 to the cotton industry, or due to perhaps the inability of
 the present structure of the cotton board to regulate and pay
 the cotton farmers effectively, the production has fallen
 considerably. Only recently, it was said in the local news-
 papers that certain companies have been allowed to import
 cotton. That is a real shame to even the managers of the
cotton board and I think that this situation should not be
 allowed to continue.

I would like to give an illustration, Mr. Speaker,
 Sir. Back in crop of 1983-84, something like 600 to 700
 people were employed directly by the cotton industry in Meru
 district. Today, only maybe about 100 people are employed by
 the cotton industry and here we are always complaining about
 unemployment. Somebody was in charge of the board at that
 particular time and somebody somewhere must have been responsible
 for the fall in cotton production and, therefore, resulting
 in loss of jobs for many people and also resulting in the loss
 of foreign exchange since we are now forced to import cotton.
 The only area that I feel that present cotton Bill ought to be
 looked up more carefully by the hon. Minister is perhaps, where
 a penalty should be levied on those who mismanage this body,
 more or less deliberately at the expence of the whole country.
 I think that no single individual is greater than the whole
 number of ^{cotton} farmers in this country. We should, therefore, not
 put to risk the livelihood of so many thousands of people in
 this country so as ~~xx~~ protect only one man or woman. I feel

THE ASSISTANT MINISTER FOR ENERGY (Mr. M'Mukindia)(Ctd.):
 very strongly that the hon. Minister should again look into
 the possibility of ~~making~~ introducing some penalties for
 those people who are charged with the job of managing this
 crucial parastatal organizations so that they can bear some
 of the ~~na~~ risks of mismanaging them in future.

Today, as I speak here, since farmers have really
 nowhere else to get money from, they still continue to struggle
 to plant and tender ~~for the~~ cotton as much as they can.
 Unfortunately, they are still beset with problems. As I
 speak now, in the area that I come from, I know that there is
 a shortage of insecticides in the vital Tharaka and Makandune
 areas of Meru District. I have tried, through talking to the
 board representatives, to see whether the distribution of
 chemicals can be improved but I do not know where the problem
 is. I have not been able to pinpoint where the problem is but,
 what I know today is that the farmers of the current crop are
 faced with probably ~~chronic~~ chronic crop failure and at the
 same time, we are importing cotton because there is no proper
 distribution of insecticides. As an urgent thing, I would
 request the hon. Minister for Agriculture to look ~~into~~ into
 the problem of distribution of insecticides especially in
 Meru where I know that the farmers are virtually complaining
 every day that they do not have insecticides. ^{They} We are quite
 keen to ^{they} increase production virtually all over the country
 but ~~we~~ ^{they} will not be able to do so if the management of the
 board is not improved extensively.

One of the things which will be required is the
 provision of agricultural extension workers. At the moment,
 in the area that I represent here, I do not think there is any
 extension worker directly involved in the production of cotton.

THE ASSISTANT MINISTER FOR ENERGY (Mr. M' Mukindia) (Ctd.)

It would seem that the estimates for this year's crop may not be done. That is ~~probably~~ may be part of the reason why there have been the shortage of insecticides if there is no proper estimate of the acreage of cotton plantations. ~~That~~ ^{It is} ~~is~~ an urgent matter ~~so~~ that the board should provide extension workers to advise workers and cotton co-operatives in the best way of improving cotton production.

The potential of cotton production in this country is immense but something has really got to be done. It is very simple. What has to be done is that the farmers must be paid in time; the farmer must be provided with inputs in time; the farmer must be provided with chemicals - insecticides - in time. ~~These~~ These three things are very simple and straightforward but for ~~some~~ some reason, these things do not get to the farmers at the right time or in the right ^{quantities} quantities. This is an area that the hon. Minister for Agriculture should look into. At the same time, ^{many} the ~~co-operative~~ co-operative societies that were handling cotton, ~~a lot of them~~ have now become dormant while we know that in ~~other~~ other sectors such as the coffee industry, the co-operative movement has been very effective in their management. I believe that the same can be done in the cotton industry if only the farmers are properly organized and they ~~have~~ get proper management ~~and~~ advice from the Ministry of Co-operative Development. I feel that once the Bill has been passed - as I am sure most hon. Members agree with the Bill - it will be up to the Ministry of Co-operative Development to move fairly quickly into the implementation of some of the aspects of the Bill like setting up strong co-operative societies to manage the cotton ~~industry~~ industry. I believe that

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THE ASSISTANT MINISTER FOR ENERGY (Mr. M'Mukindia)(Ctd.):

the co-operative societies are more responsive or they respond more quickly to the needs of the farmer rather than a board which has been set up here in Nairobi • They do not know the problem facing a cotton farmer somewhere in a place like Makanduni or Kiamwiri in Meru. They will not know. ~~Sox~~ Therefore, it would be a lot easier for the cotton industry to be managed by the farmers themselves ~~that is,~~ through the co-operative societies. I believe that that is one very important aspect of this Bill.

END I.....

JM
6

THE ASSISTANT MINISTER FOR ENERGY (Mr. M'Mukindia) (Contd.):

Mr. Speaker, Sir, I believe that in ^{a few} ~~three~~ years' time we should be able to produce enough cotton to meet our demands and also for export. The only thing that requires to be done really is to reorganise the management of the cotton industry, and this is an urgent matter since we are importing cotton today when we have a lot of potential areas lying idle which should be exploited. The farmers are ready and are willing, but the only problem is the ^{top} managers of the industry.

Mr. Speaker, Sir, the other thing is about the distribution of insecticide. We really ought to be thinking about that very poor farmer, the oldman who has to travel about five kilometres on foot to collect his insecticide, and he might spend the whole day there waiting for it. However, it does not come in time or it does not come at all, and ^{yet} he has to walk back home another five kilometres. Not only has he wasted a whole day, but he has suffered a lot. I think the managers of the cotton industry must always think about that particular person because he is the weakest member of our society. I think if we have this in mind, then I believe the hon. Minister for Agriculture should provide penalties for those managers who do not put the interest of that very weak farmer into consideration.

Mr. Speaker, Sir, it is true that cotton is grown probably in the "weaker" areas in terms of "riches" or development of this country and, therefore, special attention should be paid to it. It is the weaker members of our society that are being assisted and, in all cases, it is the lower potential or marginal areas where cotton is grown. In these areas there has been the least development. Therefore, the people who manage the cotton industry must be sensitive to the needs of those weak members of our society.

THE ASSISTANT MINISTER FOR ENERGY (Mr. M'Mukindia)(Contd.):

So, I feel that these penalties ought to be introduced in the Bill.

With those few words, Sir, I beg to support.

MR. MIRUKA-OWUOR: Mr. Speaker, Sir, thank you very much for giving me an opportunity to make a few observations on the Cotton Bill. I happen to come from the lake region and that is Western ^{and Nyanza} Provinces and ~~Nyanza~~ which grows very good quality cotton, as it has been stated before.

The first thing, Mr. Speaker, Sir, is to thank the Minister for Agriculture for his excellent exposition of the intentions of the Government in the Bill and also to thank the Government for the move taken to introduce the Bill.

Mr. Speaker, Sir, cotton industry is a very important undertaking in the agricultural sector, and as a cash-crop, it is very, very important to the people of Kenya. It is, however, unfortunate that ~~not~~ sufficient attention has not been given to cotton growing and also to --

THE MINISTER FOR LABOUR (Mr. Okondo): On a point of order, Mr. Speaker, Sir. I think under Standing Orders an hon. Member walking from one side of the Chamber should first of all go to the Bar and bow before the Speaker and then cross to the other side. Now, I have noticed an hon. Member crossing over here without going to the Bar, and that is out of order.

MR. SPEAKER: Yes, that is a very, very serious breach of our Standing Orders.

MR. MIRUKA-OWUOR: Mr. Speaker, Sir, I ^{was saying} think that sufficient attention has not been paid to the cotton growing or the cotton industry. Presumably, this is because of the historical background of the crop. Cotton was basically grown by the African population, but the colonial Government did not assist them much. Unfortunately, the Ministry of Agriculture also disregarded it and thereby perpetuating

MR. MIRUKÁ--OWUOR (Contd.):

the colonial legacy. It is high time action was taken because the cotton industry is on the verge of collapse. Raw cotton is inadequate and the supply is not enough to maintain our factories.

One may ask why ^{we} should ~~we~~ import cotton in this country? Kenya has plenty of land which is suitable for cotton growing. In fact, in almost every part of Kenya cotton can be grown. There is abundant labour force or manpower of able-bodied people who could grow cotton.

The industry is very promising because consumption of textile is completely assured. There is a high population in Kenya which is steadily growing, and the other by-products from cotton, say, oil could be used for soap manufacture and for cooking. Cattle feeds could also be derived from the by-products of cotton, and so the consumption is assured. Therefore, it is a matter which ought to be taken seriously by the Government.

Mr. Speaker, Sir, Kenya is capable of growing sufficient cotton even for export. In this case, the country is in need of foreign currency and, therefore, if we could grow sufficient cotton and export it then the country could earn the much-needed foreign exchange.


Mr. Speaker, Sir, there are a few points which I would like to bring to the attention of the hon. Minister for Agriculture. The failure of the cotton industry has a root cause. The Ministry of Agriculture and the Cotton Lint and Seed Marketing Board have not displayed sufficient competence in the management of growing and production of cotton. No incentives are given to the farmer and the crucial point ^{which has killed} ~~to~~ the cotton industry is delayed or no payment to the farmer. As the previous speaker requested the Minister to attend to this, I would also request him to listen to this matter.

MR. MIRUKA-OWUOR (Contd.):

The thing which has tended to "kill" or which has "killed" the cotton industry is lack of payment. There are cases where the farmers have delivered their cotton and they ^{are} not paid for periods ^{from six months ~~of~~ ^{to} even a year. So, what the Minister needs to do is to work out a system whereby the cotton farmers are paid on delivery of the crop. In many instances, the Ministry of Agriculture has given promises telling farmers that they would be paid on delivery, but these promises have not yet been honoured, and the farmers ~~were~~ ^{are} consequently frustrated.}

Mr. Speaker, Sir, the Ministry of Agriculture needs to be commended because of the recent price increase ^{of} cotton. That is a commendable move by the Minister, but I would urge him to relate the price increases to market prices reigning in the world. There is no reason why Kenyan growers of cotton should be paid less than what the world market price for cotton is.

The Ministry should also organise field education to cotton growers. This will involve the officers of the Ministry going around and educating the cotton growers on the best and modern methods of growing cotton. There are instances where some cotton growing areas get water-logged and an arrangement should be made to assist the farmers to drain the growing fields.

End J. 

MR. MIRUKA-OWUOR (ctd):

Mr. Speaker, Sir, the farmers should also be assisted in the selection of cotton seeds. Many farmers complain that the Ministry supplies them with seeds whose crop is harvested only once a year ~~when~~ when it is possible to have seeds which could be planted, say, in February or March and harvested around July or August and the second crop can be due for harvest in November. In this way, the income of the ^{farmers} will be boosted. I would also like to appeal to the Ministry to consider establishing irrigation schemes in arid areas ~~but~~ which do not produce sufficient yields due to lack of water.

Another important point which I would like to bring to the attention of the Minister is that there will be no success in the cotton industry unless he liaises with the Minister for Public Works for the rural provision of access roads. This is because in many instances, the cotton which is grown - like sugarcane - rots in the fields. The Minister should ensure that the farmers are provided with all-weather roads to enable them reach their farms. When the crop is ready, it should be taken to marketing centres without much problems.

The management and control of the cotton industry leaves a lot to be desired. At the moment, there are too many unnecessary organisations managing and controlling the industry. First of all, there is the farmer who spends most of his money and time growing cotton. The farmer ought to be commended because in Kenya, there is a ~~xxxx~~ problem of unemployment. We find that a farmer who has invested his little income in cotton farming is, regrettably, not paid when he delivers his crop or when he is paid, he is paid very little. This frustrates the farmer very much. After the farmer, there are co-operative societies dealing with cotton. We also have co-operative unions which also handle cotton. The Ministry of Co-operative Development also supervises cotton growing and co-operative societies. The Ministry of Agriculture and the Cotton Lint and Seed Marketing Board also come in. After that, we have the ginneries which bale

the cotton before it is processed.

Sir, these arrangements cause considerable confusion and frustration to the farmers. This is because at every stage, these middlemen have to be paid. There is no need for this because in the end result, the farmer ends up with no reasonable pay for his crop. I would like to suggest that there should be only be one body to assist the farmers in the purchasing of cotton. The Minister should consider establishing a national co-operative union for cotton - like the Kenya Planters Co-operative Union - ~~and the union should be established to take charge~~ which will deal with farmers and also protect them. In this way, these middlemen will be eliminated as they charge the farmers and leave them penniless. Only one body should buy cotton and pay the farmers.

I have already proposed that there should be one co-operative union to manage the buying ~~ing~~ of cotton, like the Kenya Planters Co-operative Union. ^{does} This will increase the income level of cotton growers and will encourage the farmers to grow more and more cotton. This will in itself provide an incentive ~~in~~ to the farmers.

There is also another factor which has not been considered by the Ministry. The cotton growers should be paid some bonuses after some time. In the coffee and tea industries, the farmers are paid bonuses yearly. This system should also apply to cotton growers. As I said, this is an important cash crop and if encouragement and protection is given by the Government, the country could be surprised as earnings from cotton would, perhaps, come very close to those of tea and coffee.

The organisation in the cotton industry, as I proposed earlier, should be reduced to two levels, namely, cotton production which involves preparation of land, planting of cotton, weeding, ~~and~~ spraying against pests and harvesting. The second one should be cotton marketing which would involve buying cotton from the farmers, delivering it to the ginneries and baling it for export. I do not see the reason why we should

not grow enough cotton for our local industries and have a surplus for export.

Sir, serious attention should be paid to the cotton industry and I would like to propose that the Ministry should have a system whereby its officers can reach the cotton farmers in the field. The growers should be visited regularly so that their problems can be brought to the attention of the Ministry. The only way to find out the problems of the farmers is to talk to them. These problems differ from one area to another. We cannot assume that if we take a particular action, it will satisfy all cotton growers in Kenya. This is because the problems which obtain in the lake region may be different from those in the Eastern Province and so on. On-the-spot visits and discussions with the farmers will help considerably.

The cotton farmers should also ^{have an} ~~have~~ active role or a say and control in the growing and management of the cotton industry, like other farmers in various industries. I would like to re-emphasize further the importance of the cotton industry, like the other crops, not only for earning money for the ~~country~~ country but for the provision of employment to our people.

Mr. Speaker, Sir, I have already ^{congratulated} ~~thanked~~ the Minister for the competent manner in which he moved the Bill. He gave a lot of encouragement to the farmers who had lost heart.

With those few remarks, Sir, I beg to support the Bill.

MR. MASINDE: Thank you very much, Mr. Speaker, Sir. Cotton farmers have had a raw deal for many years. This has basically been due to the Cotton Lint and Seed Marketing Board and societies which were not properly organised. It is ~~the~~ high time the cotton farmer was made happy and motivated. The only way to do this, is to ensure that payment for his crop is done promptly, probably ^{on the basis of} cash-on-delivery. The farmer should also

MR. MASINDE (ctd):

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be made to feel that cotton is his own personal crop, and not the property of the Board as is the case now. The farmer has lost a lot ^{of} interest in ~~growing~~ growing cotton and as a result, the rate of unemployment has gone up in those areas which grow cotton.

END K *[Handwritten initials]*

(Mr. MASINDE...)(Cont'd.):

As a result, the farmers have been able to pay school fees for their children and to contribute money for Harambee projects. To encourage these farmers, the Cotton Board should assist them. Mr. Speaker, Sir, the immediate assistance that the farmers need is the provision of special field officers to give them guidance in tilling the land ^{and} spraying the cotton to eradicate pests that destroy cotton. These days, we do not have these sort of officers and all we have are general agricultural extension officers who do not pay any attention to cotton farmers. It is important to look at the cotton growing as a very important part of agriculture in this country. We in this country have a high potential for cotton growing which could supply textile mills with enough cotton. However, because of this discouragement, the farmers have been very much lax.

Mr. Speaker, Sir, the other thing which discourages farmers ^{from} growing cotton is the existing price of cotton per kilo. The price of cotton is still very low and sometimes the farmer does not get payment for cotton already delivered in good time to be able to produce more cotton. Insecticides are becoming more and more expensive every season and ^{the cost of} cotton labour which is normally obtained ^{from} outside the family growing cotton, has gone up. With the ^{current} low price of cotton which is Shs.6/- per kilo, the cotton farmer cannot manage to grow more cotton. I would therefore suggest that cotton farmers should be encouraged to grow more cotton by being allowed to sell their cotton anywhere they feel they have a good market. Any person should be licensed as long as the Cotton Board considers him capable of buying cotton. These cotton buyers will compete and the farmers will be able to go to the highest ^{bidder} bidder.

Mr. Speaker, Sir, I would also like to suggest that farmers, individually, or in groups, should be allowed to operate ginneries so that they can process their own cotton and eventually find their own market for processed cotton. They should also be assisted by the Board or by Government to export the surplus cotton to wherever they can get the highest price for it. This would also help this country to get more foreign exchange. It is a shame, as one of the hon. Members said, that we should be importing cotton into a country which has a very high

(Mr. MASLEDE) (Cont'd.):

potential for cotton growing and could therefore be able to grow enough cotton for its own domestic consumption.

Mr. Speaker, Sir, the buying of cotton by cotton societies has been going on and I feel that these cotton societies have been partly responsible for the killing of farmers' morale in cotton growing. Besides the Cotton Board delay in releasing money for payment to the cotton growers, the societies have further delayed in paying farmers and as a result these farmers have been discouraged. I would suggest therefore, that, these cotton societies should be assisted by the Board. They should ^{also} be educated to be more competitive ^{and} efficient in assisting the farmers to produce more cotton and not just to wait for the season of selling cotton. They should be able to assist the farmers right from the season of growing the cotton, that is, from the time they plant the cotton up to the time they harvest it.

Mr. Speaker, Sir, I am at least glad to note that one section of the existing Act has already been amended and that is the representation of the farmers in the Board. I feel that the cotton farmers should choose the members to represent them in the Board and this should include members from the cotton societies and from those farmers who are not represented by the societies. This would assist farmers in airing of their views regarding what they need at the ground level. These representatives would be able to bring this information to the Board so that the Board can in turn take appropriate action.

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Mr. Deputy Speaker took the Chair

Mr. Deputy Speaker, Sir, those who are permitted to buy cotton should be assisted by the Board to get loans to be able to run these ginneries efficiently. It is my belief that if this ^{was} ~~is~~ done, we would have sufficient cotton grown in this country.

Mr. Deputy Speaker, Sir, other hon. Members ^{cotton} have talked about bonuses. I feel that this should be considered when we have grown enough cotton in order to encourage our farmers to grow more for export. As usual these bonuses come to

MR. MASINDE (Ctd.)

encourage the farmers so that a farmer who has done well feels that his job has been worth-while. Therefore, I feel that the Board should seriously be able to look into the issue of giving bonuses to the cotton farmers.

One Very important thing which I would like to emphasize, Mr./Speaker, Sir, Deputy is about payment to the farmers. A special system ~~we~~ should be worked out so that farmers get their payments immediately they have delivered their cotton. If there is any delay ⁱⁿ payment at all, it should not be more than one week so that the farmers can get the money to repay whatever loans they may have borrowed or to pay for inputs and other items they may have used in cotton growing. With this kind of encouragement and the freedom of buying and selling and also ginning of cotton being given to anybody capable of doing it, the growing of cotton would be boosted and this ^{would} ~~will~~ in turn make the country self sufficient in the production of cotton.

With these few remarks, I beg to support.

END L

DR. MISOI: Thank you Mr. Deputy Speaker, Sir, for giving me this opportunity to contribute ^{on} ~~to~~ this Bill. This Bill has come a bit late because the cotton industry has faced so many problems for a long time. The farmers have not been able to receive funds from the sale of their produce on time. The price of cotton, which has been produced in this country for a long time, is not comparable to that of the cotton produced in other countries. Also, the quantity of cotton ~~is~~ which has been produced, per unit area, is below what is expected. The question is: why should we have allowed such a situation to exist for such a long time? We know that cotton is important for our textile industry; we also know that with insufficient cotton production in this country, we have to import large quantities of cotton; we have to spend our meagre foreign exchange to import such products. We also have to spend a lot of funds to import ready-made clothes from abroad. I believe that with the present Cotton Bill, we should be able to improve the situation.

In this case, the farmer is very important. He can only produce cotton if he has the skills, if he is advised properly by the extension officers of the Ministry of Agriculture, or if he has been taught the ~~is~~ right approaches, procedures and husbandry of cotton production. His produce has to be bought at the right time and he has to be paid on time. Unless the Ministry intervenes, we are going to face a lot of other problems.

N. N. P
— There also arises the question of the role of the co-operative society. Unless its management, running and financing is improved, it will act as a bottle-neck to the production of cotton in this country.

It is also important, Mr. Deputy Speaker, to know that the consumers of cotton are ~~textile~~ the textile industries. These

DR. MISOI (ctd.):

industries should be able to support the production of cotton through certain measures. I note that the Bill stipulates some levies to be imposed on those dealing with cotton. Hopefully, this will be able to help finance a part of the production of cotton in this country.

The use of cotton, not only for textile production in this country, but also for other uses like the production of animal feeds, oil for human consumption, and other uses of its by-products, are ~~other~~ ~~aspects~~ important aspects which should be supported because if that is not done, we would still have to import cotton cake for the production of animal feeds, and we would still have to spend foreign exchange which we do not have to spend. We would still have to import cotton seed cake for the production of oil. That, also, drains our foreign exchange ^{earnings.}

Mr. Deputy Speaker, Sir, I believe that if all those charged with the management of the Cotton Board of Kenya itself, and those charged with the management of the co-operative society and those working in the Ministry of Agriculture, as extension officers, all co-operated and related their thinking, this industry would be viable and ~~would~~ we would be able to save this country a lot of foreign exchange.

Mr. Deputy Speaker, Sir, the Tea Board of Kenya, the Coffee Board of Kenya, the Kenya Tea Development & Authority, and many others, are running their ~~various~~ respective businesses properly. Through these organizations, the farmers are involved and the Government officers are also involved. The Cotton Board of Kenya should borrow a leaf from these organizations so that it would know their experiences and, also, how they have managed to run their industries. In that way, the cotton industry would definitely be viable. It would help our farmers get income,

DR. MISOI (ctd.):

uplift their standard of living and improve and implement the development projects in their areas.

I believe that we have to ~~x~~ be serious on this matter. We have the resources, the land, the people and the rain. Why can we not harness all these factors to improve the cotton industry? If we talked here seriously, and those concerned heeded the sentiments expressed by the hon. Members of Parliament on this Bill, we would be able to help this particular industry.

Mr. Deputy Speaker, Sir, the other aspect which is ~~i~~ also very important is right ~~kind~~ genetic variety we should plant. Research has to improve to make sure that we innovate and introduce new cotton seed varieties which can give high yields per unit area. Unless we do this, we shall be behind other countries which produce substantial cotton and from which we import cotton. We have ~~not~~ heard of Egypt which produces cotton by using irrigation water from the River Nile. Cotton is produced there by using ~~a~~ an expensive method. ~~M~~ In this country, much of the cotton can be grown by depending on the substantial amount of rainfall that we receive. We do not need to use expensive technology. Why should our cotton be expensive as compared to that of other countries? We need to manage our resources properly, efficiently and effectively for the benefit of our farmers and the country as a whole. We can only succeed if every individual involved in cotton production is aware of his responsibility and implements his role properly. We need to educate the farmers, train them and organize seminars for them so that they know how to handle cotton. We should not assume that we have laws and regulations which can be implemented, especially when they relate to the production of goods in the country. We need to motivate the farmers and ~~ex~~ encourage them,

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DR. MISOI (ctd.):

and we can only do that if we apply the right approaches to this function.

Mr. Deputy Speaker, Sir, I believe that the bad experiences we have had in the cotton industry, and in a few other agricultural industries such as the tea industry and the coffee industry, where they have not performed well - can be looked into much more seriously. It is not enough to jump and say, "Okay, we need such an industry". We need to move from one and improve. If a Board cannot do its job, we should disband it or re-organize it. We do not have to maintain people who are not producing anything. We have been maintaining people, paying them salaries for years, and if we realize that there is something wrong in any institution, we should apply very urgent surgical procedures so that we can save the country and the farmer a lot of problems.

With those few remarks, I support the Bill.

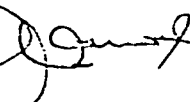
MR. ANGATIA: Thank you very much, Mr. Deputy Speaker, for giving me this opportunity for giving me this opportunity so that I may also contribute on this important Bill.

First of all, I would like to look at the various sections of the Bill from page to page. I would like the Minister concerned to clarify to us what has become of the old Board. I see that reference is made to the previous Board especially when it comes to finance and property. It is stated that the Board being established will replace the previous Board. We would like to know what has happened to the previous Board - whether we are establishing this Board while the other one is still in existence. I hope that when the Minister comes to reply - at the Committee Stage, - he will do the necessary to make sure that we are not establishing a Board side by side with another one which is existing.

MR. ANGATIA (ctd.):

Mr. Deputy Speaker, Sir, I would like to support one hon. Member - the Member for Nambale - who said that it is necessary that farmers be adequately ~~be~~ represented on the Board. If you look at the constitution of the Board - that is on page 7 - out of its 15 members, ^{you find that} only four have been elected by farmers. Is this a Government Board, a farmers' Board or a joint venture? I would prefer that it be a joint venture, and if it is, surely the farmers ~~shall~~ should have adequate representation. It is not necessary that the number ^{of those who have been elected by the} of farmers and that of the other members should be equal in ~~it~~ order that the farmer's wish may be taken into account.

Mr. Deputy Speaker, Sir, when you consider that the Minister has the powers to appoint members of the board and ^{H.U.C.} ~~power~~ to direct how the board is going to function, he has ^{H.U.C.} ~~got~~ enough people on the Board, ^{therefore,} to deprive the farmers of the opportunity to sustain and influence decisions and activities of the Board is not fair. So, I would like to ask the Minister to reconsider this. It would have been better for ~~the~~ those people elected by the farmers to be up to half the size ~~of~~ of the Board. These are the people who experience the problems; they are the people who are involved, at the front, as it were, of the actual industry. They produce and market the cotton; they are the people who experience the problems. The Permanent Secretary of the Ministry of Finance ^{and} ~~for~~ the Director of Agriculture experience the difficulties of the industry on the periphery - only in certain aspects, but not in totality, ^{but} but the farmer who is involved in the production and marketing of the cotton is the one who feels the problems involved in the industry.

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MR. ANGIATIA (ctd.):

This is the person who should be adequately represented on the board and, therefore, I would like to call upon the Minister to reconsider the number of those members of the board who shall be elected by co-operative societies or by farmers. I notice from the proposed amendment that the proposal of having two extra members elected by provincial boards is being deleted, thus putting all the powers in the hands of the Minister. Even when a provincial board consisting of mainly Government officers would have participated, from their own point of view, in nominating people to this Board, the Minister is taking that away also and appropriating it to himself so that he is the only one to nominate up to 11 representatives out of the total number of 15 representatives. I am sure that the Minister would be ~~zh~~ happy to share these powers and the responsibilities of running this board. I, therefore, want to suggest that he reviews that particular area so that farmers can be more adequately represented than is proposed in the present Bill before us. I am dealing with Clause 3(4)(a) which says:-

"The members of the Board appointed by the Minister under subsection (2)(i) shall——

(a) be appointed from a panel of names submitted by the provincial agricultural board....."

That is the part I was referring to, and I would rather it was retained than be removed as it is proposed in the amendment.

Mr. Deputy Speaker, Sir, another minor point on the same page is under subsection (5)(d) which says that a person may cease to be a member of the board if he is incapacitated by prolonged physical or mental illness. I do not know what is considered to be adequately prolonged, but I am sure that the Minister may consider ~~retire~~ retiring a member of the board who fails to attend to the board's business for a whole year. If one falls ill for that long, the Minister may consider retiring him and replacing him with another person to keep the board running and if the retired member ~~revers~~ recovers and is ~~st~~ suitable to serve on the board he can be appointed again. The term "prolonged" here may be up to five years or more while

MR. ANGATIA (ctd.):

still on the board, unless he is removed after three years, as it is proposed in the Bill. However, even after three years members are still re-appointable.

Mr. Deputy Speaker, Sir, I have not seen a direct statement to the effect that the board shall purchase cotton. I know that it is proposed in some section that the board may own ginneries, which means that it may take over ginneries currently owned by the existing boards and, in that process, may also purchase cotton. But I have not seen where it is stated that the board will ~~not~~ purchase cotton direct.

In Clause (5)(2)(f), it is stated:-

"to regulate and control quality and supply of planting seed through ginneries".

Now, will the co-operative societies buy cotton or will they take it on trust from the farmers and then submit it to the ginneries or will the farmers individually sell the cotton to the ginneries? I think there are proposed co-operative societies which I am sure, will be for receiving cotton and submitting it to the ginneries, ~~it~~ unless they are only charging assistance to the farmers during planting but not during the marketing of cotton. I would also like this one clarified by the Minister.

Sir, Clause 5(2)(g) says:-

"to carry and promote research and development in cotton production and processing technology".

I thought that with the recent move to put all agricultural research institutes under the Kenya Agricultural Research Institute (K.A.R.I.), the institute would be expected to set up a ~~it~~ cotton department where ~~it~~ they would do the research, quality control and so forth. I, however, think that the board should engage in its own research. I am not sure that this is a service that need^{not} ~~to~~ be put in the board, especially when we have K.A.R.I. If K.A.R.I. has institutions in cotton producing districts, then one would expect that those research centres in cotton producing areas would involve themselves in research on cotton or we could have a national research station for cotton so that the whole country is covered by that station under K.A.R.I. instead of suggesting here that the board shall have its own research ~~arrangement~~ arrangements. These are areas where we would like ~~the~~ the Minister to clarify.

MR. ANGATIA (ctd.):

Mr. Deputy Speaker, Sir, Clause 5(2)(h) says:-

"to provide, either on payment or without charge, or co-ordinate training for any sector of the cotton industry".

I am sure that the board can combine both providing and co-ordinating training. There can be several of these training programmes so that they can be ~~a~~ co-ordinated such that the board can ~~both~~ provide and also co-ordinate training programmes. I do not know why the Minister is saying that if the board ~~provides~~ can either provide or co-ordinate training instead of rendering both services.

Sir, coming to part III - Administration of the Board - I would like to say that this is an area which has been found tricky. I am referring to Clause 7(1). A mere declaration by a member of the board of their interests is ~~it~~ not adequate. If a member of the board is ~~interested~~ interested in dealing in cotton in a manner that is likely to create a conflict of interests between the board and himself then we can afford to sacrifice the member and protect the board. There should be no question of somebody merely declaring his interests and then continuing to serve on the board when, at the same time, he is serving his own personal interests. If a member represents manufacturers, then his interest is in manufacturing and that is all. If a member represents farming interests, then his interests are in farming and that is enough. A mere declaration of interests is not enough. For instance, at the end of the last Session of Parliament, we were told that the National Construction Corporation collapsed because, in some cases, there were members on the board who were interested in construction business. Those members were borrowing money from the Corporation and were being guaranteed by the same ~~by~~ corporation and did not bother to pay back the money. That way, they ~~has~~ caused the collapse of the National Construction Corporation. We are now doing the same thing here by allowing members of ~~the~~ this board merely to declare their ~~interests~~ interests. Those members who may be interested in buying cotton, and, perhaps, selling it or owning ginneries are the ones who will obviously create problems like the ones we

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MR. ANGATIA (ctd.):

witnessed when we were debating the National Construction Corporation (Repeal) Bill. I do not think it should be just a question of declaring interests; it should be made absolutely clear that one is either on the board or out. There should not be a question of combining the two. There are enough Kenyans in this country to look after certain aspects of the cotton industry without creating conflicts in the interests of the functions of the board and those of an individual.

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MR. ANGATIA (CTD.):

Therefore, I strongly feel that the Attorney-General should look at this point again and determine whether it is necessary. The fact that a person is by virtue a member of the board does not deprive him of his right as a Kenyan to participate in certain areas where his personal gain is involved. The people appointed to serve on this board should come out and serve the board, and not use it to serve their personal interests. This is dangerous and it should be looked into again so that when it is necessary, an amendment is introduced.

Mr. Deputy Speaker, Sir, under Clause 9, on page 11, I want to ask the Minister whether the seal mentioned there will not be used in the presence of either the board or a committee, rather than in the presence of just the chairman and the managing director. If the seal carries the importance that is suggested in this Bill, even if it is later entered into the appropriate register, its use should be witnessed by more than just the chairman and the managing director. It should be used only during board meetings when a resolution has been made or during committee meetings, where committees authorising the specific use of the seal are present. The presence of just two people is not enough if the seal carries the importance that is attached to it in this Bill.

Sub-clauses (1), (2), (3), (4) and (5) of Clause 10 need to be looked at very carefully. The reason why managing directors always have conflicts with chairmen and get powers beyond those of the Minister is that they are not answerable to the board. It is wrong for this board to be established and then it simply waits for the Minister, or the Office of the President, to appoint a managing director for it. This is totally wrong, and I want to appeal that it be amended. When the post of managing director falls vacant, it should be advertised in the normal way and the managing director should appear before the board. This is a very competent board with high-powered people, such as permanent secretaries, manufacturers and farmers. These are the right people to assess the qualifications and the suitability of an individual before he is

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h.u.c.
 appointed ^{as} managing director. This person is answerable to the board, and he should not take the board for a ride, nor misuse or ignore the board or create rivalry between him and the chairman. If, as is proposed here, the chairman is appointed by the President and the managing director by the Minister, the Office of the President, or some other authority of that magnitude, he will acquire his own powers and there will always be rivalry as to who should ride in the Volvo, who should have a red carpet in his office, and who should do what. I want to appeal to the Minister to amend this particular clause so that the managing director shall be appointed by the board ^{which} ~~and the board~~ shall set up the terms and conditions of service. The board shall determine whether he is performing his duties well and sack him if he is not performing them well, or put him on probation, and it shall do such other things as warning, urging or training the managing director.

h.u.c.
 Mr. Deputy Speaker, Sir, having fully accomplished managing directors who just sit in the office with all the authority from the Office of the President to run their institutions is one factor that has contributed to the failure of parastatal bodies. I want to say very categorically that this trend should not be allowed to go on any more. In fact, the arrangement in those parastatal bodies that have already been set up should be reviewed. With regard to the new parastatal bodies that we want to set up, such as this one, this matter must be changed. Some of these people are, otherwise, too big to be answerable to any board.

h.u.c.
 I want to carry on here and say that the terms and conditions of service of any parastatal body, especially this particular one, should be commensurate and in line with the profits they make. Let us not set up a board which will employ managing directors on very big salaries and continue getting money from the Treasury. These managing directors might as well be civil servants. If they are going to earn money from their own activities, they must be seen to be performing well and making profit. If they want to increase their salaries, people should look at the profits they have made, just like in any

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company. We cannot set up these institutions to make profits and then, at the same time, stop them from following the personal interest of making profit. If they make profit, their terms and conditions of service improve because they are performing their duties well and making a lot of money, thereby helping to raise the standard of living of Kenyans. In that case, they improve the comfort of their offices and their employees ride in comfortable cars, earn good salaries and get good allowances. These people ought to earn that money from the profits they make, and not from the Treasury. It is the arrangement of giving hand-outs from the Treasury to parastatal bodies which has made boards lazy. Even when they are not lazy, they are not interested nor bothered because their employees know that their jobs and salaries are guaranteed, whether they make money or not. They know that whether the boards are working well, or not, and they will continue to earn money/ ride and live comfortably. This is not how institutions which are set up to work efficiently and make money are run. From where will a company get money if its employees do not make it? From where will the company get money to pay people comfortably unless it is generated from the activities in which it is involved? The Minister ought to change this provision and streamline all other parastatal bodies. It is time these institutions made money if they want to continue to exist.

We were assured of this change when we were discussing the disbandment of the National Construction Corporation. I cannot now see why it should be perpetuated again in the Bills we are introducing or are going to ^{be} introducing in the future. People have taken hand-outs from the Treasury for too long, and it is time this provision was changed so that if you apply for employment with a board, the board ensures that it appoints the right people, knowing that they are going to work hard enough for the parastatal body involved to make money and make them live comfortably. If you want to be appointed to sit down and earn money for no work done, you should not apply for employment. If you apply for employment and then sit down to earn money

MR. ANGATIA (CTD.):

that you have not made, you should be sacked. This is normal in all industries. Even when Members of Parliament do not perform well in this House, wananchi remove them after five years. Why should we put people in very comfortable jobs with very big salaries without any expectation of removing them when they do not perform their duties well? Some people have stayed in some of these parastatal bodies for too long, with a few of them being removed from one body to another. They continue to enjoy themselves without being bothered. It is time that the statements that were given to us when we were discussing the disbandment of the National Construction Corporation were implemented. This is the time to act once and for all.

I have already emphasised the point contained in Clauses 10 and 11. The money made by parastatal bodies and the efficiency of their officers should be watched keenly. Even the number of people to be employed should be restricted by boards, as should the duties to be performed and the amount of money that is made by the institutions concerned to support the appointment of these people. There should not be automatic multiplication of offices and employment of friends and other people just because money is there to be earned. That should not be the case. It is time people in institutions, especially marketing institutions which are supposed to make money, became trained in the methods of getting companies to work profitably and efficiently in order to serve those who are supplying raw materials and other goods to them to their satisfaction.

Mr. Deputy Speaker, Sir, with those comments on the Bill itself, I now want to make some general comments. The first comment is on the marketing of farm produce. It goes without too much emphasis and repetition that the mainstay of the economy of this country is agriculture, and yet the people who are most frustrated in this country are farmers.

END O

MR. ANGATIA (Ctd):

Though they are the people who sustain the economy of this country, they are the most frustrated ~~people~~. The greatest frustration occurs ~~when~~ at the marketing stage after farmers have harvested their produce. They may have problems at the production stage: they ~~may~~^{be} let down by inputs or by livestock; they ~~may~~^{be} let down in various ways. But the difficulties they encounter in production are not as bad as the ones they encounter in their attempts to market their farm produce.

Mr. Deputy Speaker, Sir, as I speak now, sugar-cane farmers, particularly in Western Province L that is farmers in Kakamega, Bungoma, and especially farmers in Kabras Division L are experiencing a lot of hardships. They have ~~xxx~~ sugar-cane worth a lot of money but which has remained in the shambas for a very long time, because there is simply no market for it; it is simply rotting in their shambas where it is growing, falling down and re-growing. These farmers have worked hard, ~~xy~~ invested money, energy and a lot of other resources in producing this sugar-cane, and yet they cannot market it. They cannot sell it and realise money to benefit themselves. They cannot sell it and provide the sugar we need in this country in order to increase our stock and avoid importing sugar in future. Now what are people like these ones supposed to ~~x~~ do?

The marketing aspect of farm produce needs a very careful planning. It ~~does~~ does not work to tell farmers not to plant sugar-cane just as it will not work to tell farmers not to plant cotton. If a farmer is interested in producing more cotton, and he knows that this is the crop he manages better because his resources, know-how and so on are suitable for ~~xx~~ its production, then let him produce cotton. He should be assisted to sell the cotton and be paid promptly. The same goes for maize, milk and all farm produce. Right now the marketing ^{of} milk by Kakamega Dairy Co-operative Society is very discouraging; farmers have not been paid for the last four months. There are times

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when they go for one, three or even five ^{months} months before they are paid. Now, the consequences of this are obvious: the farmers will produce and will want to sell it to anyone who comes round asking for it. But when they try to sell their milk to anybody who comes round, the ~~Dairy~~ Kenya Dairy Board has field officers who will apprehend these farmers and take them to court. Now you can see the ^{irony} irony of the matter; the marketing is poor. Nobody wants to give milk to a consumer and wait for four months before he is paid. Where will he get money to feed the animals, ~~to~~ buy drugs for treating the animals, or pay at the cattle dip? [?] If you find another person who is willing to buy your milk, the Kenya Dairy Board officers apprehend and take you to court. This is the ~~the~~ height of frustration to the farmers.

Mr. Deputy Speaker, Sir, I have talked about sugar-cane. Maize is a seasonal crop ~~whose production suffers from fluctuations~~ where farmers are affected by fluctuations. At one time the Board takes maize on demand; at another time it takes maize and stays for a long time before paying; another time you must do one thing or another in order to get your maize accepted. Now cotton, sugar-cane, maize, milk - I am not mentioning tea and coffee where farmers also suffer their own frustrations - are important crops for this country, yet those who toil so hard to produce them are so frustrated that if they had alternatives, I am sure they would have abandoned growing them.

I know there was a time, more than 10 years ago, when maize farmers were so frustrated that they decided not to produce the crop. As a result we know what happened: between 1977 and now we have had to import maize several times; we have had to run out of the country to look for maize. We always import maize following a frustration^s of the maize farmers. We will be short of milk and will have to import powdered milk from Europe to feed our ^{children} children and ourselves when we frustrate milk producers, if you leave out the effects of drought. We will always import sugar when we frustrate sugar-cane farmers. But

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no-one seems to learn this lesson and do something about the situation. We are very good at planning, talking and setting up boards, like this one, but at the implementation stage you will find---. This is why we must take steps to ensure that we avoid past pitfalls and difficulties by ensuring that such things do not ~~hax~~ happen again. Let us avoid ~~frustration~~ frustrating our farmers.

Mr. Deputy Speaker, Sir, what does it mean when we have to import milk, cotton or sugar? It means if we sell our coffee, tea or pyrethrum or earn money from tourism, we remove it from the efforts to raise the standard of living of Kenyans and take it to Europe to pay an already well-paid farmer there, who is helping ~~xxx~~ another farmer produce beet-sugar, or cotton in the East. So whatever we import we are going to Subsidise people who are already wealthy. They have already exploited us enough through the sale of things like cars and other tools. They have already made a lot of money, but they will come and withdraw the little we may have made by saving on sugar, maize or cotton. For how long shall we dutifully obey the Biblical verse which states that, "to those who~~xx~~ have shall be added, and those who have little or nothing even the little they have shall be taken away and given to those who already have"? Surely what pleasure do we get by g dutifully obeying and implementing this?

When we talk about our economic growth, rate being low; when we talk ~~xx~~ about our performance of three per cent in agriculture, or our overall economic growth rate of 2.6 per cent, we should be able to come round and ask ourselves what the causes of ~~thx~~ this low growth rate are. Let us not blame it on expenditure on oil, the cost of our currency devaluation or on other costs. Let us ~~x~~ also ask ourselves whether we have played our part properly in the marketing of farm produce. Since our economy depends on agriculture we should make sure that farmers are properly and ~~xx~~ adequately rewarded. We ~~xxx~~ should ensure that boards, like the one we are going to set up, are efficiently

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run in order to ensure that this country is ~~realisi~~ realising what it ought to realise.

Mr. Deputy Speaker, Sir, this country is rich and its people are hard working. We would be enjoying a higher standard of living than we are doing if it were not for frustrations which are of our own making. There are ~~exf~~ external ~~p~~ frustrations; there are frustrations inherent in the nature of things like climate and so on; but these are part of the game. There are other frustrations, and I dare say that ~~some~~ some of these frustrations which we ~~we~~ create ourselves are so serious that they can outweigh even natural difficulties that arise ^{from} failure of rain, or too much rain, or other calamities. So, I would like to invite the Minister to look at the Bill again and ensure that when this Board is set up it ^{is} going to be example of an improved type of Board.

Now the marketing of cotton has been suffering, it must be for nearly 10 ~~x~~ years. I think this Bill has come after too long when cotton farmers have suffered, many of them have given up growing it, the industry has had to import cotton, and, probably, we have lost foreign exchange which has ^{been} learned from other sectors. Now that the Bill has now been tabled, let us not ~~have~~ overlook the loopholes that I am pointing ^{ing} out now. We should make sure ~~that~~ that this will be an efficient Board, which will ^{Promptly} answer ~~properly~~ ^{That} calls have been made by the farmers; it should ~~may~~ revolutionise the cotton industry to ensure that our factories are adequately supplied. ~~xxxx~~ We are producing high-quality cotton and we can afford to export it. There were days when our cotton was so good that we used to fetch a lot of money from it and use ~~xxxx~~ part of that money to import rather low-quality cotton in order ^{to make} clothes out of it for sale ~~for sale~~ in the East African Community, when we still had that market.

END P.

MR, ANGATIA (ctd.):

Now today with establishment of Preferential Trade Area (PTA) and with our own taste for good crop having gone up, we want to produce good quality cotton and use it ourselves to make clothes to sell to the outside world. We should not be selling cotton. There is no time and need to sell raw cotton. Common sense and the obvious industrial factor tells us that if you use cotton to make good quality cloth, you will sell the clothes outside Kenya and make more money than if you were to sell raw cotton itself however good it will be. Therefore, we want to make sure that our farmers are producing good quality cotton and our manufacturers are manufacturing good quality cloth and are selling it at good prices in order for us to fetch more money from outside.

The cotton industry ~~is one~~, Mr. Deputy Speaker, Sir, that could be ~~revolutionised~~ ^{revolutionised} at the moment and one that could contribute substantially to the foreign earnings provided it is looked after properly.

This Bill is drafted in the normal typical way. All Bills that have come here for ^{boards} goals of this kind have been drafted in exactly the same manner. I do not know whether it is because the drafter in the Attorney-General's office just drafts all of them the same way and do ~~not~~ not branch out in new areas to see whether we cannot introduce new measures that could of better benefit and ones that could bring greater benefit to our people. This is the same system used even in those boards that I have ^{failed} seen. They too look like this. Now, those that we want to succeed, look exactly like those that have failed. I think, it is time that we sat down and ~~we~~ tried to be ^{innovative} ~~innovative~~ and try to revolutionised the industry and implement our conviction that we want to produce good quality things whether from the shambas or from the factories so that we canx sell them outside and make money and improve the

MR. ANGATIA (ctd.):

standard of living of our people.

Mr. Deputy Speaker, Sir, management has always been the problem. We have said it before and we want to say it again that it should not be people who have failed in politics; it should not be those who failed at the elections or those who resigned to attempt political positions and get defeated who should easily be appointed to manage these things. If they can fail to satisfy their local villagers, how then can they satisfy us as a nation in managing a board like this one? The villagers know them so well that they reject them. If you go and appoint them as the best that we can have, to go and manage boards of this kind, surely, it is so obvious that once you have failed, you can also fail again. Such people would ^{also} mismanage this one. If you are good quality workers and are doing a good job in the parastatals and making good money there, you would not want come out and go into politics. This is because you are doing a good job and are earning well for doing that job. You can stay there. These days there are people who will just walk out of the civil service or parastatals to go and try their hand in politics. When they fail, they are assured of walking back into same positions in which they were.

There was a time when the present Vice-President was the Vice-Chancellor at the university told people that he did not want to give them second and third chances. If one did his Advanced level examination and failed and went home to do it privately or became a teacher until it matured into a university scheme, why should you have a second chance when there were many other people who had not had the first chance? Why should you have a second and third chance? That reason is, of course, debatable. But the relevant thing in situations of this kind is that people should not have too many chances when others have none. If there

MR. ANGATIA (ctd.):

Kenyans here who are qualified to manage these boards, why should people who have not performed well in other areas think that they ^{can} get it easy when they go into politics? It should not look as if those who cannot join politics-- There used to be a saying in the old days which was badly misconstrued which said: 'Those who cannot ~~teach~~ teach'. Teachers have to be of the highest caliber. They have to be qualified and have to do the job to justify keeping those positions. So, it was unpalatable to say that those who could not ~~teach~~ ^{lead} taught.

It appears, Mr. Deputy Speaker, Sir, as if in politics, those who cannot do those other things, will hurry up to come up into politics. Sometimes it is because they have made so much money and can come and pay people left and right and be elected or ~~not really elected~~ but ^{rig} rigged their way through into Parliament. This is because those who use money do not get elected, they simply buy their way ~~to~~ into Parliament. That should be made a little bit more difficult to achieve by us sticking strictly to the democratic principles and practices which we have outlined in our Constitution and in our Elections Act. This way people would not find it so ~~w~~ easy to simply come and find a way into this House. When they cannot make it because they are considered---

THE ASSISTANT MINISTER FOR MANPOWER DEVELOPMENT AND EMPLOYMENT (Mr. Otwani): On a point of order, Mr. Deputy Speaker Sir. Is it in order for the hon. Member to deviate ~~from~~ [?] so much from the cotton Bill? Could you please guide us here.

MR. DEPUTY SPEAKER: Mr. Angatia would you like to respond to that?

MR. ANGATIA: Yes, Mr. Deputy Speaker, Sir. I am talking about ~~people~~ appointments of people as ^{managing} ~~managing~~ directors and as members of boards in parastatals and what I am saying is that those

MR. ANGATIA (ctd.):

who fail ~~wh~~ to run institutions of this kind should not go into politics. Or if they do so and fail to be elected, they should not be appointed to boards of this kind. That is extremely relevant to the Cotton Bill. In fact ^{that may be} ~~maybe~~ one of the reasons why our parastatals do not do very well ^{This is those who} ~~is~~ because ^{go there to sit} there to look ^{around} ~~for~~ money to come and stand ⁱⁿ ~~at~~ the next election. So that is extremely relevant.

I will now, Mr. Deputy Speaker, Sir, proceed. I think that it is time we took stock of this one and became much more careful that in future we are not going to reward people for failing. If someone stands for election and fails, that is not reason for appointing that person to manage anything or to be the chairman of any institutions. This is a person who has failed. The wananchi have rejected him.

We cannot establish a far ahead and first rule on this issue. I generally want to say that on the overall most of these people are trouble makers who find their way somehow into ^{those} ~~this~~ ~~po~~ ^S ~~positioned way~~ ~~that~~ they are and create problems for our economy. I think it is time that they were told that they have had their chance and that their second chances would come after all other Kenyans have also had their chance. They should not be the ~~only~~ ones favoured to have second chances all the time.

With those remarks I beg to support.

THE ASSISTANT MINISTER FOR MANPOWER DEVELOPMENT AND EMPLOYMENT (Mr. Otwani): Thank you, Mr. Deputy Speaker, Sir, for giving me the opportunity to contribute towards this Bill.

I would not forget the Minister for Agriculture for moving this Bill at this time. I come from a constituency that grows cotton and I have been longing for this kind of Bill.

Before I proceed, I would like ^{US} to appreciate the fact

THE ASSISTANT MINISTER FOR MANPOWER DEVELOPMENT AND EMPLOYMENT
(Mr. Otwani) (ctd.):

that when we talk about cotton growing we are talking about very simple people in the ~~xx~~ village. We are talking about very simple farmers, children and old women. These are the people who grow the cotton. It happens to be one crop that cannot be grown on plantation basis. In the 1950's the Ugandan Government tried an experiment on plantation basis, and it was proved that it ~~xi~~ is not viable. This is because the nature of the crop and the soil is ~~xx~~ such that you cannot invest heavily on growing cotton and hope to benefit from it. What ~~x~~ I mean is that we must be very sensitive to very touchy issues that have to do with cotton growing.

Mr. Deputy Speaker, Sir, let me refer to page 14, part (4) which is about Funds of the Board. I am happy to note that there is a provision for a reserve fund. Considering the contributions right from the beginning, I would like the Minister to consider ~~af~~ a possibility of ~~giving~~ using the reserve fund to pay these simple people at moments when they most need the money. Here I refer to moments around December during the Christmas Season when these simple people most need the money to buy new dresses for Christmas, and, also to buy at least two kilogrammes of meat and chicken for Christmas. This is the time when the farmers who grow cotton are most hit when they find that they cannot enjoy the Christmas Season because their cotton is lying in the house or with ^{SOME} ~~some~~ middleman somewhere.

END Q.....

THE ASSISTANT MINISTER FOR MANPOWER DEVELOPMENT AND EMPLOYMENT (Mr. Otwani): (Ctd.):

Therefore, if we are to encourage these farmers which, I believe is the purpose of the Bill, then we must realise that it is very sensitive to pay them when they most need it; at Christmas and January when they most need the money to pay the school fees. If the reserve fund was used for that purpose, we would surely encourage many more farmers to grow cotton and we would also be appreciating the fact that we are dealing with the simple people in our community.

I would now like us to look at page 15, ~~under~~ ^{which} Clause 22 provides for a penalty for those who do not comply with Clause 19 and 21. I would like to suggest that the punishment should refer to one season. I believe if the offence is going to be committed it will be committed within a season and the punishment should be restricted to that one season. So, Clause 22 should say that 'and I quote; "shall be guilty of an offence and liable to a fine of ^R reduce that Kshs. 25,000/- to shs. 10,000/- and that term of imprisonment ^{should} to not exceed ~~ing~~ a year. This is because that offence will be committed within that season and if the punitive measures are supposed to be corrective, then we should not go beyond the absolute necessary. Maybe the Bill was thinking of persons who are capable of paying such large sums of money, but as I said earlier, we are talking about very simple people; we are talking about children. Therefore, when we ~~say~~ suggest excessive fines and excessive periods of imprisonment, we are not correcting at all; we are punishing heavily. In fact, what necessitated the new Bill is ^{the fact} that our 'simple farmers have suffered long enough', so let us now give them hope.

Sir, Clause 22 is a big worry for those of us who are close to these simple cotton growers. That Clause seems to give the Board complete control ^{of} the cotton. I would like to draw ^{the} attention of the House to the fact that, when the farmer heard about this Bill he was happy because he got the impression that at last the cotton would be his and he would be given due consideration in all aspects of cotton growing, such as cotton payment and so on. However, if ~~x~~ the

THE ASSISTANT MINISTER FOR MANPOWER DEVELOPMENT AND EMPLOYMENT (Mr. Otwani) (Ctd.):

Board shall purchase all cotton lint which has been produced and ginned in Kenya, on terms fixed by the Board itself, and ~~being~~ also being commercial-minded, the Board is not going to be foolish enough to think in terms of the poor farmer. We are supporting this Bill because we expect the Board to ensure that the farmer is happy. It is a bit worrying if we allow the Board to ~~also~~ determine terms, because as a profit-maker, they are likely to be favourable to the Board and are going to ^{endanger} the interests of the farmer, the ginner ~~and~~ and the co-operative. If the Board has to fund and not kill the spirit of the ginner, co-operatives and the farmers then the Board should be seen more as a technical adviser. That is what the farmer expects to hear; that the Board will be a technical adviser. Well, we understand the Board has also other functions but ~~we~~ let it not forget the sensitive little man. The farmer would like to hear that whatever the Board is doing, ^{it} is doing it on behalf of the farmer; it is disposing of the ~~raw~~ cotton seed and cotton lint on ~~the~~ behalf of the farmers. It should not be ~~any~~ meant in any way to make as much profits as possible. The farmer really expects that the Board will sell the lint all right and receive a commission. However, the farmer would like to have a ^{big} say on the lint and seed. That ~~the~~ Clause 22 seems to put the situation back to what it was with the Cotton and Lint Board in the past.

The farmer of Uhuru today, would like to see that anything that is colonially aimed at exploiting him is removed from ^{this} Bill. Therefore, that Clause 22 (i) should be removed completely because it still makes the farmer think the colonial aspects of the ^{old Board} ~~holy-God-lingers-on~~. I do not think it is in our interest to leave any traces of colonialism in this Bill. The farmer is aware that the final product of his ~~own~~ sweat on the farm is much higher than he ~~is~~ gets. The current price of raw cotton, that is lint and seed together is shillings 5/- per kilogramme. However, even after removing the seed, the lint that remains, is obviously ten times heavier than a piece of an handkerchief; now, what is the cost of a piece of cotton handkerchief? It is almost shs. 10. How heavy is it? It is hardly an ounce, so if one can imagine what a pound of

THE ASSISTANT MINISTER FOR MANPOWER DEVELOPMENT AND EMPLOYMENT (Mr. Otwani) (Ctd.):

lint costs and what the miller finally gets from it, and the farmer the very producer ~~is~~ is going to buy that piece cloth, then one can realise how much ~~pinch~~ pinched: the farmer feels. These are the kind of traces that we would like to remove. So, if we accepted the amendment so that the farmer is in a position to get a little more from the cotton than he has been getting before, and ~~is~~ in such a way that he has a say on ginned, cotton lint, then I think we shall be making our farmers happy. ~~I~~ Right now, they hardly have any say on the cotton seed and on the cotton lint; nothing at all. We would like this Bill to give them a little more say ~~that~~ so that we can grow more cotton, ^{and} stop importing it and be able to run all our mills economically.

Sir, I would now like to turn to page 21 of the Bill. We are happy that the ~~Ministry~~ Minister has provided in part (a) - Inspectors; ^{Now} ~~now~~ in view of Clause 34 and ~~§~~ 35, we should also accept the fact ^{well} ~~well~~ we have not had ~~the~~ inspectors of ~~is~~ this nature before but we have had technical assistants ^{the} in field. However, from their performance, I suspect that it is likely going to be a ^{tendency} ~~tendency~~ like ^{that} ~~of~~ technical assistants even when we get the cotton inspectors. From their performance, under the same Ministry, we realise that these people at times let the farmers down; they do not keep close enough to the farmers to advise them to ~~is~~ save their crops. I fear that ^{same thing} ~~that~~ ^{is} likely going to happen when they take up the duties of the Board as Board Inspectors of Cotton.

END R.....

THE ASSISTANT MINISTER FOR MANPOWER DEVELOPMENT AND EMPLOYMENT
(Mr. Otwani)(Ctd.):

So, there should be a provision to deal with inspectors who are negligent - those who are going to cause the farmers to lose. If an inspector will not advise ~~xxx~~ the farmer properly like some of our technical assistants in the field do not do ~~se now~~, the farmer is going to lose and you are going to ^{punish} ~~punish~~ him according to clause 35 (3). So, how do you protect a farmer from a negligent inspector? The Minister should consider a line or two on what to do with inspectors who are proved to have been negligent and who have been proved to have caused the farmer to suffer. At this juncture, may I propose that if we do ~~not~~ have these inspectors, let us please, have them ~~in~~ at local levels. Let us have them at sub-locational level and if possible, we recruit the people from within the sub-locations. Among other things, this will help to reduce unemployment which is one of our major concerns just now.

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

MR. wa MANG'OLI: Thank you, Mr. Deputy Speaker, Sir. My dear hon. colleagues have already covered most ~~xx~~ of the items that I wanted to ^{cite} ~~right~~, but it is important that I also speak on this important Bill.

One of the areas that I want to touch is on page 11 appointment staff of the Board ~~and its~~ ^{bolle and junior} senior staff. Under clause 10 (4) we would like that this body in appointing the general workers, that is, clerical staff and the like to appoint them from the areas that the cotton is grown. It should give them the chance of benefitting from the ~~item~~ ^{crop} they grow. I am saying that because you will ~~xxx~~ realize that

MR. wa MANG'OLI (Ctd.):

where some of these crops are grown like, for example, maize, and for that matter, citing an example of Webuye Paper Mills where they are talking about transportation being transferred back to the Kenya Railways, you will find that the Kenya Railways are going to collect funds from Webuye at the rate of Sh.400 million per year. But, the employment structure of the Kenya Railways is such that they employ all their staff from Nairobi yet they get Sh.400 million yearly from Webuye. So, we want this to be legalized so that when a parastatal organization is running such an institution, it should realize that the people of that area ~~xxx~~ where it draws its income are given a chance. Note that all appointments of the Kenya Railways are made here and most of those appointed do not come from Webuye ~~x~~ yet you will find that all the groundwork is done there and they are not benefitting at all. I am also looking at the Maize and Produce Board. There are some of their stores in Webuye and most of the people who work there are casual workers - ~~xx~~ gunia carriers - do not come from there whereas we are the producers of maize. Our wonder is that when we enact a Bill like this one, our people are not given a chance as producers of such a crop. I want to touch on that issue so that when the Minister comes to the question of employment for the purpose of this Act, any appointment in the Cotton Lint and ^{Seed} Marketing Board, clerical ~~st~~ staff should come from the areas where cotton is grown.

Another area that I wanted to touch on is on page 14 - Clause 18 - about the Annual Report where the Bill says,

"Within four months of the end of each financial year or such longer period as the Minister may approve----"

MR. wa MANG'OLI (Ctd.):

This is where there is a problem. Unless we provide a definite date, the tendency is that we shall be having annual reports like the ones we received here - the National Housing Corporation Annual Reports for 1981 to 1983. We must have a definite period as to when the annual reports should be given and therefore, see whether that particular parastatal is making any money. We cannot keep on holding on indefinitely as the Bill states in this clause, "such period as the Minister would approve---" I am not talking about the current Minister for Agriculture since Ministers are reshuffled. Tomorrow we may have somebody else in his place who may not want to carry out the order that he ~~had~~ has been given. We want to set up precedence here that the annual report for any parastatal body established by an Act of Parliament must have a definite time for us to read its annual report and if it is of no assistance get rid of it. As my colleague, the hon. Member for Malava said if they are not making any money at all, why should we continue sustaining them at the expense of the public? The Minister should take note of that small anomaly such ~~ka~~ that we should have a definite period in which the managing director and the chairman of the board must present to the Minister the annual report, say, three will be personnel. Why should we give him the whole year?

I would also like to go ^{quickly} back to where hon.

Otwani touched on and also put it as a closure of my contribution. This is the part that deals with the appointment of inspectors. Sometimes, these inspectors who are appointed by the Ministries do not serve any purpose. If you look at

MR. wa MANG'OLI (Ctd.):

the Ministry of Education, you find that ~~a~~ certain schools have never been visited yet we have ~~inspectors~~ school inspectors appointed to ~~do~~ that job. If they are ^{appointed} appointed, there must be a follow-up to see that they do their job and a good job as such. We expect ~~to~~ to see professional qualities in them because they are appointed on professional basis and they are professionals themselves. We must use their material and if they are not prepared, then the Minister should look into other means of hiring consultants to do the job so that we realize maximum returns form these particular products.

As far as we know, it is a general practice where inspectors spend their official time doing their own jobs ~~ex~~ especially those who are appointed in the same areas that they come from, other than doing the jobs that they are ~~appointed~~ appointed to do ^{they do their own jobs}.

I would also like to advice the Minister on the pricing of raw materials. The board is charged with the pricing of the raw material, that is, cotton. We hope it will not ~~be~~ going to be like the tea and coffee. When it becomes plenty, our price is determined in London other than here in Nairobi or for that matter, in Busia. These are the products we are producing and we must price it ourselves. We know the costing; why should we allow our pricing system to be determined by outsiders? I am saying this in the light of coffee and tea where you find their pricing structure is determined by people ~~we~~ who do not know where the coffee is grown in our country. So, ~~on this last one,~~ I hope the Minister will be tough on the board so that the pricing structure should not be overseas-oriented.

END S....

Wa
MR. MANG'OLI (Contd.):

Mr. Deputy Speaker, Sir, I would also like to say something in connection with restriction of exports in line with pricing. This is an area where we have more cotton than we require, and then we have that restriction. We want the Minister also to look at it so that it becomes flexible. Our farmers should not depend on local market as it is now with milk where we produce a lot of it and at times it cannot be taken by the Kenya Creameries Co-operative (K.C.C.). So, we cotton growers have a problem at a time of payment. We want the Minister to step up that because this is the only area where the farmers would be encouraged to produce more.

In my area, ~~especially in Webuye~~, and more particularly in Bokori, coffee was being grown in the previous years, but it was discouraged due to poor payments. They no longer want to grow cotton because payment has been a nagging problem. This is a problem which must be sorted out by the Minister manning the Ministry. I am sure something will be done and our farmers, and maybe ourselves as well, shall be paid on time so that we can contribute to this without any problems at all especially when we have the cost-sharing. We cannot be talking of cost-sharing when we have no money to contribute or to share.

Mr. Deputy Speaker, Sir, I am sure that when the Cotton Board is established it will look after the interests of the cotton, and will put the interests of the farmers in the villages ^{at the forefront} together so that they will start growing more cotton and earning more money.

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

MR. KUBO: Ahsante sana, Bw. Naibu Spika, kwa kunipa nafasi hii ili nami niongee juu ya Mswada huu.

Kwanza, ningemtolea Waziri shukrani kwa kukubaliana na maboni ya Wabunge na kuleta mapendekezo kwamba atafanya mabadiliko hasa kwa

MR. KUBO (Contd.):

sababu ya Kifungu nambari tano ambacho amekubali. Wasiwasi hasa ulikuwa kwamba Halmashauri hii ya Pamba ingenyimwa ule uhuru wa kuinunua pamba ikiwa hakuna chama cha ushirika ambacho kiko tayari kuifanya kazi hiyo.

Bw. Naibu Spika, baada ya kusema hayo ningependa vile vile kumweleza Waziri kwamba hajajieleza yeye mwenyewe katika Mswada huu, yaani bado hajaeleza "Waziri" ni nani katika Kifungu cha Pili cha Mswada huu. Hii ni kwa sababu kawaida yetu ni kwamba kuna Kifungu kinachoeleza "Waziri" ni nani; the definition of the "Minister", kwa sababu wakati mwingi tunaona kila mahali inasema "Waziri" atafanya hivi na hivi lakini haelezi "Waziri" ni nani. Kwa kawaida, Mswada huwa na Kifungu kinachosema kwamba "Waziri" maana yake ni yule ambaye atashikilia wadhifa wa uwaziri wa kilimo kwa wakati ulioko. Kwa hivyo, hili ni jambo ambalo nafikiri halikuangaliwa vizuri katika "draft" ingawa sina ugomvi nalo, lakini ni jambo la kawaida.

Bw. Naibu Spika, tukisema mambo ya pamba tunasema mambo ambayo yanahusiana na wananchi wengi sana katika nchi hii, kutoka wale ambao wanalima mashamba ya kutayarisha pamba, wale wanaopanda pamba, wale wakulima wenyewe, wale wavunaji, wale wenye kutoa dawa na wenye viwanda vya dawa na wale wenye kutengeneza nguo, na hata wale wauzaji wa nguo. Kwa hivyo, hili si jambo ndogo kwa sababu nafikiri tukiangalia ni watu wengi sana, yaani maelfu kadhaa ambao wanahusika katika jambo hili ama pengine ni mamilioni ya watu. Kwa hivyo, wakati tunapongea juu ya mambo haya tujue kwamba tunaongea tukiwa na haja ya kufanya marekebisho ili tuwe na pamba ya kutosha katika nchi hii.

Bw. Naibu Spika, wasiwasi wetu ni kwamba ukuzaji wa pamba hauendelei vile unavyotakikana katika nchi hii.

QUORUM

MR. ^{Wa}MANG'OLI: On a point of order, Mr. Deputy Speaker, Sir. I suspect we do not have a quorum in the House.

MR. DEPUTY SPEAKER: Yes. I think we are short of two hon. Members or so, and perhaps we could ring the Division Bell ^{but} I think due to the fact that we are short of two hon. Members, can I make a ruling that we proceed?

(applause)

HON. MEMBERS: No! No! No!

MR. DEPUTY SPEAKER: Oh, I take the correction that it is mandatory. So, we will ring the Division Bell. ~~Ring the Bell.~~

(The Division Bell was rung)

MR. DEPUTY SPEAKER: We have a quorum now. You may continue, Mr. Kubo.

MR. KUBO: Basi, Bw. Naibu Spika, naweza kuendelea. Nilikuwa naendelea nikisema kwamba wasiwasi wetu ni kwamba tutafanya nini ili kilimo cha pamba kiweze kuendelea mbele kwa sababu sasa ^{kinafika} ~~kinafika~~. Hilo ndilo jambo la muhimu, na yafaa tuambiane ukweli.

MR. DEPUTY SPEAKER: Order! Will the coming hon. Members please observe some silence? Hon. Kubo is contributing.

MR. KUBO: Bw. Naibu Spika, ukweli ni kwamba ukuzaji wa pamba umezorota ^{na} siyo kwa sababu vile tunavyofikiria. Ukweli ni kwamba uendeshaji wa vyama vya ushirika vinavyohusiana na pamba hauridhishi. Nikisema hivyo ni kweli kwamba mimi mwenyewe ni mkuzaji wa pamba, na ninavyosema hivi sasa nimeshapata pesa zangu zote za pamba ambazo ambazo nililima mwaka jana. Huu ni ukweli. Ukweli ni kwamba vile vyama vinavyosema vinataka kununua pamba yimeshindwa na kazi ya kuinunua pamba. Vinavyoinunua pamba haviwezi kufanya ginning, yaani kuichambua ile pamba kwa wakati unaofaa, na wakati mwingine wanaichukua mikopo ambayo wale wanachama wa vyama wanaitumia kwa njia ambayo si halali. Kwa hivyo, mahali ambapo Halmashauri ya Pamba hununua pamba yenyewe hakuna yale matatizo. Kwa hivyo, ni lazima tujiulize vile vyama vya ushirika vitafanywa nini ili viweze kujitahidi na kufanya haki kwa wakulima ambao wanakuza pamba katika eneo zao.

MR. KUBO (Contd.):

Bw. Naibu Spika, ukweli ni kwamba sehemu ambazo pamba inasimamiwa na vyama vya ushirika upandaji wa pamba unaendelea kuzorota hali sehemu ambazo Halmashauri ya Pamba inasimamia pamba yenyewe ukuzaji wa pamba unaendelea kwenda juu. Kwa hivyo, tusije hapa tukawa na wasiwasi kwamba Halmashauri ya Pamba itashindwa na kazi.

Najua kwamba siku zilizopita kwa sababu ya usimamizi, yaani management, wale waliokuwa wakiiendesha Halmashauri hiyo ya Pamba, ni kweli walikuwa wameshindwa na kazi lakini wale walioshindwa na kazi siyo kwamba eti Halmashauri ya Pamba yenyewe itashindwa na kazi kwa sababu watu binafsi wengine walishindwa na kazi. Halmashauri ya Pamba yenyewe inaweza kuifanya kazi yake ikiwa watafanya kazi vile wanavyotakikana kufanya. Wale watu walioshindwa walishindwa, na sasa kwa sababu tuna bodi mpya ama usimamizi upya, new management, ni juu yetu sisi kuwapatia nafasi. Mimi kama mkulima ninasema wanajaribu wanavyoweza. Yafaa tujiulize kwanza ikiwa tutajaribu kufanya mambo haya ya ununuzi wa pamba yachukuliwe na watu binafsi, kuna uwezekano kwamba watu wachache binafsi wanaweza kuunda makampuni yao na kuinunua pamba. Ukweli ni kwamba watainunua mwaka wa kwanza lakini ni nani ambaye ataikuza pamba mwaka wa pili? Hakuna mtu ambaye atawapatia wananchi nguvu za kulima pamba. Hivi sasa tunavyosema wananchi hupata mikopo ya kununua dawa. Pia wakati wa mavuno wananchi ~~hupata~~ hupewa pesa za kuvuna pamba, na wakati wa magunia ya kuchunia pamba, tunapewa na bodi, ~~na~~ vile vile wakati wa kupanda tunapewa mbegu za kupanda. Lakini ingefaa tuambiwe kwamba kama kuna mtu yeyote binafsi katika makampuni haya ambayo yanatarajia kuundwa ambaye atafanya kazi hizo? Mimi nafikiri hakuna.

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MR. KUBO (ctd):

Bw. Haiou Spika, kazi ya watu hawa itakuwa ni kuumua pamba tu na hawatajali mkulima atafaidika kwa njia gani watu wanapojitayarisha kupanda pamba. Ingefaa tujihadhari na watu kama hawa kwa vile wanajipenda binafsi. Nina hakika watu kama hawa sasa wanasema kwamba sheria hii ikipitishwa, wataanza viwanda vyao vya kuchambua pamba. Watu hawa hawajitueleza vile vituo watakuwanavyo vya kuumulia pamba. Kwa wakati huu, Bodi ina vituo vya kuumulia pamba na ghala ^{maghala ya} kuweka pamba. Bodi pia ina mashine za kupima pamba inayomua. Kazi hii yote inaweza kufanywa na shirika ambalo lina dhamini ya Serikali. Hebu tujiulize, ikiwa watu watajitolea kuumua pamba na wafanye kama vile watu wa Kenya Rayon au vile watu wa Ramisi Sugar Company walivyofanya na kufanya watu kufilisika, je, wale ~~watu~~ wakulima ambao wamepeleka pamba ^{gao} kwa makampuni kama hayo, watafanya nini? Je, mali yao italipwa na nani?

Ninaiunga halmashauri hii iendelee kuumua pamba kwa sababu tunajua ina dhamini ya Serikali. Kwa hivyo, ikiwa kutakuwa na shida yoyote, tunajakika Serikali itawalipa wananchi kiasi ambacho wanadai halmashauri hiyo. Ingefaa tujihadhari sana na wale ambao wangependa mapendeleo kwa mamfaa ya watu wachache binafsi.

Kitu ambacho ningependa Waziri aangalie kwa makini ni kwamba kwa wakati huu, bei ya pamba hailingani na matumizi ya mkulima. Kwa mfano, kutayarisha shamba, kupalilia mara tatu, kupiga dawa mara saba, kuchuma pamba, kuchagua grade A na ~~grade~~ grade B na kupeleka katika maghala ya Bodi kuchukuwa pesa nyingi sana. Hesabu ^h iyo yote ikifanywa, utaona kwamba Shs.5/= kwa kilo moja ya grade A na Shs.3/= kwa grade B ni kitu ambacho hakirudishi faida yoyote kwa mkulima. Njia ingetafutwa ya kupunguza gharama ya ukuzaji pamba, hasa inapotoka kwa mkulima na kuelekezwa kwa mtengenezaji nguo. Ingefaa njia itafutwe na kupunguza zile gharama zilizo katikati. Hii ni kwa sababu kuna gharama nyingi katikati

ambazo zinastahimiliwa na Bodi kwa wakati muu. Ningependa kumuuliza Waziri atafute njia ya kupunguza gharama ili kiwango cha faida kinachoringia kwa mkulima ^{angua} ~~anga~~ kiweze kuongozeka. Ingawa mbegu za ~~pa~~ ^{hauzwa} pamba hupewa wakulima bila malipo, nyingino ~~hauzwa~~ ^{hauzwa} kwa wale wanaosaga mafuta na faida hiyo inaingia kwa Bodi. Ingawa tunafahamishwa kwamba pamba hiyo ~~hauzwa~~ ^{hauzwa} ~~kwa~~ kati ya Shs. 25/= na Shs. 30/= kwa kilo moja ambayo imechambuliwa na tunaelezwa kwamba ni karibu kilo tatu na robo ya pamba isiyochambuliwa ndiyo inaweza kuwa kilo moja ya ile pamba iliyo-chambuliwa, mkulima hapati faida inayofaa. Kwa hivyo, ile tofauti mkulima anapata ni ya chini sana na tunamwomba Waziri aangalie kama kuna njia ya kuendelea kumpa mkulima kitu ambacho kitamwezesha apate faida.

Nikimaliza, ningependa kusema kwamba sisi katika Bunge hili, ingefaa tufikirie sana uchumi wa nchi yetu. Uchumi wa nchi yetu ni kitu cha muhimu sana. Tukiteleza kwa njia yoyote, basi tunjue kwamba itaibidi nchi hii kutoa pamba nchi za nje kwa matumizi katika viwanda vyetu vya kutengeneza nguo. Ninafahamishwa kwamba zile pesa zinazohitajika kwa ^{ya kutengeneza nguo hapa nchini} kumumua pamba/zinaweza kuwa kama £200 milioni kwa mwaka. Kwa hivyo, Bw. Naibu Spika, ni lazima tujue kwamba lolote tunalofanya kuhusu mkulima wa pamba, basi tufahamu kwamba kuna ~~uwezekano~~ uwezekano, kwa mfano, ikiwa miaka miwili au mitatu ijayo hatalima pamba, basi nchi hii iwe tayari kutumia milioni nyingi za pesa kuleta pamba hapa nchini.

Ingefaa tujue kwamba mwananchi wa kawaida anapendelea kukuza pamba kwa sababu ni kazi ambayo inahitaji uangalifu wa hali ya juu. Katika mipango yetu wa Serikali, ni lazima tutafute njia ya kuwaweka wananchi katika hali ya kukaa mashambani badala ya kuja mjini. Ningependa kusema pamba ni mmea ambao mtu akishaupanda, unaweka shambani na hatakuwa na nafasi kutembea hapa na pale. Nina hakika wale wanaokuza pamba wanafanya kazi nzuri sana inayowaweka mashambani kila wakati. Ikiwa tutafanya lolote litalomvunja moyo mkulima wa pamba, tutakuwa na shida nyingine ya ukosefu wa kazi na tunajua hatuwezi kuwapatia wananchi wote kazi mjini. Kwa hivyo,

ni juu yetu kujihadhari sana ili lolote tutakalosema na kutenda juu ya Mswada huu, tujue tunafanya hivyo kwa moyo mmoja wa kuwasaidia wananchi na kuwapatia kazi ili ~~viwanda~~ viwanda vyetu viendeleo kupata pamba hapa nchini. Kwa njia hii, haitatubidi kununua pamba kutoka nchi za nje.

Kwa hayo machache ninaunga mkono.

MR. DEPUTY SPEAKER: Since there is no hon. Member willing to contribute to the Bill, I now call upon the Mover to reply.

THE MINISTER FOR AGRICULTURE (Mr. Mwangale): Mr. Deputy Speaker, Sir, I would to express my very sincere thanks to all Members of Parliament who have made very valuable contributions to the Bill. I believe that the Government is making a very major change in its policy, not only in the cotton industry but also in respect of other crops. What we are intending to do is what my hon. colleagues here have mentioned, that is, to re-look at the entire policies which we have pursued over the years in agriculture, and in many other sectors, so that we can streamline and make them responsive to the needs of this country.

Mr. Deputy Speaker, Sir, I will attempt to answer specific suggestions from Members of Parliament. I would also like to say as and when we have the Committee of the Whole House, amendments should be brought and hon. Members will be free to make suggestion or bring ~~and~~ amendments which will enhance the usefulness of this particular Bill and, of course, the Board and the industry as a whole. The objective of this Bill, reflects the Government's concern on the problems which have affected the cotton industry since the establishment of the Cotton^{Lint} and Seed Marketing Board in 1965. Hon. Members are right in saying that we have taken a long to make or suggest these structural changes which we are now introducing in order to improve the performance of the Board and, indeed, the entire industry. When you read this Bill in its totality, you will find that what it aims to do is to ~~provide~~ provide a legislation for a national framework within which a new marketing system of the industry can take place. .

THE MINISTER FOR AGRICULTURE (Ctd.):

Mr. Deputy Speaker, Sir, various suggestions were made by individual hon. Members of this House. I may appear to be repetitive because I kept on making notes as hon. Members spoke on the various clauses of the Bill. Hon. Galgallo did mention about the problems/in the Tana River Basin, particularly affecting farmers in the Bura Irrigation Scheme. Let me take this opportunity to assure the hon. Member that the Ministry concerned, that is the Ministry of Regional Development, has taken action. Bura Irrigation Scheme was under the Ministry of Agriculture until the recent re-arrangement of Ministries. At that time, the Government was following the directive of the President that Bura Irrigation Scheme/should be supplied with water by gravity rather than pumping the water to reach only a very small fraction of the potential production that lies in Bura. The President directed that this should be done immediately and action is now being taken and I am sure that in the very short run, we shall be able to have Bura Irrigation Scheme as a whole being supplied with water. The total area which is so far ready for irrigation in Bura is about 6,000 hectares out of which only about 2,500 hectares are now being irrigated whereas the infrastructures for the rest of the scheme were put in place sometime ago.

It is also true, Mr. Deputy Speaker, Sir, that the method now being used in Bura Irrigation Scheme in controlling pests has also been looked into by the Board itself in conjunction with the Ministry of Agriculture on behalf of the Ministry of Regional Development. We found out that the kind of sprays that are being used, due to the/nature of climate and the wind velocity in Bura, ~~the sprays~~ were not as effective as they should have been. The management of Bura Irrigation Scheme started the introduction of other spraying equipment. I think they are now encouraging farmers to use hand spraying equipment and I think they are also introducing motorised sprayers which will take care of the problems which the hon. Member mentioned. I do not want to dispute the fact that the potential for irrigation in the Tana River Basin is enormous. In fact, when you look at the potential of irrigation in this country, especially when we know that the actual high potential in rainfall areas in the entire country is only about 24 or 25 per cent of our total land area, you

THE MINISTER FOR AGRICULTURE (Ctd.):

can see how important irrigation is to us in terms of our plans and future programmes for maintaining a food policy that would ensure that we have enough food ~~xxxxxxx~~ in our country both for domestic consumption and for export.

Mr. Deputy Speaker, Sir, I just wanted to mention the points raised by the hon. Member. I would like to assure him that the programmes for the expansion of Bura Irrigation Scheme under the Tana River Basin and Hola programmes, are now going on. We have all kinds of limitations but the objectives are there and I am sure that with the new impetus of development in our management ~~and~~ institutions, and in the management of our economy as a whole, sufficient resources will be developed and deployed in those areas within the programmes of our Sessional Paper No.1 of 1986 which refers to programmes up to the year 2000. If you look at that Sessional Paper, in fact, you would find that everything is specified there showing exactly what is going to happen in terms of irrigation and which areas are going to be involved and what schemes will come under irrigation other than those six that we now have in the country.

Mr. Deputy Speaker, Sir, the hon. Member for Central Imenti did mention about the distribution of pesticides to farmers. Let me say that in the case of Meru, it is the Board which has taken a very active role in the management of cotton industry in that area and I think they have performed very well. If you look at the production figures for cotton in the last ten years, the actual shift in terms of quantity and quality of cotton produced in the country has moved from the ^{West} ~~West~~ ^{East} ~~East~~ of the Rift. So, when you look at the ^{East} ~~West~~ of the Rift, you will find that it has become the major producer of cotton, and when you look at the attribute to that type of problem, you will find it is ~~because~~ first of all because the Cotton Board has been successful to a very large extent in paying the farmers for the cotton they bought from them to man the ginneries they used to have and/are still owning today. However, in the case of the ^{West} ~~West~~ of Rift where most of the buying is done by other unions or societies, the inability of some of these unions and societies to pay the farmers, has made a major contributory and factor to the decline, in fact, to the near collapse of cotton industry in the

THE MINISTER FOR AGRICULTURE (Ctd.):

West
west of the Rift. So, the distribution of chemicals through the unions and societies in the Meru District has been very well managed, whether you talk about Meru Central, Meru South or Meru North. These unions and societies in this area are very well managed and they have become an asset to the co-operators and that is why when you look at the per capita income of cotton/farmers in Meru District, you will find that it is much higher than/of those farmers in the neighbouring districts. tea, coffee, pyrethrum that immediate

Mr. Deputy Speaker, Sir, the question of/payment of money to farmers when their produce has been delivered is an issue which His Excellency the President has continuously talked about. As you are all aware, we have now received instructions, not only in the Ministry of Agriculture, but also in other Government Ministries whose portfolios include dealing with boards or parastatals responsible for various commodities, to ensure that farmers are paid as promptly as possible. In the case of cotton industry, as I said before, the whole marketing structure was done in such a manner that it was not possible to pinpoint who was fully responsible for the payment to the farmers. In some cases, like one of the hon. Members has mentioned, ~~before~~ the whole middle-man structure was so heavy that by the time the Board paid the cheque to the union and then from the union to the society and then from the society to the members, it took as long as six months. This is just simply because the Cotton Board brought a cheque to the union and the union took about three or four weeks to clear the same cheque through the Bank. When the Bank gets the cheque after three or four weeks, they also write another cheque to the society and the society banks that cheque which takes another two to three weeks for the society to pay the farmers, again by cheque. This whole process was too long. Secondly as the hon. Miruka - Owuor mentioned, we have had just too many problems.

END V

THE MINISTER FOR AGRICULTURE (ctd.):

Secondly, as hon. Miruka-Owour mentioned, we have had too many problems. The purpose of this Bill is to ensure that the Board is no longer responsible for the payment to the farmer directly. Once the farmer plants his cotton, it ^{is} for him to decide when he will sell it to ^{the} co-operative society, or an individual ginnery owner. This is because in this Bill, we are proposing that the Board can license any number of ginneries. I am calling upon my ^{colleagues} ~~colleagues~~ here who do not want to become members of the Board, as one hon. Member mentioned, to put up ginneries in their own areas, ensure that those ginneries are licensed and that they buy cotton from the farmers. Once you do that, you will be required to ~~be~~ pay the farmer. Therefore, the farmer now has the final say - whether to sell his cotton to an individual, to a ginnery ~~or~~ to the co-operative society. I think those options are very good.

We are going to adopt the same policy we have for tea, coffee and other products. I ~~was~~ will bring, shortly, a regulation which will introduce an auction system for cotton, allowing the introduction of bidders to come and bid for our cotton and compete with our local buyers. That will ensure that the Cotton Board of Kenya will auction the cotton. The auction system will also enable the Government, in its price review, ^{to} say the amount of money that the farmer should be paid when he delivers his cotton to a ginnery or a buyer, and that over a period of time, after the cotton has been sold through the auction, the bonuses the hon. Members are talking about can also come into play. So, in fact, the restructuring of the cotton industry management is aimed at ensuring that the whole process of marketing of cotton, right from the farmer himself, through to the ~~the~~ export which will be done

THE MINISTER FOR AGRICULTURE (ctd.):

when we have surplus cotton, will ensure that the farmer is paid as quickly as possible. That is the objective.

Mr. Deputy Speaker, Sir, I know ~~like~~ that the concern of hon. Members is that we have, in fact, in the past, in many cases, promised the farmers that they would be paid on such and such a date. Let me ask for your assistance in this part. These procedures or ^{regulations} ~~regulations~~ we are establishing in the Bill will take time. That is why we have suggested that the Cotton Board of Kenya be the overseer of the actual transfer of all the ginneries to the co-operative unions. Before that is done, the Board should have the authority to purchase cotton where other people have failed to buy it, for example in Bungoma, Meru or Taita-Taveta. If the ginneries have failed to buy cotton, instead of allowing the farmer to suffer, the Board will intervene and buy that cotton and process it in its ginneries accordingly. Therefore, the whole thing is aimed at ensuring that the farmer is taken care of.

On the part of research, if you look at the commodities which have performed well in this country, you will find that they perform well because they have been fully backed by very strong research institutions. If you take the Coffee Board of Kenya, as an example, you will find that it has one of the most well-manned technical teams in East Africa. The variety of coffee we are producing - Ruiru Label - is being respected worldwide. We have been able to develop it at our own research station at Ruiru. The reason behind this success is that the Coffee Board of Kenya has had the ^{Research} ~~Research~~ Foundation. That Foundation levies a certain amount of cess whose purpose is to ensure that that research institution is run smoothly; and that it is supported financially which, in turn ensures that

THE MINISTER FOR AGRICULTURE (ctd.):

the industry is supported. What we are now suggesting here is something similar. The cotton industry is an important industry; it is a big industry, so we cannot leave it simply to the Ministry of Agriculture, or leave its support in the hands of donors. It must be supported and it should have its own research institution. What we are proposing here is a small levy, or cess, to be imposed ~~x~~ so that we can establish a cotton research foundation. We will also be having a sugar research foundation. The ~~x~~ purpose of setting up these research institutions is to ensure that the various industries can conduct their own research.

Research in the area of cotton has been very bad. We have not done as we should have done. In fact, when you look at the seed-testing systems we have used and the materials we have tried to ~~x~~ develop, you find that we are well behind other cotton producing countries. In fact, we are behind Uganda because it has a very strong cotton research team at Tororo. We want to develop a similar one here. Since our institutions are better structured and better manned than those of other countries today, we do not see any reason, whatsoever, why we should not be able to produce better varieties and qualities of cotton in the various climatic zones so that ~~x~~ we can ensure that we produce more cotton than we are producing today.

I did say, Mr. Deputy Speaker, Sir, that this country has the potential of producing as many as ^{224,000}~~224~~ bales of cotton within a very short period of time. The actual capacity we have of our ginneries is about ~~112,000~~ 112,000 or 110,000 bales of cotton, but we are producing cotton in varying number from year to year, between 30,000 bales and 65,000 ~~bales~~ bales, which is way below the capacity of the ginneries we have in this country. If you look ~~like~~ at the 29 textile factories, you will find that all of them import cotton simply because the varieties of ~~them~~

THE MINISTER FOR AGRICULTURE (ctd.):

cotton that we produce cannot be used in our own factories. We can produce the varieties of cotton that we can use here in places like Bura, Hola and Kerio Valley. The potential we have in these places of producing the varieties of cotton that we can use here is quite ~~h~~ a enormous. We are capable of producing enough cotton for local consumption and, also, for export. This is what we are now looking for. We are looking for an industry which can ensure that the farmer is fully supported and given good incentives with infrastructure to ensure that we come to the top in terms of cotton production.

Having touched on research and marketing of cotton, I would like to assure hon. Members that the price reviews that are done yearly for commodities in the Ministry of Agriculture, the Ministry of Livestock Development and the Ministry of Regional Development will continue. These will come out at the beginning of every year, and we will try to, as much as possible, ~~remunerate~~ remunerate the farmer so that he can see that he is being rewarded for what he sweats for. But on the other hand, as I said when I was introducing this Bill, the mess that has inflicted a ~~n~~ lot of our statutory boards and other institutions have now been resolved. I do not think there is any management ~~bx~~ board of any ~~ix~~ such statutory ~~ix~~ board, or institution, that can get away with "murder" the way they have done in the past, where they used to "murder" institutions until they collapsed.

END W.

14.5.88.

JMK

THE MINISTER FOR AGRICULTURE (ctd.):

I am sure that my colleagues, who know this, will support me here. They know that what we are trying to do is to make sure that at every step, including even the budgetary proposals that are brought forward from boards, is to scrutinise everything through inter-ministerial committees and the budgetary committee in the Treasury. The management of these boards is being monitored at every stage. We cannot, however, say that we are 100 per cent successful although, by comparison, the performance of our economy and the reflection in our present growth rate are a reflection of the successes that we have made by instilling the type of discipline we have done now in Government. The board being no exception, I have had ~~many~~ suggestions from hon. Members as to how they wish the board to be ~~xx~~ structured.

Mr. Deputy Speaker, Sir, at this juncture, I would like to appeal to all hon. Members to look at the structures of other boards and the role that the Government must play in the regulation and promotion of certain of our industries. For example, our Coffee Board plays such an important role that if it were not there the industry would not have achieved the ~~xxx~~ type of status it has achieved in the international market as it ~~x~~ has today. In fact, in the world market today, it is only Kenya coffee that is at the top. Everything else put together, it ~~is~~ is only Kenya coffee which comes at the top in terms of quality. In fact, if people were to talk about who would benefit out of a lack of quotas in the international coffee market today, we would be the first ones to gain because everybody wants to buy Kenya quality coffee.

Mr. Deputy Speaker, Sir, we are now ~~trying~~ trying to expand our robusta coffee production, and we are using the same process of preparing it just as we do with arabica coffee. The robusta ~~xx~~ coffee that is being produced in Kenya today on an ~~experimental~~ experimental basis is of top quality. None can compare with us in that direction. So, boards play a key ~~xx~~ role and they give you, as a supreme body of this nation, a chance to be able to scrutinise the activities in that industry. I think we have to look at it from that point of view, that as much as we can say

14.6.88.

THE MINISTER FOR AGRICULTURE (ctd.):

about being able to leave everything to either farmers or unions, we would like to have such boards because they play a key role also. However, it is important that we devise institutions which, either in ~~immediate~~ immediate terms or in a short term, are necessary for us to be able to build a foundation upon which we can move to the next stage and go into the long term plans. That is exactly what we are trying to do in the Cotton Board.

Sir, some hon. Members have pointed out that it appears as if we have more Government Ministry officers in the Cotton Board than the representation from the farmers themselves, but, at least, the Ministry of Agriculture has to be represented on the board by the director of agriculture and the permanent secretary in that Ministry. Also, the Ministry of Co-operative & Development has to be represented on the board by the Commissioner of Co-operatives and the permanent secretary in that Ministry. Of course, the chairman to the board shall have to be appointed by the President since that is a requirement by the ~~Administrative~~ State Corporations Act. We also require a managing director to the board.

END..... X.

THE MINISTER FOR AGRICULTURE (CTD.):

So, when you look at that point, you find that no one can complain about it now. We are providing in the ^{Bill} board for any representatives from industries, that is, unions, individual ginners and coffee societies. That is a very large number of representatives. Some of my colleagues may say that some of the board members will be appointed by the Minister, but this is only because there are some cases where cotton is grown by farmers who are not members of any union. These people must be represented on the board as well. Take Bura Irrigation Scheme for example. It is a huge place. Do you want to leave a vacuum there, with nobody representing the cotton farmers there? Do you want to do the same with people who are not members of any particular unions and yet they grow cotton? We have only allowed two representatives in this case. One of them is to be appointed by ginneries, and the other one by these people who are cotton ~~growers~~ growers, but are not members of any unions.

I think we have tried to take care of everything as much as possible but, as I said before, if hon. Members feel that they need to refine any of these clauses, either tomorrow or whatever day we start moving amendments, they are welcome to make their amendments for discussion to see how far we can accommodate them. Some hon. Members have emphasised the importance and the potential that lies in the cotton industry. There is no doubt whatsoever that if we want to diversify the industry as a whole, we can produce all the seed cotton and oil cotton. We can even expand our textile industry and export some of the cotton generated. This potential is unlimited. What has been a prohibitive factor here is payment to farmers. Once we design a system that ensures that the farmer is paid when he delivers his crop, this will be good. He should be assured of a proper programme of payment, even if it means that we will pay him 25 per cent of his total entitlement on the day of delivery. This is what we do in the coffee industry. Coffee farmers are paid a certain portion on delivery, after about two or three months, they are paid another portion, and so on. The cotton industry requires ~~the~~ exactly the same programme, so that the farmer is assured that over a certain period of time, he will be paid all his dues through a definite programme of payment. In that

THE MINISTER FOR AGRICULTURE (CTD.):

way, the farmer concentrates on farming.

I believe that I have covered the points that have been mentioned by hon. Members. One other point was with regard to the definition of the board. I think that one hon. Member mentioned that when you talk about the former board, one wonders whether it is a dead board, or not. When we bring this Bill into law, it will take over from the board at that time. The board is still functional as it is today.

Some hon. Members mentioned something about a member of the board being incapacitated or mentally ill for a prolonged period of time. They suggested that the word "prolonged" may not be appropriate here. We will look into this point before tomorrow to see what amendment can be brought in, if it becomes necessary to amend this word. One of the good things about this country is that we have the Attorney-General's Chambers which with highly qualified personnel and lawyers. Their words are usually very well couched. They define everything to ensure that it fits into what should be said. The word "prolonged" may be absolutely legal in their context, but if we find that the Attorney-General can be convinced that the word "prolonged" may be a liability to the board, it can also be looked into tomorrow.

Mr. Deputy Speaker, Sir—

HON. MEMBERS: Say, "I beg to move". Say, "I beg to move".

THE MINISTER FOR AGRICULTURE (Mr. Mwangale): No, I still have a few things I want to say with regard to the appointment of the managing director.

ADJOURNMENT

MR. DEPUTY SPEAKER: Hon. Members, it is now time for the Adjournment of the House. The House is, therefore, adjourned until tomorrow Wednesday, 15th June, at 9.00 a.m.

The House rose at thirty minutes past Six o'clock.

END Y

R E P U B L I C O F K E N Y A
T H E N A T I O N A L
A S S E M B L Y

OFFICIAL REPORT

Wednesday, 15th June, 1988

MORNING SITTING

ORAL ANSWERS TO QUESTIONS

Questions Nos. 71, 76, 65 and 58

Questions Nos. 74, 54 and 75 - Deferred

QUESTION BY PRIVATE NOTICE

Price Control on Essential Commodities (Mr. Kiliku)

MOTIONS

Promotion of Economic Growth Through Labour Intensive Projects -
Mr. K'Ombundo - Question Proposed - An Amendment Proposed
by the Minister for Energy - Agreed to as amended

Tapping of Lake Victoria Waters for use in the Country -
Mr. K'Ombundo - Question Proposed - Debate Interrupted
without Question put

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H A N S A R D

Wednesday, 15th June, 1988

The House met at Nine o'clock.Mr. Speaker in the Chair

PRAYERS

ORAL ANSWERS TO QUESTIONS

Question No. 74

MR. SPEAKER: Is Mr. Bujra not here?

Let us move on to Question No. 71, Mr. Kubo.

Question No. 71

BW. KUBO alimwuliza Waziri wa Ustawi wa Maji:-

(a) kwa nini ule mtaro, yaani drainage canal, wa kukinga mafuriko ya mto Lumi haujakamilishwa;

(b) kama anafahamu kuwa kutokamilishwa kwa mradi huu kunasababisha mafuriko sehemu ya Kiwalwa, kimorigo, Abori, Kamleza na Marodo huko Taveta; na

(c) mradi huu utakamilishwa lini.

THE ASSISTANT MINISTER FOR WATER DEVELOPMENT (Mr. Mweu): Bw. Spika,

naomba kujibu.

mafuriko

(a) Ule mtaro, yaani drainage canal, wa kukinga mafuriko ya mto Lumi haujakamilishwa kwa ajili ya ukosefu wa pesa, pamoja na mashine za kuchimba mtaro huo. Mashine z moja, aina ya Broyt Excavator, ilivunjika katika mwaka wa 1985. Mashine pyenyewe ni zee na vipuri vyake havipatikani nchini Kenya. Zaidi ya hayo, kwa ajili ya ukosefu wa pesa, ilitubidi, kama Wizara, kupunguza idadi ya wafanyakazi na kuwapeleka mahali pengine. Mashine nyingine, aina ya Hanomag, pia iliondolewa kwa ajili ya ukosefu wa vipuri na teba ilikuwa hafifu.

(b) Ndio. Ninafahamu kuwa kutokamilishwa kwa mradi huu kunasababisha mafuriko sehemu ya Kiwalwa, Kimorigo, Abori, Kamleza na Marodo huko Taveta. Ingawa hivyo, mafuriko ya mwaka huu yalikuwa siyo ya kawaida na yalikumba sehemu nyingi za nchi ambako mvua ilinyesha kwa wingi.

THE ASSISTANT MINISTER FOR WATER DEVELOPMENT (Mr. Mweu)(Ctd.):

(c) Ni vigumu kutabiri wakati mradi huo utakapokamilika kwa vile unategemea kupatikana kwa k pesa na mashine zifaazo. Lakini yakisiwa kwamba mradi huo utakamilika mwaka wa 1989. Zaidi ya hayo, kuna kazi nyingine nyingi zinazofanywa baadaye, wala siyo tu kuchimba mtaro wenyewe.

MR. KUBO: Bw. Spika, namshukuru Waziri Msaidizi kwa jibu lake.

Ningependa kujua kama anaweza kukubaliana nami kwamba hapo mpango huu ulipoanza Wizara haikuangalia vizuri. Ni kwa nini Wizara ilileta mashine ambazo hazina vipuri? Ni kwa nini mpango huu umeachwa kukaa tu bila kuguzwa tangu mwaka wa 1985 hadi leo?

MR. MWEU: Bw. Spika, hatungeweza kutarajia kwamba mashine hizo zingeweza kuvunjika wala hata kutarajia kwamba vipuri vyake vizingeweza kupatikana nchini Kenya. Sehemu ambayo tumeifanyia kazi ni kubwa zaidi ~~tukilinganisha~~ tukilinganisha na ile ~~zake~~ imebaki. Tumefanya kazi urefu wa kilomita saba, na kazi iliyobaki ni ya kilomita 1.5 tu.

MR. WASIKE-NDOMBI: Bw. Spika, Waziri Msaidizi amelieleza Bungez hili kwamba wafanyakazi wengine waliachishwa kazi mahali pamoja na wakapelekwa mahali pengine. Anaweza kulieleza Bunge hili wale ~~fx~~ wafanyakazi waliohamishwa mahali ~~pana~~ kazi walikuwa wangapi na walipelekwa wapi?

MR. MWEU: Nasikitika, Bw. Spika, siwezi kutoa jibu hilo.

MR. EKIDOR: Bw. Spika, Waziri Msaidizi amesema kwamba mradi huo ulicheleweshwa kwa sababu ya ukosefu wa pesa. Ningependa kumwuliza kama kuna mradi wo wote nchini ambao unaweza kuanzishwa bila kujua kwamba kuna pesa za kutosha kumaliza.

MR. MWEU: Simaanishi hivyo, Bw. Spika. Ukweli ni kwamba tunaweza kukisia gharama ya mradi fulani kuwa ni kiasi fulani cha pesa, lakini kwa sababu ya kupanda kwa bei ya ~~hiki~~ bidhaa, zile pesa ~~xi~~ zilizotengwa kwa mradi huo huenda zikose kukamilisha mradi huo. Kwa hivyo, huwa ni lazima tuongezewe pesa nyingine.

MR. KUBO: Bw. Spika, tunajua wazi kwamba ni maongozi ya Serikali kukamilisha miradi kabla ya kuhamisha wafanyakazi au kuwasimamisha kazi. Waziri

MR. KUBO (CTD.):

Msaidizi anaweza kukubaliana nami kwamba ~~NIKI~~ Wizara yake haifuati maongozi ya Serikali, hasa kuhusu kuimaliza miradi ambayo imekwishaanzishwa, yaani on-going projects, kabla ya kuanzisha miradi mingine? ²

MR. MWEU: Nakubaliana na mhe. Mbunge, Bw. Spika, kwamba maongozi ya Serikali ni kuikamilisha miradi iliyokwishaanzishwa kabla ~~mbaya~~ ya kuanzisha miradi mingine mipya, lakini ikiwa mradi umesimamishwa kwa sababu maalum, haifai kuwaweka wafanyakazi katika mradi huo, bali inafaa tuwapelele kwenye mradi mwingine unaoendelea ili tusije tukawasimamisha kazi bila kuwalipa.

MR. LOTODO: Bw. Spika, mhe. Waziri Msaidizi anawezak kuliambia Bunge ni kwa nini tangu ~~na~~ mwaka wa 1985 hadi leo Serikali haikuweza kutafuta pesa za kuimaliza mradi huo mwaka uliofuata au huo mwingine? Ni kwa nini hakuna cho chote kilichofanywa hadi leo? Anaweza kutwambia kwamba kuna pesa ~~ze~~ zilizotengwa kwa ~~kuimaliza~~ kuimaliza mradi huo katika Makisio ya Matumizi ya Serikali yatakayotolewa hapo kesho? Haifai ~~kwa~~ kuacha pesa katika mradi huo badala ya kuzipeleka kufanya kazi nyingi ne.

MR. MWEU: Bw. Spika, kama mhe. Mbunge mwenzangu alikuwa akisikiliza kwa makini, alisikia nikisema kwamba tunatarajia kuukamilisha mradi huu mwaka ujao. Kilichoko ni kwamba pesa haziwezi kutengwa leo na zikapatikana leo tu. Ni kwa sababu hii ninasema kwamba tutaweza kuukamilisha mradi huu mwaka ujao.

END A



Question No.54

MR. SPEAKER: Mr. M.S. Amin not here? Next Question.

Question No.75

MR. SPEAKER: Mr. Wakole not here? Next Question.

Question No.76

MR. NDZAI anamuuliza Waziri wa Ujenzi:-

- (a) sehemu ya barabara D555 kutoka Marikebuni hadi Baricho ina umbali wa kilomita ngapi;
- (b) ni kiasi gani cha pesa kilichotengwa kutoka mwaka wa 1983 hadi 1987 ili kuhifadhi barabara hii; na
- (c) kwa nini haihifadhiwi ipaswavyo na itatengenezwa lini.

MR. SPEAKER: Anyone from the Ministry of Public Works?

Let us move on to the next Question.

THE ASSISTANT MINISTER FOR PUBLIC WORKS (Mr. Maiyani):

Mr. Speaker, Sir, I want to apologise for being late, and also for not being able to have the answer at this time. I request that the Question be deferred to another time, ~~maybe tomorrow.~~

MR. SPEAKER: Okay, we move on to Question No.65.

Question No.65

MR. KMEMIA asked the Minister for Lands and Housing when the residents of Bondeni area in Nakuru Town be issued with title deeds for their plots to enable them develop the area.

THE MINISTER FOR LANDS AND HOUSING (Mr. Mbela): Mr. Speaker, Sir, I beg to reply.

The Bondeni area in Nakuru Town has already been surveyed as L.R. Numbers 541/2095 to 2178. However, the ownership of the plots have been disputed by various people, and up to now, there are about six cases of such disputes awaiting to be resolved by the

THE MINISTER FOR LANDS AND HOUSING (Contd.):

Provincial Administration in Nakuru. As soon as these disputes are settled by the District Commissioner, and the list of the rightful owners is forwarded to us, we shall issue them with the title deeds immediately.

MR. KIMEMIA: Thank you very much, Mr. Speaker, Sir. Why did the issuance of these title deeds delay and yet people have been issued with "T.L.O"?

MR. MBELA: Mr. Speaker, Sir, the correct title is "T.C.L" and not "T.L.O.". I am not conversant with the cause of the delay, but I know as a fact it would be a mistake for us to issue title deeds when the ownership is disputed. However, as soon as the disputes are resolved, we shall issue the title deeds. I am hoping that the hon. Member will go and see the District Commissioner ~~and~~ ~~He will~~ work with him closely so that we can have the list of rightful owners to help the people develop their plots.

MR. KIMEMIA: Mr. Speaker, Sir, the Minister has said that there are only six plots which are under dispute. Can he issue title deeds to those others that are not disputed?

MR. MBELA: Mr. Speaker, Sir, six is a very small number of plots that have been disputed, and we would rather have the complete list, issue them with title deeds and finish with them instead of dealing with just a few of them and keep the others pending.

MR. KIMEMIA: Mr. Speaker, Sir, the Minister says that there are only six plots which are disputed, and they are going to issue individual title deeds to each plot. Why can he not issue title deeds to those that are not being disputed because these people want to develop the area as well?

MR. MBELA: Mr. Speaker, Sir, the dispute by these six people might affect the overall reallocation in that whole area. Therefore, instead of having to replan the whole area - after issuing the title

MR. MBELA (Contd.):

deeds and recalling them - we would rather complete the whole exercise and issue the title deeds.

MR. KIMEMIA: Mr. Speaker, Sir, the Minister has already said that the area has been surveyed and he is satisfied with the work. However, there are only six plots which are being disputed. Why can he not issue title deeds to the rest of plots while awaiting the outcome of that dispute because it might take even ten years to resolve?

MR. MBELA: Mr. Speaker, Sir, I agree with the hon. Member that it could take even ten years if the six plots are not resolved. The whole parcel of land is one unit, and it is being subdivided with individual title deeds to be issued. Now, this will affect the overall plans for the area. Therefore, instead of issuing title deeds to the rest and leaving out six plots "hanging" due to the disputes, the boundaries could easily change. So, we would rather wait and resolve the disputes first. I am sure we can move quite fast if the hon. Member can go and work with the District Commissioner.

MR. KUBO: Mr. Speaker, Sir, in view of the fact that this is merely being delayed by Administrative processes deciding the disputes, will the Minister agree with me that he should take the lead by inviting these people so that they can end up the matter once and for all so that the process can go on?

MR. MBELA: Mr. Speaker, Sir, I am not quite sure whether I fully understand the question. However, I do not see what the problem really is. I do not want to see title deeds issued and then having to recall them just because they have been affected by these six cases. I am quite sure that if the hon. Member can go and work with the District Commissioner, the matter can be resolved very fast.

MR. MAKAU: Mr. Speaker, Sir, in most of the areas where the work of surveying is being carried out for the issuance of title deeds

MR. MAKAU (Contd.):

they tend to leave out the market areas. So, I would like to ask the Minister whether it would be possible to include the market areas so that people who own shops on those plots can be given title deeds? For instance, in my constituency surveying has been carried out in Kiteta Location, but the big market plot has been left out or rather the owners of plots in the market area do not have title deeds. So, I am requesting the Minister to include the market areas so that the people who own plots can be given title deeds in areas where surveying has been carried out?

MR. MBELA: Mr. Speaker, Sir, that is a different question.

MR. SPEAKER: Okay, we move on to Question No.58.

Question No.58

DR. MISOI asked the Minister for Industry:-

- (a) if he is aware that many farmers in Uasin Gishu District lost their market for maize cobs when the Furfural Company Ltd. was closed down;
- (b) what steps he is taking to revive this company in order to utilise the maize cobs and also generate employment for the youth; and
- (c) when the said factory will start production.

THE MINISTER FOR INDUSTRY (Mr. Anyango): Mr. Speaker, Sir, I beg to reply.

(a) I am aware that the farmers in Uasin Gishu District lost their market for maize cobs when the Furfural Company Ltd. was closed down.

(b) Immediately the Company started its operation, it was faced with various problems, such as regular break down of machinery due to technical faults stemming from untested technology and poor management. There was also rationing of electricity and water due to drought in 1984 which made the Company to work under capacity. Now, all these problems made the Company to be unprofitable which

THE MINISTER FOR INDUSTRY (Contd.):

in turn made the shareholders decide to sell it. However, instead of selling the Company, the Government decided to put it under receivership with the aim of restructuring it later. Investigations on how best to restructure the Company ~~is~~^{are} now being carried out by the Government officers whose findings, if found favourable, will be presented to prospective investors.

(c) The said factory will be able to start production as soon as the Government has received a favourable ^a revaluation and has identified an appropriate investor who has the technical-know-how and the finance.

DR. MISOI: Mr. Speaker, Sir, was this technology not vetted and tested before importation of the machinery? Were the equipment ^{not} also inspected by the "S.G.S." before being brought to this country?

End B.

MR. ANYANGO: Mr. Speaker, Sir, the hon. Member knows what business is. Studies were done, and everybody was hopeful that it was the right technology, ~~but~~ When you install it and start managing it, the sort of factors that come up in the field can lead to ~~the~~ losses, and you may realise that you need ^{to do} something better than you ~~have~~ ^{had} already ~~done~~.

DR. MISOI: Mr. Speaker, Sir, was this technology newly invented or had ~~it~~ it been applied elsewhere? They ought to have ~~had~~ ^{gained} experiences from other countries.

MR. ANYANGO: Mr. Speaker, Sir, what I know is that this was the first time this technology was being applied in Kenya and in our environment.

MR. SPEAKER: Let us go back to Question No.74.

Question No.74

MR. SPEAKER: Mr. Bujra not here? Let us move on to Question No.54.

Question No.54

MR. SPEAKER: Mr. Amin not here? Let us move on to Question No.75.

Question No.75

MR. SPEAKER: Mr. Wakole not here? Let us move on to the Question by Private Notice.

QUESTION BY PRIVATE NOTICE

MR. KILIKU: Mr. Speaker, Sir, I beg to ask the Minister for Finance the following Question by Private Notice.

(a) Why did the government decide to decontrol the prices of essential commodities?

(b) Is the Minister aware that as a result of this exercise, prices of these commodities have gone up considerably?

(c) Will the Minister reverse this decision and ~~reintroduce~~ reintroduce price control on these essential commodities?

MR. SPEAKER: Anyone here from the Ministry of Finance? Let us move on to the next Order.

MOTIONS

MR. K'OMBUDO: Mr. Speaker, Sir, I beg to move the following Motion:-

THAT, since the gross investment level has remained constant during the past two years, this House urges the Government to undertake major labour intensive investment projects in order to promote economic growth.

Mr. Speaker, Sir, as you know, the economy of a country depends, as far as expansion and growth ~~is~~ ^{are} concerned on investments. If you do not invest even in business, it cannot grow, and I am sure it is the same with a country. If you do not invest as a country, your economy will not grow. We have been investing in Kenya, I agree, and our economy has been growing, but the point is that the level at which we have been investing has not been sufficient to enable the economy to grow at a sufficient rate. One symptom which supports my case is that the level of unemployment in the country is very high. If we had sufficient

MR. K'OMBUDO (CTD.):

investments in the country we would have a lot employment opportunities ~~for~~ ^{cut} ~~the~~ people. But, Mr. Speaker, Sir, as you know the rate of unemployment now is very high. The youth that leave high schools, universities and colleges are very many and we cannot absorb them into gainful employment. This is a very urgent matter because we have invested a lot ^{of} ~~of our~~ earnings in the education ^{of our} youth ~~studies~~ in secondary schools, colleges and universities. The Government has invested a lot of money in ~~their~~ their education, yet when they graduate or leave school at 'O' or 'A' levels, our economy is not able to absorb ~~in~~ them. So, we need to take drastic measures. Therefore, I call upon the Government to increase ^{money for} development ~~money~~. The Government should invest heavily ⁱⁿ ~~on~~ agriculture. As you all know, agriculture is the mainstay of this economy.

Mr. Speaker, Sir, in 1986, for example, 70 per cent of the Kenyan people derived their livelihood from agriculture. In that same year, agriculture generated 29 per cent of the gross domestic product (G.D.P.), and yet in the same year ^{Seven} Government recurrent expenditure on agriculture was only ~~7~~ per cent, when education took as much as 31 per cent. My contention is that we rub our hands ^{more} with people whose stomachs are full than people who have ~~has~~ degrees and certificates and their stomachs are empty. Let us spend ~~on~~ more on agriculture and ~~then~~ ~~then~~ get jobs for the people. By doing so, we will get this country moving as far as the economic growth is concerned.

Mr. Speaker, Sir, in 1985 the growth domestic product (G.D.P.) of this country grew at 4 per cent, but the population also grew at 5 per cent. You can already see that we did not ^{net} gain, ~~and~~. The ^{increase} ~~per capita~~ income per person was negligible. ^{have a}

MR.K'OMBUDO (CTD.):

In 1986 the G.D.P. grew at 5 and 7 per cent, but ~~ix~~ in the same year, the population again grew at 5 per cent.

(END.....C)

Rw

MR. K'OMBUDO (ctd.):

Therefore, we do not grow as an economy. In 1987, the Gross Domestic Product (GDP) was 5.5 per cent. The population was then 5 or 4.3 per cent and these are conservative figures as regards the population. I am quite sure that in this country, we are growing at a rate of more than 5 per cent. Our rate of growth of the number of ~~our~~^{as} people is the highest in the world. I do not know whether it is due to the fertility of our people; maybe the people in the Ministry of Health have an answer but there is a high fertility. The people of Kenya are producing like guineapigs.

AN HON. MEMBER: We are well fed.

MR. K'OMBUDO: We have the highest; an hon. Member is saying that we are well fed which is true in some areas. But, how are we well fed when the economy grows at 4 or 5 per cent and you grow, in terms of population, at 5 or 6 per cent? We cannot be well fed; only a few seem to be well fed. Quite a number are in the poverty line.

THE MINISTER FOR INDUSTRY (Mr. Otieno): On a point of order, Mr. Speaker, Sir. Our population is not ~~growing~~ growing at 5 or 6 per cent; he should be talking in the order of 3 or so per cent.

THE ASSISTANT MINISTER FOR EDUCATION (Mr. Karauri): On a point of order, Mr. Speaker, Sir. My point of order is to seek your guidance here. The hon. Member is quoting a lot of statistics and figures in the growth rate. Is it in order for him to do so when he is not telling us the source of information, or is he lecturing us as an economist where he has done a research personally? He should be ~~telling~~ telling us where he is getting this information so that we know he is telling the truth.

MR. K'OMBUDO: Mr. Speaker, Sir, the source of information is right here in the National Assembly Library.

MR. KILIKU: It is right here!

MR. K'OMBUDO: Yes, and not only that, every year we get the Economic Reviews given to the hon. Members but the problem is whether we read them or not. The Kenya Bureau of Statistics is a Government Department ^{and} it is full of facts ^{if} ~~is~~ the hon. Members ^{would only} ~~do not~~ care to have a browse. Now, the---

MR. SPEAKER: Order! Maybe what the hon. Members would like to know is ^{about} your figures on the population growth ^{which} they are doubting. I think that is where they are not quite happy with your figures.

MR. K'OMBUDO: Mr. Speaker, Sir, I do agree but, I said that these figures are conservative ^{figures} ~~as~~ far as population is concerned. The official figure of the rate of growth we get from the publications of the Kenya Bureau of Statistics are conservative. I think from a casual look - from what we see ~~and~~ ~~we are parents~~ ^{the} rate of ~~our~~ population growth is much higher than what is reported and that is my point. But, I agree with the Minister for Industry.

Having considered that, let me say that ~~the~~ it is not disputed that our money cost of production in Kenya is too high in relation to the world prices. We cannot for example, ~~we~~ export sugar because our money cost of producing sugar is much higher than that of Cuba and other countries that produce sugar. Our money cost of production in ~~that~~ this country is too high. The Minister for Finance, the Minister for Commerce and the Minister for Industry had better ^{get} ~~get~~ together and see what can be done to enable this country to produce goods that are exportable. There is too much subsidies by the Government in the industries to the extent that we cannot export

MR. K'OMBUDO (Ctd.):

sufficiently, not even to the Preferential Trade Area (PTA). We are ~~not~~ exporting to the PTA now of course, but we could do much more if our cost of production was brought to reality.

Somebody may say, "Oh, we are exporting and you are saying that we are not exporting enough ^{and so forth} ~~so far~~". If you look at the export figures of 1987 - the export rates - it fell by close to 11.2 per cent. This is not exaggeration; the figures are here in our library.

MR. KILIKU: On a point of order, Mr. Speaker, Sir. I think the aim of this ~~Motion~~ Motion is to call ^{upon} ~~of~~ the Government to undertake major labour intensive investment projects whereby the unemployment problem may be solved. Can the Mover now be more specific by giving us some examples of initiating labour intensive projects so that we can follow him because we are going to support the Motion rather than ~~to~~ talk about the general economic growth and the like?

(applause)

MR. K'OMBUDO: Mr. Speaker, Sir, I am coming to that point later. The picture I have been painting is intended to show that the investment level has not been enough and it has not been enough because export is lagging and because the population is growing faster. It has not been enough, and that is the point. The crux of the matter is that the Government should now allocate funds for labour intensive projects all over the country. Take for example, the floods that bedevilled Nyakach and Kano plains, instead of using tractors, money should be made available to employ the people to ~~a~~ canalize the river to the lake in order to save people from these floods. We should allocate more money ~~to~~ ^{to} the rural access roads and employ ~~the~~ people. We should ~~f~~ scale down

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MR. KIOMBUDO (Ctd.):

mechanization in industry. There is too much capitalization in industry; we should use more labour to do a lot more in industry. We should develop irrigation projects and use people and we should increase our expenditure in agriculture. We should avail more money to the Agricultural Finance Corporation (AFC) to lend to the farmers who will employ their agricultural hands, the sugar-cane cutters and the rest. We should de-emphasize the point that money going to build skyscrapers in Nairobi should go to the countrysides. These tall buildings in Nairobi are not helping in the alleviation of unemployment. They are not creating ~~for~~ additional National Product or the national cake to share. If for example, the money that built the Reinsurance Plaza or any other building was taken to Siaya or somewhere else and get people digging dams, it would help irrigation.

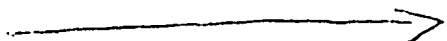
END D....

MR. K'OMBUDO (contd.):

We will get more crops; be it tea, groundnuts or any other crop, and therefore, be in a position to sell more. The skyscrapers that we have built in Nairobi gives us very little returns. We only manage to get rents out of them, apart from employing a few people to sweep the offices, and a few clerks and managers to run them. If the millions that we spend in building these skyscrapers were invested in the countryside, it would be more rewarding.

Parastatals such as The Lake Basin Development Authority (L.B.D.A.), Tana and Athi Rivers Development Authority (T.A.R.D.A.) and the Turkwel Gorge Project should be given more money to create more jobs within their jurisdictions. If we have a policy of creating jobs, within two or three years, there will be a tremendous difference. If more money was taken to the rural areas, the inflow of jobseekers would stop.

The main point is that we are concentrating, tarmacking Nairobi - using a lot of money - in order to please the visitors that come here. We should use that money in the rural areas to start small scale industries. The Jua Kali Industries have not been given enough money to start their projects, yet they are the people whom we are going to rely on as a nation in laying the foundation for our industries. If you, for example, go to Kisumu Town, you will see that there is no progress at all which has taken place in the Jua Kali Industry, yet there is so much talk about the industry in the newspapers by the Minister for Technical Training and Applied Technology.

THE ASSISTANT MINISTER FOR CULTURE AND SOCIAL SERVICES (Mrs. Ogot): On a point of order, Mr. Speaker, Sir. Is it in order, for hon. K'Ombudo to say there is too much talk about Jua Kali Industries coming from the Minister although no progress is taking place? In actual fact, the Minister has laid several 

THE ASSISTANT MINISTER FOR CULTURE AND SOCIAL SERVICES (Mrs. Ogot)(cont
~~of~~ foundations ^{for} of Jua Kali Industries, and buildings are ^{even} being
 constructed ~~even~~ in Kisumu District where he comes from.

(applause)

MR. K'OMBUDO: ~~There~~ There is no Jua Kali Industry being
 built in Kisumu District yet. There is a lot of talk going on
 about the Jua Kali Industries in Kisumu District, but not even a
 single shed has been built as of now. That is a solid fact.

THE ASSISTANT MINISTER FOR TECHNICAL TRAINING AND APPLIED
 TECHNOLOGY (DR. R.K. arap KOECH): On a point of order, Mr. Speaker,
 Sir. I am in charge of that particular operation, and I can confirm
 that Jua Kali sheds are being built in Kisumu area at this very
 moment.

THE ASSISTANT MINISTER FOR CULTURE AND SOCIAL SERVICES (Mrs.
 Ogot): You see.

MR. K'OMBUDO: A plot was allocated, but the Jua Kali
 artisans have not yet even moved ^{to} to it. There is much talk
 in the ~~ki~~ offices about the industry, but nothing has been done.
 I am a member of the District Development Committee (D.D.C.) ^{of Kisumu} and
 I can confirm that this industry has only been recently introduced
 there. Money has been allocated, but there is no ~~work~~ ^{and that} work going
 on ^{there} not a single shed has been built. People are just talking without
 and ~~not~~ acting.

THE ASSISTANT MINISTER FOR CULTURE AND SOCIAL SERVICES (Mrs.
 Ogot): On a point of order, Mr. Speaker, Sir. The Voice of Kenya
 Television (V.O.K.) does not lie. A few days ago, before Jua Kali
 Industries were ^{started} ~~launched~~ in Yala, Siaya, and Ugunja towns ^{and} the V.O.K.
 television showed us very clearly when hon. Prof. Ongeru was laying
^{the} a foundation in Kisumu town.

(applause)

THE MINISTER FOR INDUSTRY (Mr. Anyango): On a point of order, Mr. Speaker, Sir. I think he should withdraw that remark.

MR. SPEAKER: We are dealing with another point of order.

MR. K'OMBUDO: I am not withdrawing the remark. Why should I withdraw a remark which is true? The House can send somebody to Kisumu town right now ^{and he will see that} There is not a single shed.

MR. SPEAKER: Order! If they have not arrived, I am sure they are ~~are~~ on the way coming. Can you continue ^{moving} with your Motion.

MR. K'OMBUDO: Mr. Speaker, Sir, at this juncture, I request my friend, hon. Chepkok to second this Motion.

MR. CHEPKOK: ~~Ninamshukuru~~ Bw. Spika ninamshukuru mhe. K'ombudo kwa kunipa nafasi hii ili niafiki Hoja hii.

Ni kweli kwamba tunawafunza watoto, lakini wanapomaliza masomo hawapati kazi. Wengi wamemaliza masomo katika vyuo vikuu na hata shule za upili lakini ukichunguza ^{hivi} ~~kwaj~~ sasa, utapata kwamba wengi hawana mahali pa kufanya kazi. Watoto ambao wamemaliza shule na ~~kwaj~~ hawapati nafasi za kazi ^{ya} mazidi kuongezeka. Wakati imewadia ~~kwaj~~ ambapo Serikali ingefikiria kujenga viwanda vidogo vidogo kwa wingi ili watoto kama hawa wapate kazi. Siku hizi, karibu maofisi ^{yote hutuma} ~~zote~~ zinatumia komputa. Ukienda katika Shirika la Posta na Simu utaona kwamba kazi iliyokuwa ikifanywa na watu kumi ^{hivi} ~~kwaj~~ sasa ni komputa inatumiwa. ~~Kwa~~ Jambo hili ^{unawanyima} limeleta shida kwa sababu utumizi wa komputa ^{inawanyima} ~~inawanyima~~ wananchi kazi. Ingawa tunataka kuendelea mbele, haijafika wakati ambapo tunaweza kuwapatia watoto hawa pesa za matumizi hata wanapokuwa nyumbani. Katika nchi za ng'ambo, zilizoendelea wale ambao hawafanyi kazi hupewa ~~usaidizi~~ usaidizi wa kifedha na serikali. Sisi tuliyoko katika nchi zinazoendelea hatuwezi kutumia komputa katika maofisi ~~zetu~~ ^{yetu} yetu. Utaona kwamba katika viwanda ^{vingine} ~~singine~~ humu nchini ni watu wachache tu wameajiriwa ~~kwaj~~ kwa sababu ya utumizi wa ~~kwaj~~ komputa. Komputa

MR. CHEPKOK (contd.):

moja inaweza kufanya kazi ya watu 20 ~~indani~~ na hata zaidi, na hii imeleta shida nyingi.

Ukienda katika Unga Limited, utaona kwamba mashine mpya imeletwa ambayo inatumiwa na watu wawili kwa kusiaga mahindi. Hii inamaanisha kwamba wale watu 400 ambao ~~waz~~ walikuwa wakifanya kazi hiyo hawatahitajika. Kwa sababu ya utumizi wa makomputa tunawafanya watu wengine kukosa kazi na hii inaongeza wizi. Ukilima shamba, wakati wa mavuno utakuta kama sehemu nyingine imeibwa ~~kwa sababu wakulima hawana kazi~~ na wale ambao wamekosa kazi. Wanafanya hivyo kwa sababu wanataka kuishi.

Bw. Spika, ninaomba Serikali tukufu ~~ka~~ ianzishe miradi ~~ya~~ ^{maji} ambayo ^{maji} ~~ya~~ kunyunyizia mashamba ambayo hayajalimwa/ili watu waweze ~~kujilisha~~ kuajiriwa huko ~~na~~ waweze kupata jinsi ya kujilisha na kujitegemea.

End E.....

Sasa hii imekuwa ikiwafanya Wabunge wengine kuamka asubuhi na mapema kama saa kumi na mbili ili wasipatikane pale na watafutaji kazi kwa sababu hawana kazi za kuwapatia. Mbunge hawezi kupata kazi ya kuwaajiri hawa vijana wote wanaotafuta kazi. Shida hii inawakabili hata Mawaziri katika afisi zao. Ingefaa Serikali ~~if~~ itafute njia ~~yayote~~ yoyote itakayotatua tatizo hili la kuwapatia kazi vijana wa waliomaliza masomo yao hivi majuzi.

Kwa hayo machache Bw. Spika, Naomba kuafiki.

(Question Proposed)

MR. MWAMZANDI: Ahsante sana Bw. Spika. Hata mimi ningependa kuiunga mkono Hoja hii kwa sababu wakati ~~ni~~ umefika ambapo Serikali ina haki ya kutafuta njia za kuazisha mipango ya kutoa nafasi za kazi katika sehemu za mashambani. Ingefaa Wizara ya Mipango ya ~~Ma~~ Maendeleo ishauriane na Wizara nyingine mbali mbali kama vile za Kilimo na kadhalika ili zione ni kwa njia gani zinoweza kuwasaidia wananchi katika sehemu za mashambani. Hatari iliyoko ni kwamba, zile kampuni ambazo zimewaajiri watu zimefifia zingine "zinakufa" na hatusikii mipango ya Wizara ya Mipango ya Maendeleo ama Wizara ya Kilimo ya kusaidia kampuni kama hizo ili ziendeleo. Kampuni kama Miwani Sugar Company huwaajiri watu wengi kazi, kwa sasa inafifia. Mawaziri wamenyamaza kuhusu jambo hili. Kuna kampuni kule kwetu-Ramisi Sugar Company ambayo huajiri jumla ya watu 4,000 pakiwemo viharua. Watu hao wanafutwa kazi na kilimo kimeendelea karibu mwaka mzima sasa kuhusu tatizo-hilo. Hat Waziri wa Kilimo hajafikiria jinsi atakavyoisaidia kampuni hii. Hata Waziri wa Wafanyakazi na waziri wa Mipango ya Maendeleo hawajashauriana na Wizara zingine kuhusu tatizo hili. Ikiwa ~~kampuni~~ kampuni hizi zitafifia, tutafanyaaje?

Mawaziri wetu ~~wana~~ wana tabia moja ngumu sana. ~~Kwa Mawaziri wote~~ ~~hizi~~ huyamaza kimya, mambo ya Wizara yao ni yanaharibika, mpaka Rais ataje tatizo hilo hadharani ndio waveze kuenda mbio kuyaangalia matatizo. ~~Waf~~ Wakifanya hivi humchokesha Rais W wetu. Ni juu yao kujikakamua, "pull up their sock si wangojee mpaka waambiwe matatizo ndio wajue la kufanya. Kama vile Mbunge mwenzangu alivyosema, Rais wetu alianzisha mpango wa 'Jua Kali' ni juu ya Wizara ya Mafunzo ya Tbaluma na Ufundi kumsaidia Rais ili mpango huu uendeleo. Ubaya ni kwamba mawaziri wanamongojea Rais kutekeleza haya yote; hili ndilo tatizo la Baraza la Mawaziri. Ni lazima Mawaziri wamsaidie Rais ~~W~~ wetu ili nchi iweze kuendelea, si kungoja yeye awaonyeshe kila kitu.

MR. MWAMZANDI (ctd):

kwa mfano, mwaka mzima umepita bila wakulima kulipwa mazao yao na huku wafanyakazi wanafutwa kazi. Mawaziri wanawang'jea nani awaeleze kuwa huko kuna wafanyakazi wanafutwa kazi ili waliingilie jambo hilo? Hii ni a balaa kubwa tulio rayo.

Watu wanapoteza pesa nyingi kwa kuagizia mitambo ya kompiuta. Kwa ~~nchi~~ nchi hizi zinazoendelea utumiaji wa kompiuta unaleta tatizo la ukosefu wa ~~kazi~~ kazi. Katika kiwanda ambacho kinaweza ~~kwa~~ kuwaajiri watu 300 wakafanya kazi fulani, pesa nyingi zinatengwa na kampuni inatumia kompiuta. Jambo hili lingefaa liangaliwe ~~was~~ sawasawa kwa kuwa mitambo kama hiyo haitatusaidia sisi tulio katika ~~nchi~~ nchi zinazoendelea sasa.

Nchi yetu ni nzuri, ina udongo mzuri na kwa hivyo ni juu ya kila Waziri kufikiria jinsi atakavyoisaidia nchi hii. Kwa mfano, ikiwa nimefika kidato cha mee na nina shamba langu, ninaweza kukaa shambani mwangu nikachukua mkopo usio na-riba kubwa na kukodisha trakta na kufanya kilimo katika shamba langu. Zile kazi zilizo mashambani zikiwa zinalipwa mishahara kama iliyo katika kampuni ya Kenya Breweries au British American Tobacco (B.A.T.) watu hawatakuwa na haja ya kuja hapa Nairobi kutafuta kazi. Lakini utena, kwamba kazi za mashambani ~~xixixa~~ zimeachiwa matajiri wafanye watakavyo na ndipo watu wanakuja mijini ~~kutafuta kazi~~ kutafuta kazi.

END F.....

MR. MWAMZANDI (Ctd.):

Bw. Spika, ni juu yetu kuona kwamba tumetilia kilimo mkazo zaidi. Pia ni kweli kwamba vyuo vya vijijini vinasaidia vijana wetu sana ambao hawana kazi.

Roho ya kila mhe. Mbunge hapa iko taabani sana kwa sababu wale vijana ambao waliwasaidia hawa Wabunge kuingia katika Bunge hili madhumuni yao ni kupata kazi. Wasiwasi ni kwamba, hawa Wabunge hawana nafasi za kazi ambazo wanaweza kuwapatia hawa vijana. Bahati mbaya ni kwamba atakayeteuliwa kuwa mkubwa wa kampuni fulani atahakikisha kwamba wafanyakazi wote wanatoka kwao. Kwa hivyo, kama wengine hawatakuwa na wakubwa katika makampuni fulani basi wao hawatapata kazi. Kila mara tunaambiwa ni lazima tuondoe ukabila na pia ubaguzi. Kwa hivyo yafaa tuwe tukiwapatia watu kazi kulingana na vile walivyohitimu. Lakini Bw. Spika, utaona kwamba tunamwacha yule mtoto ambaye ana pointi kumi na kumpatia kazi yule mtoto ambaye ana pointi saba kwa sababu ni wa kutoka kwetu. Hii ni hatari kubwa, na huu ndio ukabila. Hili ni jambo la mtu mkubwa kuwaajiri watu kutoka sehemu yake ni jambo ambalo linafaa kukomeshwa kabisa na viongozi wa nchi hii. Ni heri tuwe viongozi wa kitaifa. Hii pia itatusaidia.

Bw. Spika, ukosefu wa kazi ni shida ambayo ni ngumu sana kuimaliza. Utakumbuka kwamba, mnamo mwaka wa 1972 ni tulikuwa na kamati iliyojulikana kama Unemployment Committee. Ujumbe wa maofisa kutoka katika International Labour Organization ulikuja hapa kutushauri juu ya ukosefu wa kazi. Sisi kama kamati Teule ya Bunge iliyokuwa ikilishughulikia jambo hili la ukosefu wa kazi tuli-tembea katika Jamhuri yote ya Kenya. Kwa hivyo ni jukumu letu kuona kwamba yale mawaidha ambayo tulipewa na wale waliotushauri yanatekelezwa. Hizi fikira zikitekelezwa, zitapunguza huu ukosefu wa kazi.

Mwisho, ningependa kusema kwamba, ~~kama~~ hatuwezi kumaliza ukosefu wa kazi kabisa kwa sababu, kwanza tuko wengi, na pili watu ~~na~~ ambao wanamaliza shule ni wengi. Lakini, tunaweza kupunguza taabu hii. Njia moja ya kuwasaidia hawa vijana wetu ambao wanatoka shule kupata kazi ni ile ya kuwataka wafanyakazi vastaafu baada ya kufikisha umri wa miaka 55. Hata ingawa mtu akiwa na umri wa miaka 50 au 55 ndipo akili yake inamwambia afanye kazi sawasawa ni lazima wote vastaafu. Nii ni njia mojawapo ya kupambana na ukosefu wa kazi. Kwa hivyo ni

MR. MWAMZANDI (Ctd.):

juu ya Wizara ambazo zinamusika kuketi pamoja na kushauriana ni jinsi gani zitaweza kuisaidia nchi hii. Kama hizi bendera ambazo zinapepea kwenye magari ya ndugu zetu hazitasaidia nchi yetu, basi hazina maana hata kidogo. Kwa hivyo ni wajibu wao kuona kwamba wanazitumia kwa ukamilifu kwa sababu wamepeva wadhifa mkubwa wa kuendeleza maendeleo ya nchi. Ni heri waketi pamoja na Makatibu wao wa Kudumu na kuwaambia vile mambo yanavyotakiwa kufanywa. Kwa mfano, barabara zinazotengenezwa chini ya ule mpango wa Rural Access Roads zinasaidia sana katika kupambana na ukosefu wa kazi. Lakini sasa hazitengenezwi kwa wingi. Ni kwa nini hazitengenezwi kwa wingi?

Kwa hivyo ni wajibu wa Mawaziri kumsaidia Mtukufu Rais katika jitihada za kuiendeleza nchi mbele. Si vizuri kwa Mtukufu Rais kila mara kuenda mahali fulani ni kusema 'hili bado'. Hata wewe Bw. Spika utachoka kama kila siku ukiingia katika nyumba yako ~~unakwenda~~ unasema 'hii glasi haiko mahali pake, ~~hiki~~ hiki kijiko hakiko mahali pake—' na ukiondoka, watu wanavirudisha pale pale. Hili ni jambo baya.

Kwa hayo machache, naunga mkono.

MR. MAKAU: Thank you very much, Mr. Speaker, Sir, for giving me this opportunity to contribute to ~~x~~ this very important Motion.

Sir, every hon. Member here is aware that the Sessional Paper No. 1 of 1986 which is ~~x~~ the "Bible" for us until the year 2000 stresses very clearly that each one of us should be involved in projects that promote economic growth. Before we adjourned one month ago, ~~were~~ we were debating on a collapsing parastatal body, National Construction Corporation. It is ~~the~~ high time that the stress in investment was put on projects that will create employment and improve on economic growth. In connection with ~~this~~ this, I have in particular one area that is ~~a~~ very important in economic growth in this country. Statistics show ~~the~~ the trends of what we are earning currently from horticulture. We are earning about ~~h~~ shs. 1.7 billion annually. When we look at our earnings from coffee and tea in markets which are very unstable, we earned about shs. 5 ~~a~~ billion. Therefore if we invest more in horticultural related industries, we will be able to create mo

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MR. MAKAU (Ctd.):

employment ~~opportunities~~ opportunities. For example, when we look at Sulmac or the development of Carnation flowers in Naivasha, ^{you will} one finds that that particular industry is creating a lot of employment opportunities. If one looks at ~~the~~ Kibwezi where the Africans are struggling to survive in horticultural industries where the help is hardly forth-coming, one finds that the foreigners mostly the Asians are the ones who are prospering. The indigenous African is just there struggling with no help because loan facilities are not available. What I am stressing here is that if we invest more on horticulture and give African farmers loans, then we would be investing in an industry that will bring a lot of economic growth in this country.

This morning, ~~a question~~ there was a Question put by hon. Dr. Misoi regarding the Furfural Company Ltd. in Eldoret and the Minister for Industry answered that Question. The answer that he gave was that the hon. Member should know that one invests in a company with the hope that sometimes it will succeed or it will fail. One of the areas ^{where} ~~that~~ I feel the planners of this country have failed ^{has} ~~is~~ to do with these joint ~~ventures~~ ventures with foreigners ~~especially~~ especially ~~in~~ in agricultural related ~~industries~~ industries. Many a time there have been discussions to set up the industries because there is no way that an ~~industry~~ industry can be set up without a feasibility study being done. Here is where I would like to draw the attention of the Minister for Industry who answered that Question that those who were involved in designing the Furfural Company Ltd. are the ones who failed. He answered and said that it was obviously a failure in operation. However, we cannot ~~afford~~ afford failure where the tax-payers money has been put. That is a ~~luxury~~ luxury this country cannot afford ~~if~~ in view of the situation that we are in. This is because as every body is aware - although we have not reached a critical crisis, but the deficit that we are told this country is experiencing is as a result of some investments.

END G.....

MR. MAKAU (Ctd):

So, what I am suggesting here is that when negotiations with foreigners for joint ventures take place, the Ministry should be represented by qualified people. This will ensure that if a feasibility study is being done, and money is going to be allocated for investment, employment for Kenyans is created and also profit made so that there is economic growth.

Mr. Speaker, Sir, the other area that I would like to mention here is in education. ~~the~~ The 8-4-4 system of education is geared to having school leavers who will be able to create self-employment. However, while we cherish our good system of education, we should, at the same time, create conducive climate to self-employment of our school leavers.

This brings us to the problem ^{the} indigenous entrepreneur is facing in this country, due to lack of loan facilities. Recently, everybody has been reading about the collapse of businesses. First it was indigenous entrepreneurs whose companies collapsed. But, now we have started seeing the collapse of firms in which the tax payers' money has been invested through the Industrial and Commercial Development Corporation (I.C.D.C.), such as Yuken, the National Pencil Company, the Furfural Company and others.

THE MINISTER FOR ENERGY (Mr. Biwott): On a point of order, Mr. Speaker, Sir. Did I hear the hon Member say that it is only the indigenous businesses that have been going into receivership? If that is true, then the implication is that this country encourages the ~~the~~ ~~downfall~~ downfall of the indigenous people. This is completely erroneous and should be withdrawn, or corrected.

MR. MAKAU: Mr. Speaker, Sir, what I was demonstrating is that the indigenous entrepreneurs have had their businesses put under receivership because many times they have cashflow problems. These problems can only be improved if one has access to loan facilities

MR. MAKAU (CTD.):

which have not been forthcoming. I also said that we ~~xxx~~ have heard of the collapse of companies such as Yuken and the National Pencil Company which had been assisted by the I.C.D.C. Again recently, we were discussing the 'death' of ~~something~~ the National Construction Corporation (N.C.C.) here. So, this is ~~xxx~~ something that is happening.

THE MINISTER FOR ENERGY (Mr. Biwott): On a point of order, Mr. Speaker, Sir. The problem here is the implication by the Members' statement. This is because the hon. Members' speech makes it appear as if there is a deliberate effort to run down indigenous entrepreneurs. Otherwise, why does he talk of the indigenous African ~~businesses~~ businesses? ~~If~~ It is a question of cashflow problems, then this is a pure commercial matter; that companies collapse simply ~~because~~ because their gearing ratios, or other factors are out of tune with realities; they do not collapse because they are owned by indigenous people. So, I would ^{like} this impression to be created. This is because our Government does everything in good faith and for the good of the people of this country, as indeed, it is written at the entrance ~~to~~ to this House, "For the Welfare of the Society and the Just ~~Government~~ Government of Men". So, we would like that impression to be created so that our Government is cast in the proper light.

MR. MAKAU: Mr. Speaker, Sir, I am saying that we all appreciate the role the Government is playing and the encouragement it is giving to the indigenous businessmen. However, what I am saying here, with regard to this Motion, is that if more loan facilities are made available; or if conducive climate to investments by indigenous entrepreneurs is created---. It is a fact that we have many Asian-owned businesses collapsing the same Africans' businesses have been collapsing in this country. We are not blaming the Government ; all we are saying is that those concerned should make the climate conducive to investment by creating those facilities and making them accessible to the

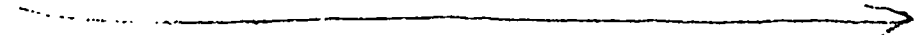
MR. MAKAU (Ctd.):

indigenous entrepreneurs. I have said that the Government is doing a ~~ix~~ lot. We have the Kenya Commercial Bank and other ~~y~~ financial institutions helping African businessmen.

THE MINISTER FOR ENERGY (Mr. Biwott): On a point of order, Mr. Speaker, Sir. If the hon. Member agrees, as he does, that the Government is doing everything possible to assist African businessmen, would it not, therefore, be a good idea for him to withdraw the use of the word "indigenous" in relation to the collapse businesses? This is because they are not collapsing because they are owned by indigenous people; they are collapsing because of poor management, which~~ix~~ is a different thing. If the Indian is able to manage his business, and it succeeds, that is not because he is an Indian, but because of of his own ~~a~~ capability, which has nothing to do with the Government. So, we would like that part to be ~~xxxx~~ corrected.

MR. MAKAU: Mr. Speaker, Sir, I do not think it is mismanagement that has made indigenous businesses collapse. What I am saying, and I am withdrawing, is that climate that is conducive to the success of indigenous ~~xxxx~~ entrepreneurship should be created. I said that this conducive climate can be created by making it possible for Africans to have access to loan facilities; there is nothing wrong with that. I am not saying that the Government is not doing anything; the Government is doing a lot. But there are uncontrollable factors in business. It is for Government to come in, in such a situation, and help indigenous businessmen. That is what I am saying; I am not implying that the Government is not doing anything.

THE MINISTER FOR ENERGY (Mr. Biwott): On a point of order, Mr. Speaker, Sir. I do not think we are going to play about with semantics. Creating conducive climate is done by somebody. Who is that somebody? It is the Government of the Republic of Kenya. So, if that climate is lacking, then it ~~xxxx~~ means that the



THE MINISTER FOR ENERGY (ctd.):

Government is not facing up to its own responsibilities. That is the part he must withdraw.

MR. ANGATIA: On a point of order, Mr. Speaker, Sir.

MR. SPEAKER: No!

MR. MAKAU: Mr. Speaker, Sir, I do not know what the problem is here. What I have said is that Sessional Paper No. 1 of 1986 stated very clearly that everything should be done to ~~to~~ make sure that we promote projects that raise economic growth. When it comes to industry, the Paper states clearly that every deliberate move should be made by those in positions to make sure that indigenous entrepreneurs succeed. It was, also stated clearly here during the State Opening of the Sixth Parliament that we should help indigenous businessmen. ~~xxxxxxxxxxxxxxxxxxxxxxxx~~
The loans are available; but what I am saying is that the conditions for an African businessman to get a loan are difficult. If I may quote the Bible, it is as difficult as "having a camel go through the eye of a needle". So, I am saying, if we want the 8-4-4 system of education to make our people self-employable, ~~it~~ let it be made possible for somebody to ~~be~~ get a ^{loan} and start a small business. ~~That~~ That is what the Government is doing through the Jua Kali Programme, for which we are very happy. But, we are saying that, although the Government is doing something, more should be done.

MR. SPEAKER: Order! The point is that there are very many other indigenous people who ^{are} ~~are~~ succeeding as well. We have the Kenya Industrial Estates and very many other financial institutions established by the Government to help them. What we can say is that there are a few Africans entrepreneurs who have failed; I think that is where the problem lies. Can we move on?

MR. KINYANJUI: Ahsante, Bw. Spika, kwa kunipatia nafasi hii ili nami niseme machache juu ya Hoja hii iliyotembele yetu. Ninafikiri waheshimiwa Wabunge watakubaliana nami kwamba tungetoa shukurani kubwa sana kwa Mtukufu Rais kwa maana mafikira ^{ya} Hoja hii ni sawa na yake.

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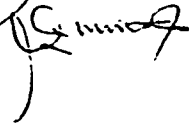
MR. KINYANJUI (Ctd):

Mtukufu

Kwa sababu hii Rais alianzi'isha mipango ya Jua Kali. Ni kweli, kama
walivyosema waheshimiwa Wabunge wenzangu, sasa ni juu ya Waziri
anayehusika ~~kuhakikisha~~ kuhakikisha kwamba mipango ya Jua Kali inastawi,
maana ni wazi kwamba hayo ndiyo mapenzi ya Mtukufu Rais.

Kwamba

END H



MR. KINYANJUI (ctd.):

Ni mawazo kama hayo ambayo yalimfanya Mtukufu Rais aanzishe upanuzi wa michai katika maeneo ya Nyayo Tea Zones. Kutokana na mpango huu watu watapata kazi na pia nchi itapata pesa nyingi sana za kigeni kutokana na uuzaji wa majani chai. Kwa hivyo, Hoja hii ina lengo nzuri sana ^{na} nafikiria kila mtu hapa anaiunga mkono. Kama vile wenzangu hapa walivyosema, Serikali ilifanya vizuri kuanzisha kiwanda cha sukari khuko Nyanza ili tuweze kuwa na sukari ya kutosha hapa nchi ni. Hili lilikuwa jambo la busara. Kiwanda hicho kilipojengwa wana nchi wengi sana walipata kazi. Kitu kinachotakikana sasa ni kuvitunza viwanda kama hivyo vya kutengenezea sukari. Kwani itakuwa vibaya sana kuanzisha kiwanda kama hicho halafu kesho usikie kuwa kiwanda cha sukari cha Miwani au cha Ramisi kimefungwa. Jambo kama hili ndilo tunafaa tulirekebishe ili mipango ambayo tunaanzisha iendelee vizuri.

Bw. Spika, kama yule mwenzangu alivyosema hapo mbeleni, wengi wa wananchi wakianzisha kazi ya aina fulani huwa haiendelei vizuri. Hii ni kwa sababu wengi wetu hatuna ujuzi kama ule ulio na wenzetu wa Kihindi na wengineo. Wao huwa wanaitegemea kazi hii ya biashara tu; lakini wengine wetu tuanzishapo biashara huwa na mguu mmoja kwenye biashara na hali ule mwingine huwa kule shambani. Hivyo ni lazima tushindwe na biashara. Ni lazima tujirekebishe. Tuna kubali kuwa hawa Wahindi wana ujuzi wa kutosha. Kwa hivyo, wakati umefika kwa Wizara inayohusika ianzishe mpango maalum wa kazi. katika miaka hii 25 baada ya kupata Uhuru, ni lazima tuwe tunajua pale tunapokwenda kombo. Tunajua ni kwa nini tukianzisha mashirika ya Serikali yanaanguka kama vile mwenzangu mmoja alivyosema Kama wenzangu walivyosema sisi viongozi tuna kazi kubwa sana kwani vijana wetu wote wanatengemea vile k viwanda ambayyo tutavianzisha. Mahitaji ya vijana wetu yameongezeka. Kwa hivyo, kuna haja kubwa kwa Wizara inayohusika kufikiria njia za kuongeza ~~nanx~~ nafasi

MR. KINYANJUI (ctd.):

za kazi.

Bw. Spika kama vile mwenzangu aliyezungumza mbele yangu aliivyosema, kuna nafasi nyingi sana za kazi katika ^{Kilimo} ukulima kama vile katika ukuzaji wa maua huko Naivasha ambako maelfu na maelfu ya watu wameajiriwa kazi. Tukiwa na mipango ^{10 au 20} kama hiyo 10 au 20 ^{Hakuna maviskindis} hivi inashinda kuwa na viwanda vinne au vitano hapa Nairobi ambayo huajiri watu 200 tu. Mipango kama hiyo pia itatuletea pesa nyingi sana za kigeni. Kwa hivyo ni bora kuanzisha mipango ambayo tunaweza kuiendeleza kutoa nafasi za kazi

Pia kuna hii mipango ya unyunyiziaji ^{mashamba} maji. Mipango kama hii hata ikiwa ^{midogo} namna gani huwa inawaajiri watu wengi sana. Kwa hivyo kuna haja kubwa sana kuendeleza mipango kama hii hasa katika ukuzaji wa matunda. Matunda huwa yanapendwa sana kote ulimwenguni. Kwa hivyo kuna haja ya kuendeleza ^{Kilimo cha} ukulima wa matunda. Sasa tukiweka mkazo katika ukuzaji wa maharagwe na maua... katika mipango ya unyunyiziaji ^{mashamba} maji, tutakuwa na nafasi nyingi za kazi. Kwa hivyo, Wizara ya ^{Mipango ya} Maendeleo ingefaa ifikirie zaidi juu ya mipango ya ^{Kilimo} ukulima ambayo italeti pesa nyingi za kigeni na vile vile ile ambayo itatoa nafasi nyingi za kazi. Hii hasa ndiyo shida yetu. Lakini tukiwa tunafikiria tu juu ya kuanzisha viwanda, kujenga majumba makubwa-makubwa tu na kuanzisha biashara za kuuza magari makubwa makubwa, hivi havitatusaidia sana kwa kutoa nafasi za kazi. Kwa hivyo kuna haja kubwa sana kufikiria kuendeleza mipango ya ^{Kilimo} ukulima.

Mwenzangu mmoja alitoa mfano wa Uplands Bacon Factory kama mmojawapo ^{ya} mashirika ya serikali ambayo ^{huanzishwa} huanzisha halafu baadaye huanguka. Hiki kiwanda cha Uplands Bacon Factory ndicho ^{cha} pekee katika Afrika kilichokuwa na leseni ya kuuza nyama Ulaya na kwingineko. Lakini sasa hakikō tena ingawa kilikuwa kina wasaidia w...atu wengi sana kama vile vyama vya wanawake vilivyokuwa vinauzwa.

MR. KINYANJUI (ctd.):

nguruwe huko kutoka kote nchini. Jambo kama hili tungependa lire-
kwani
bishwe/kama ikiwa hivyo, kama vile Kenya Meat Commission ilivyo-
f_anyiwa, tutapata faida sana na tutaendelea na wafanyakazi pia
watafaidika. Kwa hivyo, tukiona ni wapi tumeenda kombo, tureke-
bishe ili tuendelee mbele.

Kwa ~~na~~ hayo machache, naunga mkono.

THE MINISTER FOR ENERGY(Mr. Biwott): Thank you very
much, Mr. Speaker, Sir, for this opportunity to contribute to
the Motion.

The Motion as it is, is well intentioned. I believe
that the intention of the Motion that the country should undertake
labour intensive investments in order to promote economic
growth is inline with Government policy as enunciated in a
number of policy documents including in the speeches by His
Excellency the President on numerous occasions. However, the
wording of the Motion is indeed erroneous and, therefore, not
a_cceptable to the Government. I wish, therefore, to propose
an amendment which will retain the spirit of the Motion and which
will, in fact, cover ~~the~~ all the sentiments that the hon. Member
who moved it intended to pursue. Thus, the Motion as amended
would read as follows:

employment
THAT, considering the difficult/situation
prevailing in the country, this House urges
the Government to intensify the implementation
of policy measures outlined in Sessional Paper
No. 1 of 1986, in Economics Management for
renewed growth giving high priority to those
measures intended to promote employment
generation in rural and urban areas, and
explicitly to incorporate them in the 6th
Development Plan of 1989/1993 and in
subsequent plans.

END I.....

THE MINISTER FOR ENERGY (ctd):

Mr. Speaker, Sir, if this amendment is adopted by this august House and the hon. Members who are, indeed, concerned about the need to intensify these activities, agree, then I think we will have had a very positive Motion in this House. This will keep alive the spirit of this House which is intended to help develop this country.

Some of the remarks which were made earlier on - one of which I interjected - gave the impression that there is something amiss in the spirit the Government is doing things. The truth of the matter is that the Government has gone out of its way, as indeed it should, - because it cares for its people - in establishing institutions and facilities for the African indigenous man to succeed in his own country. This is because the wealth of this country belongs to the indigenous man and the Government is taking his welfare into account as he is the owner of this country.

Since Independence, things like quit notices have been introduced, work permits, licences, the Agricultural Finance Corporation, the Industrial and Commercial Development Corporation, the Kenya National Trading Corporation and the Kenya Industrial Estates are all in operation and are aimed at helping the local man. We have banks ~~which~~ which now belong to Africans. We have the ^{Kenya} Commercial Bank and the National Bank of Kenya and others which are 100 per cent Government.

Sir, these are ^{living} leading testimonies of the Government's efforts to create favourable climate and facilities for the people which should, in fact, be appreciated. There are other institutions which the Government has established to enable the people develop. There are training programmes to enable the African to improve his skills to be able to manage on his own. There are management courses that are undertaken at the Kenya Institute of Administration and other numerous facilities which create ^{development} opportunities for the people themselves. The Government spends vast amounts of money in

THE MINISTER FOR ENERGY (ctd):

the construction of roads to enable the African to be integrated into the market. There is the National Youth Service which is intended to provide ~~employment~~ mass employment, particularly, to the young people. There are many more skills being developed. Sir, is this not a good climate that has been initiated by our Government to improve various skills? Indeed it is.

In the Kenya Industrial Estates, there are successful African businessmen who have become millionaires as a result of the Government's efforts. Equally, there are a lot of Asians whose businesses have gone into receivership. For example, the Pop-in Shop went bankrupt. Was it owned by an indigenous African? There is also the Miwani Sugar Factory which has gone bankrupt and the Government has taken over. Was it not owned by an Asian? Ramisi Sugar Company is one of them. There are many others which have gone into receivership and are not owned by Africans.

Mr. Speaker, Sir, the truth of the matter is that there are problems which the Government understands and is tackling at the moment. For example, there are some businesses which are owned by Africans and others that have taken foreign loans which have suffered simply because of the shifting exchange rates. That is something which is beyond anybody's control. The Government is attending to such cases. There are also bad managers. The fact that we are indigenous does not necessarily give us the right to mismanage our own businesses, and come crying: "I have done this because I am African." The Continental Bank which was owned by an indigenous African fell. Who actually took the money? The owners of the company did so. Are we, therefore, creating businesses to take money from there - as the owner - and then come crying saying that the Government is not helping? For example, the owner of the Rural Urban Credit Finance is enjoying himself in Sweden. He has taken all the poor man's money and we are now told that the indigenous man's business is collapsing. We should be truthful to ourselves. We should also be responsible

THE MINISTER FOR ENERGY (ctd):

and ensure that we support our Government to do what benefits the African himself. We should make sure that the loans advanced carry out the business they were meant to and not other activities.

It is, indeed, true that we need a lot of jobs at the moment. The reason behind this is that we have been over-fertile. We have been producing children more than the economy can sustain. That is the truth of the matter, and not because the Government has not created facilities for the indigenous African. We have become so fertile to the extent that we are now creating a burden for ourselves. We have to accept this and work harder and this is the reason why we are using the word "intensify". We must now intensify our efforts in order to get jobs for the people we have brought to this earth. If two people, that is, a husband and a wife, say, produce about eight to 10 children, then they must work ten times harder to be able to cater for those children. It is a collective effort which Kenyans must shoulder. Nobody knows this better other than His Excellency the President who goes round and sees these things in the real form. When we go to our constituencies, we only encounter few instances of people requesting for employment and so on.

It is, therefore, necessary that the matter be handled on a national level and in a comprehensive manner. This is why we are urging the Government, through this amendment, to intensify those efforts so that all of us can join forces to ensure that jobs are created, houses constructed, plenty of food produced and plenty of cotton grown as hon. Mwangale has been appealing to us. In this way, employment will be generated both directly from ~~agri~~ agriculture and indirectly through the industries.

With these few remarks, I beg to move the amendment.

THE ASSISTANT MINISTER FOR PLANNING AND NATIONAL DEVELOPMENT

(Mr. Opembe): Mr. Speaker, Sir, I beg to second the amendment. In doing so, I have taken into account that it is not correct to state that the gross investment level has remained constant during the two years. On the contrary, there were increases in ~~gross~~ gross investment over the last three years. The latest statistical information shows that the gross investment has not remained constant. In the constant 1982 values, the gross investment in 1985 was £576.3 million and £681 million in 1986 representing an increase of 18.2 per cent. Gross investment on a percentage Gross Domestic Product (GDP) was 17.8 in 1985 and 19.9 in 1986.

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THE ASSISTANT MINISTER FOR PLANNING AND NATIONAL DEVELOPMENT (Mr. Opembe)(Ctd.):

The interim estimates for 1987 indicate gross investment was £723.9 million in real terms, an increase of 6.3 per cent over the 1986 figures, representing 20.2 per cent of Gross Domestic Product. Nearly half of the above mentioned investment was placed in the building^{and} construction activities, a section which is highly labour-intensive. Thirteen per cent was expended on the acquisition of transport and related equipment, another area which employs much labour in the form of drivers, conductors, ~~turnboys~~ and so on. Thus about 65 per cent of the total investment in fixed assets, was placed in the labour-intensive sector.

Mr. Speaker, Sir, my other consideration in seconding this amendment - - -

MR. KILIKU: On a point of order, Mr. Speaker, Sir. I do not agree with the hon. Assistant Minister when he says that it is wrong to state that the gross investment has not been growing. I am saying this because in - - -

MR. SPEAKER: Surely, Mr. Kiliku you know by now what a point of order is! Do not raise a point of argument under the guise of a point of order.

MR. KILIKU: Mr. Speaker, Sir, the hon. Assistant Minister is out of order to mislead this House. I am saying this because in 1986 and 1987, the gross investment was 33 per cent and 24 per cent respectively according to statistics. That means in 1987, there was a decline of 9 per cent in gross investments.

THE ASSISTANT MINISTER FOR PLANNING AND NATIONAL DEVELOPMENT (Mr. Opembe):

Mr. Speaker, Sir, the hon. Member is justifying how the word "constant" is wrongly used here. I am saying this because the ^{vi}growth in our gross investment was not constant. Mr. Speaker, Sir, this House recently debated and adopted proposals contained in the Government Sessional Papers and what is now required is to implement those measures. The key strategy for employment in both informal and formal sectors of the economy has been a major pre-occupation of this House over the last few years. We have debated the Wanjigi Report on employment in this House and the Sessional Paper which arose from that Report. We have seen the powerful development of the district focus strategy for rural development. Finally, these strategies for development were drawn together in Sessional Paper No.1 of 1986 on economic management for renewed growth. This Sessional Paper clearly shows that - - -

MR. WASIKE-NDOMBI: On a point of order, Mr. Speaker, Sir. Would it not advise be in order for the Chair to /i. the new Assistant Minister that he should refer to his notes and not to read them.

(Applause)

THE ASSISTANT MINISTER FOR PLANNING AND NATIONAL DEVELOPMENT (Mr. Opembe): Mr. Speaker, Sir, I would really like to say that I am not reading my notes but referring to them.

AN HON. MEMBER: Remind them that you are the Member for Butere and that you are not new.

THE ASSISTANT MINISTER FOR PLANNING AND NATIONAL DEVELOPMENT (Mr. Opembe): Mr. Speaker, Sir, I am not a new hon. Member. My fellow colleague should know that I am the Member for Butere. The Sessional Paper also endorses Ndegwa's Recommendation Report which is enshrined in the 1983 Kanu Manifesto, and I quote:-

"The Government should do more of what it does well, unless the past experience suggests others can do better"

Mr. Speaker, Sir, His Excellency the President has given a strong leadership to this country, particularly with regard to this policy. For example, /c. the jua kali operators have been assisted in order to consider themselves as contributors to our national development. Self-employment is too often overlooked. Sir, as you know, optimal resources are of paramount importance in job creation. The recently introduced district development fund, will play a ^{catalytic} catalytic role in line with the district focus for rural development in job creation. The budget rationalization programme which is already under implementation is aimed at stimulating ^{the} productivity of public sector investment whereby recurrent allocations are concentrated to improve the utilization of our capacity. This will create a further demand for labour.

Mr. Speaker, Sir, it can be recalled that during debate on Sessional Paper No.1 of 1986, it was mentioned that there will be three development plans covered by the Sessional Paper. These are the ones that will carry this concern. ^{an} in/explicit way when the policies outlined in the Sessional Paper are carried out. I am pleased to ~~now~~ inform this House that the preparation of the first part of

THE ASSISTANT MINISTER FOR PLANNING AND NATIONAL DEVELOPMENT (Mr. Opembe)(Ctd.)

these three development plans is under way. The Government is already playing its role in stimulating the activities of the private sector so that both the private and public sectors can continue to play complimentary roles in the development of this country. It is not therefore appropriate for the Motion to be supported in its original form where it is urging Government to issue a loan to undertake major labour-intensive investment projects in order to promote economic growth. It is for all of us to participate in this. An important task requires to be undertaken in conjunction with the private sector, with Government mainly playing a catalytic role.

With these few remarks, I beg to second the amendment.

(Question of the first part of the amendment, that the words to be left out be left out, proposed)

(Question of the second part of the amendment, that the words to be inserted in the place thereof, be inserted, proposed)

THE ASSISTANT MINISTER FOR LANDS AND HOUSING (Mr. Mutiso): Thank you very much, Mr. Speaker, Sir, for giving me this opportunity to - - -

MR. KILIKU: On a point of order, Mr. Speaker, Sir. I do not know whether you have noticed that the two hon. Members who are just walking out now, started walking out of the Chamber when the Speaker was on his feet. I think that is really out of order.

MR. SPEAKER: Yes, Mr. Kiliku, that is very much out of order!

THE ASSISTANT MINISTER FOR LANDS AND HOUSING (Mr. Mutiso): Mr. Speaker, Sir, I rise to support the amendment as it has been proposed. It is true that this country is going through a very difficult period, especially when we consider the fact that we have so many school leavers^{our} who come from secondary schools and universities and other training institutions every year. When you look at the turn out of these people, you will agree with me, Sir, that the number is so large that the Government needs, as the proposer of this amendment said, to combine its efforts with those of the private sector in order to tackle the problem.

Mr. Speaker left the Chair

Mr. Deputy Speaker took the Chair

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J.K.

MR. MUTISO (ctd.):

This is because, right now the problem is so acute that one sector of the economy cannot resolve it single-handedly.

The proposed amendment, Mr. Deputy Speaker, Sir, has one particular objective, which is to urge the Government to intensify ~~the~~ its plans of tackling the unemployment problem in this country. In this regard, I would like to propose that we, as a developing nation, should look into matters that slow us down ~~in implementing~~ ^{from} moving fast in tackling our problems. What I want to say is that, as a developing country, we have problems which we cannot tackle easily by using the methods used by ~~other~~ developed nations; it would take us a long time. As one speaker said, although we are in an era in which many problems are being solved by using computer, we should not entirely encourage the use of computers in this country because they deprive our people jobs. I am not saying that we should not have computers, but we should try to slow down their acquisition. I am saying this because computers deny ~~at~~ a lot of people jobs.

Secondly, I would like to suggest that in the construction of ~~xx~~ roads and dams, manpower should be used instead of machines. A lot of work which is being done by machines in these fields can possibly be handled by human beings, and, as such, we can get a lot of our people employed in these fields. You will agree with me that when a road is being constructed and the contractor is using big tractors and tippers which carry ~~x~~ so mu_ch earth to pour on the road, a lot of people are deprived jobs since that kind of ~~xx~~ work could easily be done by human beings. The Government should seriously consider reducing the number of automatic equipment which are used in these fields instead of using human labour. This would increase ~~the~~ job

MR. MUTISO (ctd.):

opportunities for our young people who are leaving schools and cannot get employment.

Mr. Deputy Speaker, Sir, the other thing I would like to propose is the encouragement of creating dams which can be used for irrigation. During the recently-ended long rains, we saw that a lot of water ^{going} ~~went~~ to waste into the Indian Ocean, and right now, many areas, particularly those in the low-lying parts of the country, are dry. If dams had been constructed to store this water, those areas would be used for growing food for our people ^{through} ~~by~~ irrigation. This could be done manually by our people, ^{in order to} get them occupied ~~and~~ produce food for the nation. But if we have the notion that such jobs can only be done ~~when~~ if we have machines and equipment from overseas, this is not going to help us move faster.

Mr. Deputy Speaker, Sir, when you look at a country like West Germany, you find that after the Second World War that country did put a lot of work. That is why it has caught ~~us~~ up with the Western World. During the reconstruction period in Germany, a lot of manual labour was being used to build roads and houses. Therefore, I think we should copy them and adopt that kind of technology which they used. During Adolf Hitler's time, a lot of people were put in labour camps. That is what developed Germany to a stage whereby it challenged the world. I feel that if these points were taken into consideration, there would be a lot of labour intensification which would create jobs for our people, and, as a result, our country would develop faster, rather than depending on automatic equipment which discourage the use of a manual labour.

Mr. Deputy Speaker, Sir, I am of the opinion that the Government has been doing its best, but a lot of room has been

MR. MUTISO (ctd.):

left for expansion. New methods and new ideas should be implemented so that the country can cope with its problems which we, ourselves, have created - as the hon. Minister said - by being so fast in producing children; bringing them forth into this world and yet we cannot manage them.

With those few words, I ~~am~~ beg to support the amendment.

MR. MILEKI: Thank you very much, Mr. Deputy Speaker, Sir. This Motion is very ~~is~~ important, and I agree with the Mover that the gross investment has been constant. I think there are so many factors which should be considered when measuring economic growth. This country exports tea, coffee and other products. Maybe our problem with the economy is in the area of allocation of resources.

When we export our products, we should discourage the ~~importation~~ ^{importation} of consumer goods which have been manufactured elsewhere. By importing such goods, we do not expand economically. It is better to use that money in the investment ^{of} ~~in~~ labour-intensive projects.

END L

JMK

MR. KILIKU (ctd.):

Statistics indicate that during 1987 our gross investments grew by 24 per cent due to the revised wage guidelines. It is, therefore, worthwhile for the Government to raise the wage guidelines so that workers can be paid salaries according to their productivity. If our economy is to grow, we have to have higher consumption rates. However, due to the low salaries paid to workers in this country, members of the public are not investing. In fact, workers in this country live from hand to mouth and, as a result, they have no surplus to invest. If members of the public are not investing, then we cannot expect the Government to have enough money to invest in the various projects.

Mr. Deputy Speaker, Sir, I thank the Government for the action it has taken to bring to book those people who have been importing into this country goods that are locally available. Importing such goods is tantamount to killing the economy of the country. Such importers are the people who have been working against the success of the substitution policy of the Government. Why are we not concentrating on supporting our own sugar industry instead of importing sugar? Why can we not ask ourselves why the East Africa Bag and Cordage Company Ltd., which has been manufacturing gunny bags is closing down? There must be something wrong somewhere. The reason why this company is failing is that when it manufactures its goods, it cannot get enough domestic market because of the goods which have already been imported to the country. We must understand that we are just taking off economically and stop behaving as if we have already taken off. We should not allow luxurious goods to be imported into this country at all. Instead of importing luxurious goods, we should have that money invested so that employment in this country can go up.

Mr. Deputy Speaker, Sir, I thank His Excellency the President for his recent directive that tea zones in the country increase their labour force by 10 per cent. I do appeal to other employers to also increase their labour force by the same percentage. Employers should show that they love His Excellency the President by increasing their labour force by that percentage. One problem we have is that

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MR. KILIKU (ctd.):

instead of increasing their labour force by 10 per cent, they just replace retirees. We should look into what is happening in the various parastatal bodies and see whether they have actually been replacing their retired labour force. Increasing labour force implies that there must be an additional number of workers to the established employment force. We ~~must~~ should not have expatriates in our parastatal bodies.

Sir, as we are talking now, there is a very big field in the Moi International Airport grown with grass. Instead of the authorities at that airport giving the work of cutting the grass to the unemployed people of that area, the work has been given to some Mzungu who is using a machine. This practice must stop, and I do appeal to the Minister responsible to instruct the Manager, Moi International Airport, to tell that Mzungu to stop using that machine to cut the grass while Changanwe people are looking for employment. The people of Changanwe should be given that job because they will do the job and ~~take~~ bank the money in the nearest bank there so that the Government can take it and invest it elsewhere. We keep on talking about the indigenisation policy because there is something wrong somewhere in the economy. It is not that the Government has not been trying to indigenise the economy, but if the population of this country will be 35 million by the year 2,000 - that is according to ~~a~~ Sessional Paper No. 1 of 1986 - we will have only 6 million people in the labour force. Out of 35 million people, only 6 million will be employed, leaving 29 million people unemployed. Will we be able to feed that number of people? I think it is better to start planning now. The Minister for Planning and National Development should plan to have labour intensive establishments because we are growing

Mr. Deputy Speaker, Sir, I read an article in the Daily Nation newspaper this morning, and I think I agree with the President of the World Bank when he said that the industrialised countries should now ~~start~~ start investing in the third world at a higher speed. It is true that we need foreign ~~investments~~ investments but, if they are coming, we should not accept the unfavourable conditions with which they normally come. We should not, for example, accept foreign investments which are ~~cheap~~

M.3.
15.6.88.

MR. KILIKU (ctd.):

accompanied by highly paid managers or accompanied by machines which may displace labour force. Let foreigners invest money in this country and accept our Government policy. When foreigners invest here and bring with ~~them~~ them machines and expatriates and, later on, repatriate the profits they make, then we gain very little. I think the Minister for Finance should tell multinationals that they should not repatriate the profits they make in this country. Foreign investors must be honest and leave some of the profits they make in this country so that we can expect some economic growth; they should not repatriate all the profits to their respective countries just because it is allowed in the Constitution. Foreign investors should be friendly such that some of the profits they make should go to developing the economy of this country.

Sir, in order to indigenise the economy of this country, the people working in the licensing of trade department and all other sectors of the economy must be indigenised themselves. We have been talking and talking and yet local companies have been collapsing. In fact, import licences should be issued to only indigenous Kenyans. I know that there is something wrong with indigenous Kenyans in that when they are issued with import licences they straightaway sell them to Asians. This is something wrong with our people who should otherwise be patriotic and know how to assist the Government.

With those few remarks, Mr. Deputy Speaker, Sir, I beg to support the amendment to the Motion.

(Question of the first part of the amendment, that the words to be left out be left out, put and agreed to)

(Question of the second part of the amendment, that the words to be inserted in place thereof be inserted, put and agreed to)

(Question of the Motion as amended proposed)

ERD..... M.

MR. ANGIPIA: On a point of order, Mr. Deputy Speaker, Sir.

Considering the wording of the amendment you have just read out, are you satisfied that this is an amendment or is a new Motion?

MR. DEPUTY SPEAKER: We have ^{had occasion} ~~time allocated to us~~ to deliberate on that point. So, I will now call upon the Mover to reply.

MR. K'OBUDO: Mr. Deputy Speaker, Sir, the pace and the substance of this Motion still stands. The pace and the substance of the Motion is that it calls on the Government to increase investment in order to increase job opportunities and foster economic growth, and it is still there despite the lengthy amendment that ~~is~~ has been made. We all agree that we need to get the economy moving even faster. We all agree that there are not enough job opportunities in Kenya now, and that there are many able-bodied Kenyans who cannot get work. ^{There} ~~There~~ are many qualified Kenyans, some of them from our polytechnics and secondary schools, who cannot find work. It is a fact that we are not doing as well as we should in the export market because our cost of ~~pr~~ production is too high as compared to that of other countries. Something has to be done. That is the spirit of this Motion. It wants something to be done now because this matter is urgent. The people concerned cannot afford to wait. They must feed and educate themselves, and they must have the means with which to achieve these things.

It was not my intention ^{to} ~~to~~ quarrel with the Government in any way. We are all Kanu people here. We are indigenous Africans in our own free Kenya. We must be free in this House to suggest measures that will help and point out to the Government ~~where~~ where we think there is slackness. That is the intention of this Motion. If we are going to grow and cement the political institutions of this country, we have to be free to ^{move} ~~bring up~~ Motions, such as this one, and debate them freely, as we have ~~done~~ in this case. I must say that the amendment that has been made to this Motion is too lengthy to comprehend, but I am happy to note that the Government agrees that there is need to increase investment and job opportunities. That is the most important thing. The "Jua Kali" industry is a good policy, as the Minister is whispering to me here, and

MR. K'OMBUDO (CTD.):

I agree with him that it should be supported. It should be given more money. That is the most important thing here. It should not be given just token sums of money.

I have just checked and found out that there was a delay in laying the foundation stone of the "Jua Kali" works in Kisumu the other day. Thanks to the Ministry for this. More foundation stones should be laid ~~should be~~ laid for such works at Nyamaroga, Papā Oudit, and ~~many~~ ^{two or three} many other places. In fact, we should have "Jua Kali" sheds in every constituency in Kenya to cater for artisans everywhere. This is our only hope for industrial development in this country. There are artisans who cannot find jobs but who can employ themselves. We should support them to the hilt.

As I said during the time I moved this Motion, our salvation lies in fortified and expanded agriculture and irrigation because we do not need high technology here that we do not have already. Our people already have enough technology in agriculture, and what is now needed is just support by way of loan funds, and so on. It is a shame that today a sugar ~~industry~~ such as Kiwani Sugar Mills should ^{be} on the verge of closing down whereas that sugar company has the largest ~~estate~~ nucleus estate, as compared to other sugar companies. It is the magendo on the part of the Asians there that is troubling that industry, and nothing ~~else~~ else. The industry is viable, the machinery and the necessary people are there. There are over 2,000 workers there who are willing and hard-working. The cane is there, and the rainfall there is good, but magendo ^{is} rampant where people take everything they get from that company to overseas countries. That is what is crippling the company. We have more than 2,000 workers there who are now paralysed. They do not know what ~~to~~ to do. There are over 30,000 ~~many~~ out-growers who are affected just because of the money greed of magendo. These culprits are taking money outside the country, and I do not know when they are going to enjoy themselves in London, the United States of America or wherever they are taking this money. They take the money there, but you still see them around here. They are always present

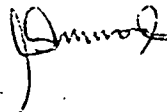
MR. K'OMEUDO (CTD.):

in Nairobi, and many other places in Kenya, while money is being taken overseas. You wonder when these old men are going to enjoy this money that they are taking away.

The Government should take steps to ensure that these industries, especially the ones that are viable, do not collapse. We were, and are still, happy that the Government has pronounced that it will take over the running of Miwani Sugar Company. We have waited for this to happen for ~~a bit~~ too long now. The necessary workers are there on the campus doing nothing. They are waiting for work. A decision should be made to get this company working so that these workers can get employment.

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

END N



(Question of the Motion as amended put and agreed to)

Resolved accordingly:

THAT, considering the difficult employment situation prevailing in the country, this House urges the Government to intensify the implementation of policy measures outlined in Sessional Paper No. 1 of 1986 on Economic Management For a New Growth, giving high priority to those measures intended to promote employment generation in rural and urban areas, and explicitly to incorporate Sixth Development Plan, 1989 to 1993, and the subsequent Plans.

MR. DEPUTY SPEAKER: Next Motion, Mr. Galgallo.

Mr. Galgallo is not here to move his Motion? Next Motion, Mr. Kiliku.

MR. KILIKU: Ahsante sana, Bw. Naibu Spika.

MR. DEPUTY SPEAKER: Order, Mr. Kiliku! I have just received information that the Ministry of Local Government are unable to be in the House this morning because they have another pressing engagement outside Nairobi. So, in view of that, they have requested the Motion to be deferred to next Wednesday. Next Motion, Mr. K'ombudo

(Motion deferred)

MR. K'OMBUDO: Mr. Deputy Speaker, Sir, I beg to move the following Motion.

THAT, while appreciating the Government efforts to provide clean piped water to every Kenyan home by the year 2000; this House urges the Government to mobilize domestic and international finance for the construction of a huge water pipe to pump water from Lake Victoria to a man-made dam in Timboroa, and to use the said water to supply homes and irrigate most parts of Kenya.

Now, as you know, Sir, it is the Government declared policy to avail clean water by the year 2000 to most Kenyan homes. It is also true that the Government considers irrigation as one of the -- Oh, the Minister for Water Development is seated right next to me here. He wants to hear my contribution really well! Irrigation is an accepted Government policy, and so we have, on one hand, Government policy to supply domestic water to Kenyan homes, and on the other hand, it is the Government policy to irrigate most parts of Kenya.

Now, what remains is the "how" to do it because we already know the "why". The "why" is a declared policy and it is accepted, but "how" to do it is what remains. Therefore, I am suggesting, through this Motion, that the "how" should be achieved very simply by pumping the fresh water - not salty water - from Lake Victoria to Timboroa.

Now, some people may ^{pose the} question: "Why pump this water all the way from Lake Victoria to Timboroa?" The reason, Sir, is that Timboroa happens to be the highest point in Kenya apart from the peak of Kenya. Timboroa is very high comparing it to the Lake level. So, it stands to reason that water at Timboroa will gravitate almost everywhere in Kenya.

Mr. Deputy Speaker, Sir, I do not know which year, but I guess in late 50's and early 60's, Egypt resolved to use the same water - the same Lake Victoria water - and with the financial aid from Russia they managed to make a man-made lake somewhere in their

MR. K'OMBUDO (Contd.):

country on the Nile River, the ~~greatest~~ Aswan Dam, which took many years to construct. Many, many tractors, say, "D7", "D8" and so on, and earth-moving equipment were deployed, and up to now it is the life line of the people there. They are exporting cotton to many parts of Africa which they grow using that water. They are also exporting horticulture products to Europe which they grow using that water, and yet here we are with the great lake with fresh water. We use it far down below through the Nile to feed other people.

However, we have a right to look after the interests of our people first. We should use the Lake Victoria water, and, therefore, through this Motion, I am suggesting that we make a man-made lake in Timboroa. I am sure we can do it as a people and as Kenyans. Once we have this man-made lake in Timboroa, through the force of gravity this water will flow to Karachuonyo, Mombasa, Mandera, Kisii, and everywhere in Kenya to irrigate our soil. As we know, God has really blessed us with very fertile soil in Kenya, and all we lack is water. Again God said that ^{let} there be Lake Victoria with fresh water, and there it is! I am also told by the experts that the cost of doing this may ^{be seem} colossal initially, but it would be the most viable project ever undertake by an independent Kenya. It would be viable because through this project we ^{shall} be the granary of Africa; Africa that is at present beset with hunger, refugees and food donations and floods. Now, if this project is implemented we shall be the granary of Africa. We shall export food to our neighbours and thereby earning foreign exchange for our country. How rich will Kenya be with the implementation of this project? We shall be very rich! We shall ~~start~~ ^{afford} importing huge machinery for our industries. We shall also have a very wide scope as far as foreign exchange is concerned.

End O.

MR. K'OMBUDO (Ctd.):

Then - and this is very interesting - initially, we shall need energy at Lake Victoria - electricity of course to pump that water. But, once it reaches Timboroa we can let it go and generate electricity and take that electricity right back to ~~ix~~ Lake Victoria. So, this water will be pumping itself; the cost will be very minimal - what they call at the Treasury Recurrent Expenditure, ~~in the minimal~~. It will be recycling. *in that* we generate electricity with it at Timboroa then take it to Lake Victoria and use it to pump the same water. What about the feasibility of actually constructing the pipe? We have managed to construct a big pipeline from Mombasa to Nairobi which carries oil. This one will even be ~~xxx~~ cheaper. We have, a few minutes ago, been concerned with the unemployment problem. We have been talking about the unemployment problem a few minutes ago and the Government agrees that there is need to increase the employment opportunities. What a wonderful idea through this Motion? We will get able-bodied people from Lake Victoria area itself digging, let alone machinery. A lot of Kenyan soil is ^{porous} ~~fallow~~; it is easy ^{and} we will dig ^{it} ourselves. A few places around Kericho and others which are mountainous ~~w~~ may need one or few machines but most of ~~the~~ parts of Kenya have deep soil. We will put women there to dig ~~to trench~~, *the trenches*

AN HON. MEMBER: Not men?

MR. K'OMBUDO: Yes; ~~xxx~~ women and men, boys and girls. Women nowadays are very tough; they will dig. So, the implementation of this project will create colossal jobs in the countrysides. In fact, no able-bodied person of ~~a~~ younger age group will miss ~~job~~ a job. You will ~~be~~ ^{digging trenches} young men go west where they are ~~trenching~~ ^{digging trenches} for the great canal; go west

MR. K'OMBUDO (Ctd.):

and dig and earn money. Then the forward and ^{backward linkages} backward leakages of the economy will start. There will be shop-keepers everywhere; the food hawkers and others ~~will~~ will be everywhere receiving this money. The Minister for Finance should go out with the Minister for Water Development and look for the money.

^{as} those who have represented us abroad will agree with me ^{that} there is plenty of international money looking for viable projects. In fact, money is there for the asking. It is enough that you have a viable project like the suggested Timboroa Man-made Lake because they will say ~~it is alright~~, it will ~~create~~ generate electricity and Kenya needs energy; it will irrigate vast amount of land and Kenya needs food as Africa is suffering from ~~f~~ shortage of food. The project is self explanatory. Let us go out and get the money; international money is there for viable projects.

END P....

MR. K'OMBUDO (Ctd.):

Mr. Deputy Speaker, Sir, time is gone when it was routine for Africans to talk about small projects. Why small projects everyday? Why should we always talk of small business for upcoming businessmen; small, small - let us start ~~an~~ small small businesses. Time has come when we Kenyans should now show the ~~rest~~ ^{rest} lives Africa that we can undertake these huge projects which are viable. We should take them not for prestige; we want food from these projects. It is not an armoury; we are not looking for money to manufacture arms with which to fight enemies. No. This is a project to give us food, energy and to give us jobs for our people and I hope I will be spared of ~~length~~ lengthy amendments in this one. There is nothing to amend here; it is a straightforward Motion. Let ~~us not here and I hope~~ nobody will come up with some International Agreements which were made in 1893. Such agreements are not going to benefit our people. We want to benefit our own people and we are not responsible for the Sudanese and others. Those are Arabs and they have their own problems.

We are responsible for our own people, and if there was an international agreement made in the year 1600, it must be scrapped in favour of this project. That agreement has to be ~~scraped~~ scrapped: We are not here to look after the interests of the Egyptians who do not give us cotton free; we have to buy. We have to be concerned ~~about~~ about our peoples' welfare and that is what even the President is talking about all the time. So, if there is any agreement - well, I do not know, I am just saying, if there was any international agreement prohibiting us from using this water, then that agreement has to be scrapped immediately. In fact, we do not want international theories; I know hon. ~~Maxi~~ ~~Mwinda~~ Muliro is versed on these diplomacy and so forth. This one is not an area for this kind of diplomatic move, No. We want food for our people.

AN HON. MEMBER: What about the fish?

MR. K'OMBUDO: I am very grateful to the hon. Member. That reminds me ~~and it is up to note~~, that at the moment there is not enough fish in Lake Victoria. There is not ~~is~~ enough fish for some reason; I think somebody has made provision

MR. K'OMBUDO (Ctd.):

~~these~~ for these fish
the fish can go
fishing in plenty

greater number^s through the River Nile so that
Egypt. In fact, I ~~have~~ hear that they are

Member crossed the Floor)

THE ASSISTANT
of order, Mr. Deputy
that on two occasions
and the hon. Member
Chair as they cross.

FOR REGIONAL DEVELOPMENT (Mr. Omado): On a point
to Mr. Deputy Speaker, Sir, I think you have notice
Members have crossed the Floor between the Chair
they have gone right there without bowing to the
to bow
is important for the dignity of the House.
I think it is important to heed that advice.

MR. DEPUTY

Deputy Speaker, Sir, excuse them for they have
~~however~~
~~however~~, they should not misbehave. I agree.
well
cross; Timboroa is ^{well} suited; no tribalism, no this

MR. K'OMBUDO:
promised to support
I think I have put
or the other; It is

END Q.....

MR. K'OMBUDO (Ctd):

It will benefit the whole of Kenya; it is also cheaper there because it will gravitate everywhere.

I have put the case, as I said, and I would like to give this chance to my friend, the hon. Kiliku, who has agreed to second this Motion. Thank you, Sir.

MR. KILIKU: Ahsante sana, Bw. Naibu Spika. ~~Nina~~ Ninaiunga mkono Hoja hii kwa sababu tumeuimba wimbo huu tangux tulipopata Uhuru mpaka leo. Ni lazima ifahamike kwamba ikiwa hatutakuwa na maji ya kutosha, hata tukiongea juu ya maongozi ya aina gani, hatutaweza kufaulu katika uchumi. Ni lazima mtu awe amepata chakula ndipo akienda kanisani, au kule Uhuru Park wanakokuwa wahubiri, aweze kilisikiliza sawa sawa neno la Mwenyezi Mungu. Lakini ikiwa mtu anaona njaa hata neno la Mungu wakati mwingine humpita kwa sababu ana wasi ~~na~~ wasi.

Bw. Naibu Spika, maji si ^{Kitu cha} ~~ya~~ kutafutali ^{Kama maji} Juzi tulisikia habari ya watu, mbuzi na ng'ombe waliokufa maji, na pia madaraja yaliyooshwa na maji. Leo Waziri anaweza kutuambia Wizara yake imetega maji kiasi gani na kuyaweka wapi kutoka katika maji yaliyoosha madaraja na kusababisha vifo vya watu? Je, Wizara yake imetega kiasi gani cha maji na kuyaweka wapi, au imeyaacha maji hayo yote yakaenda Ziwa Victoria na Bahari ^{la} ~~ya~~ Hindi? Ikiwa jambo hili lilifanyika, hii ni aibu kwa sababu kesho utasikia kwamba kuna ukame na ukosefu wa maji; hii ni aibu. Hata watu wanatusaidia ^o ~~watamb~~ wakiitembelea nchi watashangaa kuona kwamba tuna maji. Tatizo letu ni kutokuwa na ~~na~~ mipango ifaayo ya kulitatua tatizo hili.

Ninamshukuru Waziri kwa sababu juzi aliitembelea Wilaya ya Kwale ili kuona matatizo ya maji. Tungependa Waziri aendelee na mtindo huo wa kutembelea sehemu mbali mbali ili kuona vile wananchi wanavyoteseka. Ninamshukuru Waziri zaidi kwa sababu ~~za~~ alipitia Mombasa alipokuwa akienda Kwale kujionea vile watu wanavyoteseka kwa kukosa maji. Sasa kule Kitui, ambako wewe Bw. Naibu Spika unatoka, Machakos, Garissa, na sehemu za Baringo, leo ukiwapelekea watu wa huko maji

MR. KILIKU (Ctd):

wataweza kuilisha ~~xxx~~ nchi ^{ya} mahindi na kuwa na ziada ya kuuza ng'ambo. Lakini kwa sababu ~~kw~~ hawana maji imekuwa kawaida kwao kupele-kewa ^{ma} gunia 400 ^{ya} mahindi. Sasa ^{ma} gunia 400 ^{ya} itaitosha ~~wizak~~ wilaya nzima? Hii ni aibu. Tena itakuwa saa zote watu wanapewa chakula. Lakini maongozi yetu si watu kuwa wakipewa chakula; maongozi yetu ni watu kama hao kutafutiwa njia ~~kuzikabwya~~ ambayo, kwayo wataweza kujipatia chakula wenyewewe. Ikiwa wilaya itapelekewa magunia 400 ya chakula, ambacho hakitoshi kata ndogo, bali na kata, sasa Mbunge atakuwa akisumbuliwa kwa kuambiwa chifu amechukua kiasi fulani cha chakula, na hali tatizo ni uhaba wa chakula.

Kwa hivyo, maongozi yetu yanamtaka Waziri ~~kuzigali~~ kuona kwamba maji yanatolewa Ziwa Victoria, kama alivyosema mhe Mbunge, na na kwenda huko Timboroa. Hakuna mashine itakayotumiwa kuyapeleka kule; yataenda huko kwa nguvu ya gravity sawa na yale ~~ya~~ yanayotoka ^{Soviny} Mzima kwenda Mombasa. Hii ni kwa sababu Timboroa iko katika ~~ki~~ mwinuko, hali sehemu yatakokwenda ni mteremko; kwa hivyo hatutahitaji ~~kitu~~ kitu ~~ki~~ kingine kuyapeleka huko. Sasa, ni kiasi gani cha pesa tulizotumia kutafuta mafuta na mpaka sasa hatuja ^yapata? Hata asilimia 30 ya pesa hizo ~~xxx~~ kinaweza kutumiwa ~~x~~ ili kuwapatia watu chakula.

END R



MR. KILIKU (ctd.):

Bw. Naibu Spika, kila wakati tunataka mafuta. Hivi sasa Kenya Pipeline Company Limited inaweka mifereji kwenda upande wa Mkoa wa Magharibi. Walikuwa wameweka ^{mifereji} kutoka Mkoa wa Pwani hadi hapa Nairobi. Kama ni hivyo, kwa nini hatuletewi maji? Maji h yapo, na yanahitajika kupelekwa tu pale yanapohitajika. Haya ndiyo mambo ambayo tunahitajika tuyaangalie.

Tumezungumzia juu ya ^{Kujitoshelaza kwa} ~~utoshelezaji~~ wa chakula. Ikiwa hatuna chakula cha kutosha, uchumi wetu hauwezi kuendelea vizuri. Hii ni kwa sababu, ^{mnamo} ~~kama~~ tarehe 22 hivi, meli ^{inayobeba} ~~iliyobeba~~ ngano kama magunia 40,000 hivi ^{ya ngano} itatua nanga katika Bandari ya Kilindini hali tunaweza kukuza ngano hapa Kenya. Ingefaa Waziri anayehusika, aichunguze mipango ya uayunyiziaji ^{maslamba} maji kama vile ya huko Bura, Ahero, Western Kano na Mwea-Tabere, kwani imekuwa haiendelei vizuri kwa sababu tofauti tofauti.

Nikige^ukia shida ambazo wananchi hupata kutokana na ukosefu wa maji - na sijui kama ^{kuna} ~~m~~heshimiwa Mbunge yeyote ambaye atasimama kulipinga jambo hili - utaona kuwa ni maombi ya kila mtu kuwa na maji. Utasikia hivi karibuni kuwa zile sehemu ambazo hivi juzi zilikuwa zimepatwa na maafa ya watu kufariki kutokana na mafuriko ya maji, kuna ukame na wanyama wanakufa. Jambo kama hili ni la aibu. Ni afadhali kama katika hii Wizara inayohusika ^{kuongekua} ~~kuwe~~ na idara ya maji itakayokuwa ikihusika na mipango ya kuwapelekea maji wale ambao hawana maji. Hii ni kwa sababu watu wakiwa na njaa na hawana maji, hata ukiwazungumzia kwa lugha gani, ~~haz~~ hawataku-sikiliza. Maji ni uhai. Waziri ^{atakapokuwa} ~~ata~~mpango wa maji kwanza lazima aangalie pale mahali ambapo hapana maji. Asikubali kushurutishwa na siasa za aina yoyote. ^{Yafaa awaangalie} ~~Aangalia~~ kama watu wa Ukambani ^{ambao} kwa muda mrefu wamelilia maji, awapelekee. Afanyo vivyo hivyo katika sehemu nyingine kama vile katika Mkoa wa Kaskazini Mashariki. Pia akiwa hapo tungependa tumsikie akitoa

MR. KILIKU (ctd.):

mawaidha. Sisi Wabunge kazi yetu ni kuyasema mambo kama hayo hapa, na kazi ya Mawaziri ni kuona kuwa mambo tunayozungumza hapa yanatekelezwa. Siamini kuwa wale watu ambao ~~wana~~ hawana maji wana furaha ikiwa sisi tutakaa hapa na hatusemi chochote kuhusu vile maji yanavyoweza kupatikana. Kila wakati huwa tunatumia mamilioni ya pesa kutafuta mafuta hapa nchini, na hata hivyo hatuja yapata hata leo. Katika uchumi wetu jambo ~~la~~ muhimu zaidi ni maji. Itakuwa vigumu kwa wale wananchi ambao hawana maji kuwa na pesa za kuwawezesha kununua chakula kila siku. Kitu kingine ni kuwa kwanza hawana hizo pesa, hawana kazi na hata hawawezi kuwalipia w~~a~~atoto wao karo za shule. Je, sasa tutafanya nini? Leo lazima Waziri atuambie ni kwa nini ~~hawa~~ miaka 25 ~~na tano~~ tangu tupate Uhuru ~~ni~~ hadi sasa wale watu ambao wamekuwa na shida ya maji hawajapata maji hadi leo? Hili ni jambo mbaya sana. Wale watu ambao kwa hii miaka 25 wamekuwa na maji wanafuraha kwa kuwa wana chakula; lakini wale wasio nayo hawatakuwa na furaha kwani wakati huo watakuwa wanajishughulisha kutafuta chakula. Mtu akiwa na ~~nyaka~~ njaa hata ukimuambia nini hata kusikiliza. Ukimwambia kuwa Serikali hii yetu ni nzuri sana, yeye atakuangalia tu kwa sababu siku hiyo hajakula.

Hii ndiyo ~~ni~~ sababu Wabunge ambao hutoka sehemu ~~kakazi~~ kama hizi hutatizika sana wakati wa uchaguzi. Hii ni kwa sababu ukimwelezea mtu ambaye hajapata chakula kwa muda mrefu ataonekana kuwa wewe hufanyi kazi yako na kumbe wewe unalaumiwa bure. Haya yanatokea kwa sababu Wizara inayohusika na maji haifanyi kazi yake.

Nchi hii ina pesa nyingi. Zile pesa ambazo akina Shah walirudisha ambazo walikuwa wameficha huko ng'ambo, zikichukuliwa zinaweza kutoshea kutekeleza ~~Hoja~~ matakwa ya ~~Hoja~~ ya ~~mha~~ mshimiwa ^{yai} alileta Hoja hii.

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MR. KILIKU (ctd):

Bw. Naibu Spika, mhe. Saitoti alituambia kwamba zile pesa zilizochukuliwa zilirudishwa. Ingefaa pesa hizo ziwekwe vizuri kwa sababu zilikuwa zimeshachukuliwa. Kwa vile Mungu si Athumani, zilirudishwa - kama ni kweli - vile tulivyoambiwa. Ingefaa Wizara ya Ustawi wa Maji ipewe pesa hizo izitumie kwa miradi ya maji. Tukiambiwa tufanye Harambee ya kuwapatia wananchi maji, nafikiri tutakusanya pesa nyingi kushinda Harambee yoyote ile. Nitakuwa mtu wa kwanza kutoa mchango wangu kulingana na uwezo wangu. Ni aibu sana kwetu Wabunge kukaa tu na kuwaangalia watu wetu wanaotaabika kwa sababu ya ukosefu wa maji. Ingefaa wananchi wapatiwe maji kwa matumizi ya nyumbani na kwa kunyunyizia mashamba. Tukifanya hivi, tutakuwa na watu wenye nguvu na wenye afya bora.

Kwa hayo machache naunga mkono.

(Question proposed)

MR. CHEPKOK: Asante sana, Bw. Naibu Spika, kwa kunipa nafasi ili niungane na Wabunge wenzangu ambao tayari wamezungumza. Ningependa kumpongeza mhe. K'Ombundo kwa kuleta Hoja hii katika Bunge hili. Hii si mara ya kwanza Hoja kama hii imeletwa katika Bunge. Tumekuwa na Hoja nyingi kama hii ambazo zimepitishwa lakini bado Wizara haijaziteleza. Sijui ni kwa sababu hakuna pesa au ni kwa nini. Hii ni kwa sababu kila wakati tunapouliza mradi fulani utekelezwe, tunaambiwa "... kama pesa zikipatikana, tutafanya hivyo."

Nafikiri kuna njia nyingi za kupata pesa za kutengeneza bwawa hili ili watu waweze kuwa na maji ifikapo mwaka wa 2,000. Kama Serikali haina pesa za kutosha, tunaweza kufanya Harambee ili tuweze kuweka mfereji wa maji kutoka Ziwa Victoria mpaka Timboroa. Pesa zinaweza kupatikana kwa njia hii. Serikali inaweza kutoa kiasi fulani cha pesa na wananchi nao watoe kiasi fulani. Jambo hili linaweza kufanyika. Nafikiri kwamba maji haya yakisambazwa katika sehemu zote, wananchi watapata kazi. Kwa wakati huu, sehemu kubwa ya Kenya imekuwa jangwa. Ingefaa maji haya yasambazwe hadi

Turkana na Mkoa wa Kaskazini Mashariki kwa jumla ili watu waweze kutumia maji hayo kwa kukuza chakula, ili tusije tukasema eti hatuna chakula cha kutosha. Maji yakipelekwa katika sehemu hizo, miji itakuwa misafu, miti vitapandwa na jangwa itasukumwa mbali. Tukifanya hivi watu watapata chakula cha kutosha, na watu wetu watapata kazi kwa vile kila mtu atakuwa na jukumu la kulima, kufuga ng'ombe na kadhalika. Hata mhe. K. Ombundo hawezi kukosa samaki tukifanya hivyo.

Kama jambo hili haliwezekani, Serikali inaweza kuchimba mtaro wa maji kutoka Ziwa Victoria na kuelekezwa katika sehemu nyingi nchini. Jambo hili linawezekana. Kwa njia hii, watu wote watapata maji. Wakati fulani mshauri mmoja aliniambia kwamba kuchimba mtaro wa maji kutoka Ziwa Victoria unaweza kuchimbwa kupitia Kilgoris, Narok na Nakuru hadi Samburu.

Ningependa kumwomba Waziri atekeleze Hoja hii ili tusije tukaleta Hoja kama hizi kila wakati katika Bunge hili. Kila wakati Hoja kama hii huletwa hapa, sinapitishwa na haitekelezwi. Hoja hii ikipitishwa leo, namwomba Bw. Waziri aitekeleze ipasavyo ili kazi iendelee mbele. Akifanya hivi, watu watakuwa na maji katika nyumba zao ifikapo mwaka wa 2,000.

Wizara ya Ustawi wa Maji inasema kwamba ifikapo mwaka wa 2,000 kila nyumba itakuwa na maji. Je, maji haya yatapatikana wapi kama hatuwezi kutumia yale ya Ziwa Victoria? Mkoa wa Kaskazini Mashariki na hata Turkana hakuna maji. Pia hakuna maji katika sehemu ya Kenya Valley na hata katika mawakilisho yako, Bw. Naibu Spika, huko Kitui. Maji kutoka Ziwa Victoria yakisambazwa hapa nchini, kila mtu atakuwa na maji nyumbani.

Kwa vile Waziri ni rafiki yangu, rafiki kwa kila mtu katika Bunge hili na Kenya kwa jumla, namwomba aanze kutekeleza Hoja hii leo, ili tupate maji. Maji haya yakipelekwa kote nchini, watu wataanza kunyunyizia mashamba yao maji na tutakuwa na vyakula vya kutosha katika Kenya. Tukifanya hivi, watu watakuwa kazi yao kufanya na hatutakawa

MR. CHEPKOK (ctd):

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na watu wakija majumbani kwetu kutafuta kazi. Tusipofanya hivi, katika uchaguzi ~~wam~~ wa mwaka wa 1993, wengi wetu hatutaweza kuingia katika Bunge hili. Hii ni kwa sababu wananchi wanataka kazi na hii ndio sababu wana-
mchagua mtu ambaye atawasaidia kupata kazi.

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MR. CHEPKOK (Ctd.):

Wewe mwenyewe huna kazi, lakini kama tungeanzisha mipango ya kunyunyizia mashamba yetu maji, kila mtu angekuwa na kazi ya kufanya kule nyumbani. Mkulima atawafuga ng'ombe wa gredi na kupata maziwa ya kupeleka katika Kenya Co-operative Creameries. Vile vile, ataweza kukuzā mboga na kuzipeleka sokoni na zingine atauza ng'ombe. Tukifanya hivyo, kila mtu atakuwa na kazi ya kufanya, lakini ikiwa tutaiacha taabu ya ukosefu wa maji bila kuifikiria, nafikiri asilimia 90 yetu hapa Bungeni hawatarudi hapa tena. Kwa upande wa kwetu, kila wakati wananchi wanasema, "Tunataka maji. Kazi yetu ni kutafuta maji peke yake na hakuna jambo lingine lolote ambalo tunaweza kufanya". Kwa hivyo, ninamwomba Waziri atusaidie ili tuweze kuwapatia wananchi maji na tukifanya hivyo, wengi wetu tutaweza kurudi katika Bunge hili.

Kwa hayo machache, naunga mkono.

MR. LAGAT: Ahsante sana Bw. Naibu Spika kwa kunipatia nafasi hii ili niunge Hoja "hili" mkono.

AN HON. MEMBER: Sio Hoja hili; ni Hoja hii.

MR. LAGAT: Bw. Naibu Spika, Mswahili mmoja amenisahihisha kidogo na nitalifuata sahihisho lake. Tunapozungunza juu ya maji, tunazungunza juu ya maisha ya binadamu, na tunapozungunza juu ya maisha ya binadamu, ni lazima tunazungunza tufanye hivyo kwa makini sana. Nasema hivyo kwa sababu mtu yeyote akisikia, kwa mfano, kwamba kuna ugonjwa ambao utakuja kuchukuwa maisha yake, atafanya juhudi juu na chini ili kuona kwamba ameufukuza ugonjwa huo mbali sana. Naamini kwamba Waziri ambaye ameketi karibu nami anayasikia yale yote tunayosema katika Bunge hili kuhusu maji. Tunajua kwamba maji, kama vile tumesema, yanahusu maisha ya binadamu. Hivyo ni kusema kwamba ikiwa hakuna maji, hakuna mtu yeyote au mnyama yeyote ambaye ataweza kuwa na uhai katika Kenya hii. Ikiwa tunafahamu kwamba maji yanahusu maisha ya binadamu pamoja na wanyama, ni wajibu wa Wizara ya Maji ^{Kuitia} ~~kuichukulia~~ maanani sana Hoja hii kwa sababu inayahusu maisha ya kila Mwanakenya.

Bw. Naibu Spika, tumekuwa tukizungunza juu ya ukosefu wa kazi. Ni kweli na nafasi za kazi hazipatikani katika nchi hii kwa sababu ya watu kutokuwa kiti cha kufanya. Mimi naamini kwamba tukiyalete maji haya ambayo yanasemekana kwamba yanakaa bure kule Ziwa Victoria na yale mengine ambayo yanatumwa na Waarabu na ~~kupeleka~~

hadi kule Timboroa, kila sehemu ya nchi hii itaweza kupata maji ya kuyanyunyizia mashamba ^{hii} maji. Tukiwa na mipango ya kuyanyunyizia mashamba yetu maji, kila mtu katika nchi hii ataweza kupata kazi ya kufanya. Mkulima mwenye uwezo, ataweza kuwajiri wata wengine kazi katika shamba lake la kukuza mboga. Mwingine ataweza kuanzisha mpango wa kufuga ng'ombe wa zero grazing na kuweza kutoa maziwa mengi katika nchi hii. Kama ^{vile} nilivyosema, mpango huu wa kufuga ng'ombe ^{kwa} zero grazing hauwezi kufanya ^w na mtu mmoja, bali ~~unahitaji~~ unahitaji kufanywa na watu wengi, na watu hawa watakuwa wameajiriwa kazi kulingana na maji ambayo tutaweza kuwaletea watu wetu.

jambo la

Bw. Naibu Spika, ~~Waziri~~ ingefaa kama Waziri angefahamu kwamba/kuyaleta maji kutoka kule Ziwa Victoria mpaka kule Timboroa, hali takuwa jambo la hasara. Nasema hivyo kwa sababu maji yale yakifika kule Timboroa na kupelekewa wananchi pahali popote walipo, yanaweza kujilipia yenyewe, kwa sababu ya kazi ya faida ambayo itakuwa ikifanywa na wakulima. Zile pesa ambazo zitapatikana chini ya mpango huu, zitaisaidia Serikali kwa njia mbali mbali. Sisi katika nchi hii, turalipa ushuru kila wakati kulingana na mapato yetu. Kama Waziri angeanzisha mpango huu wa maji, tutaweza kupata mapato mengi na ninaamini kwamba ushuru utakuwa mwingi na maji hayo yatakuwa yakijilipia yenyewe.

Ikiva kuna jambo lolote ambalo watu wanaweza ^{kulipigania} kupigania, ni jambo linalohusu maisha ya binadamu na kama kuna mkuki wa ina yoyote, unaweza kuutumia kwa kukinga maisha yako. Kwa hivyo mimi sioni ni sababu gani sisi kama wananchi wa Kenya, hatuwezi kutumia kitu chochote tunachoweza kupata ili kuhakikisha kwamba maji yamefika katika kila sehemu ya nchi hii. Ninapozungunza hapa leo, Bw. Naibu Spika, wakulima katika sehemu ya Uasin Gishu ambapo watu wanafikiria kwamba kuna mvua wamekuwa na madeni makubwa sana. Wakulima hawa x hawakuyapata madeni hawa walikuwa wakiyataka, ~~sana~~ lakini walipata madeni haya kwa sababu ^{wakulima} hawa ^{wanali} kwa mvua ya kutosha. Hakuna ~~mvua~~ mvua ya kutosha katika sehemu hii. Kwa hivyo kama tungekuwa na mpango mkubwa kama huu wa ~~ku~~ maji ambapo tungeyaletea maji mpaka kule Timboroa, ^{ninaamini} kwamba wale wakulima wangeweza kuyapunguza madeni yao kwa njia ya kuyanyunyizia mashamba yao maji.

Bw. Naibu spika, tunapozungunza juu ya maziwa na ng'ombe, ni kweli kwamba tukiwa na maji ya kutosha, tutaweza kupata maziwa ya kutosha kwa njia rahisi sana.

Tukifanya hivyo, hatutakuwa na haja ya kuagiza maziwa kutoka nchi za ng'ambo, na jambo hili litatusaidia sana katika juhudi zetu za kuziokoa pesa zetu za kigeni ambazo zinahitajika sana katika nchi hii.

Bw. Naibu Spika, sisi katika Wilaya ya Uasin Gishu tunafanya kazi kwa bidii sana na watu walioko nje ya Wizara hii husema kwamba Wilaya ya Uasin Gishu ni ghala ya chakula katika nchi hii. Lakini bila kuwa na maji ghala hili ^{lutulisha} (inatagemewa na nchi yote ya Kenya haitaweza ~~kuwalia~~ sisi sote. Nasa ^{na} hivyo kwa sababu maji peke yake ndiyo yanaweza kutuletea sisi chakula cha kutosha katika nchi hii yetu.

Bw. Naibu Spika, tumezitumia pesa nyingi sana ^{kwa} kuleta mafuta ya petroli katika nchi hii. Vile vile, tumezitumia pesa nyingi sana katika mipango ya kutafuta petroli katika nchi hii. Kama mhe. Mfungu mmoja alivyosema hapa Bungeni, maji hayatafutwi. Maji yako kwa wingi na tunajua hayo maji yako wapi na mimi ~~sia~~ sifahamu ni kwa nini mpango wa kuwapelekea wananchi maji unaweza kuchukuliwa muda mrefu kama huu. Ikiwa tutatumia mabilioni ya shilingi kuyatafuta mafuta, ni kwa nini hatuwezi kuzitumia pesa kidogo tu kuleta maji kutoka Ziwa Victoria hadi Timbora ili maji hayo yaweze kuwafikia wananchi katika kila sehemu ya nchi hii. Kila mhe. Mfungu katika Bunge hili, anajua kwamba watu kule nyumbani wanasikia vile tunavyosema. Naamini kwamba, kwa vile Waziri mwenyewe amechaguliwa na wananchi ataichukulia maanani Hoja hii.

Kama nilivyosema, Bw. Naibu Spika, naiunga mkono Hoja hii na ningependa itekelezwe haraka iwezekanavyo ili watu wetu waweze kupata maji, na ningewaomba wawe wakiziunga Waheshimiwa Wabunge wote ~~na~~ mkono Hoja zote zinazohusiana na maji.

Kwa hayo maneno mengi, naiunga mkono Hoja hii.

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MR. KYONDA: Thank you Mr. Deputy Speaker, Sir, for giving me this opportunity to join my friends in support of this important Motion.

When I look at the Motion, I get the feeling that it embraces a lot of ^{what} all of us here would like to see. When you look at the Presidential Address, which was delivered by His Excellency the President while officially opening this Sixth Parliament, you find that he ~~talked~~ talked of the creation of jobs, ^{Production of} food, us being in the forefront and so many other things. This is a motion which should be taken very seriously.

As other hon. Members have said, we get oil from very far, which costs us a lot of money. ^{Where} ~~Why~~ does the money go? So much money is being spent in prospecting for oil. If we got it, who would benefit? Certainly it would be us. If this Motion ~~we~~ were implemented, most of us would benefit. It has been said that about two-thirds of our land is marginal ~~land~~ - places which get very little rain and food is a problem. If this Motion were implemented, it would, therefore, mean that we would get water.

Mr. Deputy Speaker, Sir, the other important thing is this question of the Government's declared policy of providing water near every homestead by the year 2000. If this ^{Motion} ~~is~~ implemented, every mwananchi will get water ~~near~~ easily by the 2000. But where are we going to get the water to supply the people in the North-Eastern Province, Marsabit ~~and~~ Ukambani and other places from, unless we come up with projects ~~like~~ like this? It is in this spirit that I think that every thing should be done to provide our people with ~~water~~ clean drinking water. But, maybe, there are technical areas that we need to look into. All the same, I think, the spirit of the Motion is good and everything

MR. KYONDA (ctd.):

should be done to implement this project.

Mr. Deputy Speaker, Sir, I do not see any other way in which we will be able to provide water to all the people by the year 2000. Even ~~z~~ with this project, I do not think it will be possible to do so, but, at least, we will be moving toward that goal. As other hon. Members have said, with this kind of ~~me~~ project, we will be able to irrigate our arid areas and, by so doing, we will be ~~h~~ able to produce food. Irrigation will create jobs for our people and so wananchi will be capable of contributing money ~~for~~ towards development projects. But if there is no food and no jobs, where will the people get money for development projects from?

If this project is implemented, it ~~z~~ can join Kenyans towards a goal that is important to all of us. This could be a national project whereby, those who ^{are able} ~~can~~ contribute towards it. Our President has, on a number of occasions, raised funds for other worthy causes, and I think this could become a similar case. We could also get money from donors whom, I am sure, would be ~~w~~ easy to get, since it would be a viable project.

Mr. Deputy Speaker, Sir, a lot has been said by my colleagues who have contributed to this Motion. Mine is to join them in supporting this very important ~~me~~ Motion which seeks to provide water to places which would not have water, otherwise. The water thus provided would help in providing food to those places which would not have food, otherwise. In arid and semi-arid areas, when there is drought, many animals die, but with a project like this one, we would be sure of a constant water supply for such animals, irrigation and domestic use.

I, therefore, maintain that this is a very worthy project and, with those few remarks, I beg to support the Motion.

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 MR. KALANG'OLI: Thank you Mr. Deputy Speaker, Sir, for giving me this chance to contribute to this very important Motion concerning water. Water, as we very well know, is life, and it is important that we do all we can to make sure that the Government policy on the provision of water close to every homestead is realised by the year 2000, as documented in most Government documents.

Mr. Deputy Speaker, Sir, what worries me most is the assertion, by my hon. friend that we shall involve international financiers to achieve this goal. A project like this one will be picked up by the World Bank, which will want to finance it. You will realize that most of the money ~~is~~ which may ^{be put} ~~go~~ into this kind of project goes to consultants. Whatever ~~is~~ Motions we bring here as Members of Parliament are for the benefit of wananchi. Therefore, I hope that the Minister will be serious and look at the cost structure involving consultants, while implementing and seeking the finances for this project. I am saying this because I know that digging trenches from Kisumu would not constitute a-half or even ~~a~~ three-quarters of the total amount involved in the project.

Mr. Deputy Speaker, Sir, water is so important that when most of us talk about it, we become emotional. To ~~it~~ illustrate this, there is the case of many farmers ~~in~~ in Webuye who got loans from the Agricultural Development Corporation (A.F.C) to buy cattle. Unfortunately, when the rains failed, the cattle they had bought died. Therefore, since they could not repay the loans, their farms ~~is~~ are being auctioned. If water was available in that ~~is~~ area, those farmers would not be suffering. This is where on-going projects come in. As we talk about this Motion, we have also to talk about the on-going projects. What is the Minister doing about them? We do not ~~is~~ want to be confused such that since we have got this Motion here, the on-going projects

MR. WAMANG'OLI (ctd.):

are withheld. withheld.

Mr. Deputy Speaker, Sir, I would also like to support my friend, hon. Munyi's remarks in ~~the~~ past debates here when he has said that in the developed countries, rain water is stored in reservoirs. Why can we not have such an arrangement and store rain water in man-made dams?

Mr. Deputy Speaker, Sir, water is very important. Once we have water, there will be farms to cultivate and ^{livestock} farm animals to look after and so there will be employment. We believe that this Motion will be taken seriously so that it is not kept like others. We want something to be done. We would not like to be coming here, debate on something, and then the Motions which we pass are shelved, and then after five years, we come back here and bring the same Motions in kind. The Minister for Water Development should take this Motion very seriously, since he is handling a ~~very~~ Ministry that matters. All of us have hope in this Ministry because water is life.

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MR. MANG'OLI (ctd.):

It is because of the importance of water that we want more water pumped from Kisumu to Timboroa. One hon. Member has suggested that we should mobilise both domestic and international funds to finance this project, and we want the Minister for Water Development to come up with the costing of the project so that something can be done. We do not want this matter to be debated here today only for it to be forgotten tomorrow. I am talking with all seriousness because if the on-going water projects are not being implemented on time, how about the project which we are creating through this Motion? It may never take off at all. So, when also debating on this particular Motion, I would appeal to the Minister responsible to look into the on-going water projects in the various constituencies we represent here. We have realised that we are stuck somewhere; sometimes water ~~in~~ pipes just bypass the villages without the water being spread to the various homesteads. It is funny that water pumps should pass through a village yet mothers are forced to go to the streams to fetch water. I feel that some system should be created so that we have communal water collection centres in the villages other than having the pipes running through the villages to the end. There is no point of having only one part with water in a whole village. How shall we ~~be~~ be able to have water available to every Kenyan by ~~the~~ ~~the~~ year 2,000? If we are going to have water ~~is~~ available in ~~every~~ every homestead, then a system should be devised in ~~in~~ this House or in the Ministry of Water Development by experts, so that water is available to everyone. I have realised that in my area there are pipes running through villages and mothers are still fetching water from the streams and rivers. Something has to be ~~done~~ done to provide water for communal collection. We should ensure that by the year 2,000 water will be within reach of the common mwananchi of this country.

Mr. Deputy Speaker, Sir, with those few remarks, I beg to support ~~the~~ the Motion as amended.

MR. KONES: Thank you very much, Mr. Deputy Speaker, Sir, for giving me this opportunity to contribute to this very important Motion. Water ~~is~~ life, and when we talk about it we are very serious. We have seen people ~~getting~~ getting scared of

MR. KOMES (ctd.):

the killer disease, Aids, but nobody seems to be getting scared of the scarcity of water or drought. We have seen drought kill thousands and thousands of animals, and we have seen people starve to death because of drought and nobody is taking seriously. I think it is the right time that the availability of water to Kenya was given a serious thought.

Mr. Deputy Speaker, Sir, supplied to every home, water would considerably reduce the volume of unemployment and the seriousness of famine that we have experienced several times in this country. Water can improve the standards of living of the people of this country considerably. Citing a few examples of areas where water has been supplied, I would like to draw your attention to the area near Naivasha, on your way to Nakuru - Delamere Estate - where irrigation is taking place. That place is wonderful. Every time I pass through there, it has occurred to my mind that if every inch of this country was irrigated to that standard, we would be talking great today. Just opposite Delamere Estate is a completely dry land although it lies in the same zone as the estate, experiencing the same atmospheric pressures and what-have-you. Just because of that ~~my~~ extra supply of water, ~~the~~ Delamere Estate has been turned into a completely green land. I have gone ~~through~~ through Masailand severally, and I have seen that the place has been seriously eroded by the heavy rains that fall in that area. Two months ~~at~~ after the heavy rains, the place becomes so dry that cattle die in their hundreds or so. If there was irrigation practised in Masailand, those people would not be nomadic again; they would practice a sensible ~~livestock~~ livestock farming which would benefit this country with a foreign income.

If we had water in my constituency, we would be talking differently from what we are talking today. Every time some people start off some projects on livestock, but those projects last for about four or five months in the year; the rest of the month is a complete chaos. I know of some areas where people practice nomadic grazing in my constituency but, because of lack of adequate water, these schemes have failed tremendously ~~although~~ despite the fact that a lot of money is pumped

Sixth Parliament

First Session

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R E P U B L I C O F K E N Y A

T H E N A T I O N A L

A S S E M B L Y

OFFICIAL REPORT

Wednesday, 15th June, 1988

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H A N S A R D

Wednesday, 15th June, 1988

The House met at thirty minutes past Two o'clock.Mr. Speaker in the Chair

PRAYERS

NOTICE OF MOTION

MR. ANGATIA: Mr. Speaker, Sir, I beg to give notice of the following Motion:-

THAT, noting that equity, initial working capital and management skills are the main obstacles hindering indigenous Kenyans in implementing the declared national policy to establish and own industries in the rural areas; this House urges the Government to amend appropriately the Articles of Association of such banks and financial institutions as I.D.B., D.F.C.K., I.C.D.C. and K.I.E. to enable them mobilise their human and material resources to set up industries in each district in the country in conformity with the District Focus for Rural Development Strategy; and further that the Government deliberately encourage wananchi to buy shares in these industries with a view to owning them ultimately.

GENERAL ANSWERS TO QUESTIONS

Question No.83

MR. WASIKE-NDOMBI. asked the Minister of State, Office of the President if he can consider placing those casual employees in the Nyayo Tea Zones who have worked for a continuous period of three months under permanent and pensionable terms.

THE ASSISTANT MINISTER, OFFICE OF THE PRESIDENT (Mr. Kamotho):

Mr. Speaker, Sir, I beg to reply.

It is difficult to consider placing those casual employees in the Nyayo Tea Zones who have worked for a continuous period of three months under permanent and pensionable terms because the nature of their work is very seasonal.

Mr. Speaker, Sir, we must also know that the Nyayo Tea Zones will be under a State Corporation which is in its draft stage and, therefore, it is not possible to place those who are working as casuals at the moment under permanent and pensionable terms.

MR. WASIKE-NDOMBI: Mr. Speaker, Sir, while appreciating the answer given by the Assistant Minister, now that the present employer is under consideration of being formed into a State Corporation, I wonder whether his Ministry has a policy to consider that these casuals are absorbed into permanent and pensionable terms by the Corporation?

MR. KAMOTHO: Mr. Speaker, Sir, as soon as the State Corporation is well established and the casual workers who have proved suitable and employable will be put under permanent and pensionable terms.

MR. WASIKE-NDOMBI: Mr. Speaker, Sir, the Assistant Minister seems to be giving a good answer, but when he says "employable", it is not clear. In fact, it was just the other day that the Government or His Excellency the President said that the Nyayo Tea Zones is going to increase employment by 10 per cent. Now, what does the Assistant Minister mean by "employable"? Are there any casual workers that when permanent employment come will be "unemployable"?

MR. KAMOTHO: Mr. Speaker, Sir, I am sure that the hon. Member knows the nature of the tea industry. The casuals who are there now are normally engaged for two months for planting of tea, and as soon as the State Corporation is formed and the tea that is in the Nyayo Tea Zones "mature", then the Board of Directors of the Nyayo Tea Zones State Corporation - which will be the policy-making body of the Corporation - would then consider employing those casual workers depending on their suitability to work under permanent and pensionable terms.

MR. WASIKE-NDOMBI: Mr. Speaker, Sir, I am just wondering. The Minister for Labour said that anybody who has worked for more than three months as a casual becomes permanent and pensionable. Now, are casuals working in the Nyayo Tea Zones exempted from that?

MR. KAMOTHO: Mr. Speaker, Sir, as I said, it is the question of the nature of the work being done now. The work that is being done now by most of those casuals is seasonal; it is a two months' work for planting of tea. As soon as the State Corporation is formed, which will be the decision making and also policy making body, will officially be the employer of the workers of that particular State Corporation. Therefore, they will formalise the employment terms of those workers. Otherwise, right now there is no institution charged with that responsibility of employing and deciding terms and conditions of service. In any case, Sir, the tea is under plantation now and it has not yet "matured". For that reason, as soon as the Board is incorporated formally and the Act will be passed by this particular Parliament, then the Question the hon. Member is asking would be taken into consideration.

Question No.48

MR. KILIKU asked the Minister for Transport and Communications:-

- (a) if he is aware that Changanwe Constituency lacks public telephone booths; and
- (b) if he could ensure that JUMVU KUU and Miritini Shopping Centre are provided with these booths.

THE MINISTER FOR TRANSPORT AND COMMUNICATIONS (Mr. Matiba):

Mr. Speaker, Sir, I beg to reply.

(a) No. Changanwe Constituency is not lacking public telephone booths.

(b) Installation works on public telephones ^{at} JUMVU KUU and Miritini Shopping Centre are in progress and expected to be completed by the end of the month.

MR. KILIKU: Mr. Speaker, Sir, I wish to thank the Minister very much for his good reply, and I hope ^{that} what he has said will be done. Thank you.

End A.

wa Mang'oli's

MR. SPEAKER: Let us move on to Mr. ~~Wamang'oli's~~ Question.

Question No. 79

MR. SPEAKER: Mr. Wamang'oli is not in? Let us move to the next Question.

Question No. 78

MR. SPEAKER: Mr. Wakole is not in? Let us move on to the next Question.

Question No. 66

MR. MWAMZANDI asked the Minister for Water Development:

- (a) whether he is aware that wananchi at Kikoneni and Mwanyamala do not get water although there is water from Kikoneni Dam; and
- (b) what the purpose is of rationing this water as it is always done by the two attendants of the water supply.

THE ASSISTANT MINISTER FOR WATER DEVELOPMENT (Mr. Mweu): Mr. Speaker, Sir, I beg to reply.

(a) I am aware that wananchi in some parts of Kikoneni and Mwanyamala do not always get sufficient water from Kikoneni Dam. This is partly because Kikoneni Water Supply that is supposed to cover the entire location is still under implementation. Pipework has been completed. What now remains is the installation of a pumpset for Mwanyamala which is now *at a* ~~in~~ tendering stage.

(b) As a policy, the Ministry does not ration water. However, this has occurred in very isolated cases in Kikoneni supply area necessitated by the breakdown of the only operational pumpset. The last such breakdown was experienced at the beginning of May 1988 and the rationing was done to ensure fairness to all customers.

MR. MWAMZANDI: Mr. Speaker, Sir, the Assistant Minister has said that the installation of a pumpset for Mwanyamala is now in ^{the} tendering stage. When is the tender going to be advertised?

MR. MWEU: Mr. Speaker, Sir, when I say that the installation is in the tendering stage, it means that the office of the District Commissioner, Kwale, is doing something or is in the process of tendering - unless the hon. Member is doubting this.

MR. MWAMZANDI: Mr. Speaker, Sir, in his answer to part (b) of the Question, the Assistant Minister said that a breakdown of the pumpset was experienced at the beginning of May, 1988. Will he agree with me that he has been misled by his officers because the rationing of water is traditional and not only from May? How will he stop this habit of rationing water thus making the public to suffer?

MR. MWEU: Mr. Speaker, Sir, I would to disagree with the hon. Member when he says that the rationing of water is traditional. I will repeat what I have already said that the installation of a pumpset for Mwanyamala is now in the tendering stage. When the pump is installed, the problem of water will be got rid of.

MR. MWAMZANDI: Mr. Speaker, Sir, the Assistant Minister clearly said that the tender for installation of a pumpset for Mwanyamala will be advertised. My concern here is about the rationing of Water in Kikoneni by the two attendants. If there was no other breakdown except the one experienced in May, 1988, does the Assistant Minister not agree with me that there was politicking in this case?

MR. MWEU: Mr. Speaker, Sir, I am not aware of any politicking in this case. I am not informed.

MR. MWAMZANDI: Mr. Speaker, Sir, now that the breakdown has been ^{Contained} maintained, will the Assistant Minister inform the House the step he will take when there is no breakdown and yet water is rationed?

MR. MWEU: Mr. Speaker, Sir, I did not get that question properly. Can he repeat it?

MR. MWAMZANDI: Mr. Speaker, Sir, the Assistant Minister has said that the rationing was due to the breakdown of the pumpset which has now been ~~xxx~~ repaired. If now there is no breakdown and water is being rationed, would he assure wananchi in Kikoneni that he will take action against those two attendants? If he does not deal with ~~them~~ ^{the two attendants,} the public might mete ^{out} mob justice against them.

MR. MWEU: Mr. Speaker, Sir, I would like to add here that the attendant who was there before has now been transferred and replaced.

MR. SPEAKER: Let us move on to the next Question.

Question No. 77

MR. NDZAI asked the Minister for Public Works:

- (a) what has delayed the completion of Marafa bridge in Kilifi District; and
- (b) when it will be completed.

THE MINISTER FOR PUBLIC WORKS (Mr. J.K. ^{arap} Koëch): Mr. Speaker, Sir, I beg to reply.

(a) Marafa Bridge on road D553 in Magarini Settlement Scheme in Kilifi District is a bailey-bridge with timber deck. Originally it was planned to repair the bridge by re-using timber from Usueni Bridge in Meru District which was to be repaired by using steel deck through a Norad funded project. The implementation of the Norad funded project, was somehow delayed and thus causing on the repair of the Marafa Bridge. New timber has, however, been purchased and fixed on Marafa Bridge.

(b) The bridge was opened to traffic during the second half of May, 1988.

MR. NDZAI: Mr. Speaker, Sir, while thanking the Minister for the completion of the bridge, I would like to say that it seems ~~that~~ they worked on it after receiving my Question.

Thank you.

MR. J.K. KOECH: If my hon. friend listened to me carefully, I said that there were some unforeseen delays. When we realised ~~that~~ that the

delay was going to continue, we took an alternative measure. We have already done this and I am happy that the hon. Member can pass through the bridge right now. He should be grateful.


MR. SPEAKER: Next Question.

Question No. 72

MR. KUBO alimuliza Waziri wa Ujenzi na Nyumba:

- (a) kama anafahamu kuwa kuna wananchi wengi wanaoishi kama maskwota kwenye mashamba ya mikonge ya Jipe, Taveta na Ziwani; na
- (b) mipango anayo ya kuwapatia wananchi hawa makao ya kudumu.

ENDB



THE ASSISTANT MINISTER FOR PUBLIC ~~WORKS~~ WORKS (Mr. Mutiso): Bw. Spika, naomba kujibu.

(a) Wizara yangu ina habari kwamba kuna maskwota wanaoishi katika mashamba ya mikonge ya Jipe, Taveta na Ziwani. Hata hivyo ningependa kuliarifu Bunge kuwa hakuna ardhi ya Serikali huko Taveta ambako maskwota hao wanaweza kupatiwa makao.

(b) Kama suluhisho la kudumu, Wizara yangu inatafuta uwezekano wa kuhimiza wananchi hao wanaoishi kama maskwota huko Taveta kuchanga pesa ili waweze kumunia ardhi katika mashamba hayo au wanaweza kupewa makao katika ardhi ya Serikali ikipatikana katika ~~sehemu~~ sehemu nyingine.

KUBO:

MR. Ingava Waziri msaidizi anasema hakuna ardhi katika sehemu hiyo, ardhi hiyo ambayo nimetaja hapa ni ya eneo la ekari 60,000, na kwa hivi sasa pengine ni kiasi cha ekari 10,000 kinachotumiwa. Ni kwa nini Waziri Msaidizi hawezi kufutulia mbali ile lease kwa sababu lile shamba ni la Serikali na wenye kukuza mikonge hapa wamepewa lease na Serikali? Hii ni kwa sababu inewashinda kuitumia na kuli-~~mbaki~~ endeleza hivyo tangu mwaka wa 1928 mpaka leo. Serikali inaweza kukubali kwamba ile lease ilitoa haina ~~maswali~~ maana na ingefaa ichukue ile ardhi ~~ika~~ iliyobeki halafu iwapatie wananchi?

MR. MUTISO: Mhe. Kubo anafahamu kwamba kama mtu ~~zax~~ amepewa lease ya ardhi hiyo ni mali yake na ataendelea kuitumia kwa kihalali. Kama vile nilivyo-~~mweleza~~ mhe. Kubo, lingekuwa jambo la busara kama angalichukua jukumu la kuwanga-nisha wananchi wa sehemu yake na kuwatia moyo wachange pesa jinsi inavyofanyika katika sehemu nyingine ili ~~ku~~ wajimulie ile sehemu ambayo huyo mwenye shamba haitumii. Ninafahamu kwamba wakati mwingine huyo tajiri alikuwa amesema kwamba angeweza kutoa kipande cha ardhi ili kuwapatia maskwota wakitumie. Ikiwa mhe. Kubo anaweza kuchunguza jambo hilo kwa upande wake, ninafikiria tunaweza kusaidiana.

MR. MWAMZANDI: Ninatatizika hapa! Mhe. Kubo ameuliza Wizara kama inaweza ~~kwa~~ kuwapatia hawa maskwota waliokaa hapa miaka na miaka ardhi hiyo. Badala ya ~~Wizara~~ Waziri Msaidizi kujadiliana na mwenye ardhi, anamuliza mhe. Kubo aende akajadiliane na mwenye shamba. Tena Waziri Msaidizi anakubali kwamba alimsikia mwenye shamba akiwa na nia ya kutoa sehemu moja ya shamba hilo kwa maskwota. Huyu Waziri Msaidizi anakengeuka taratibu za swali lililoulizwa.

MR. MUTISO: ~~Mr~~ Mhe. Kubo angechukua hatua ya kuwaunganisha hao wa wananchi wanaoishi katika mashamba ~~y~~ haya ili wafanye mchango wa pesa za kumunua shamba hilo jinsi inavyofanyika katika sehemu nyingine. Pia nilisema kuwa nimesikia fumumu kuwa huyt tajiri alikuwa ~~za~~ amesema ~~kwa~~ kwamba anaweza kutoa sehemu moja ya shamba hilo kwa wale maskwota. Hii ndio sababu nilisema kuwa tunaweza kujadiliana juu ya jambo hili ili tuone kama angali analifikiria kufanya hivyo na vilevile kama tunahitaji msaada wa Mhe. Kubo.

MR. KILIKU: Nimemsikia Waziri Msaidizi akimuliza Mhe. Kubo awaunganishe wananchi hao wa sehemu yake. ~~At~~ Amekwishaifanya hivyo na ndio sababu wakamchagua kuwa Mbunge wao. Pia Waziri Msaidizi anasema kuwa ingefaa wananchi hawa wachange pesa za kulinunua ardhi hii isiyotumika. Hii ardhi huchukua eneo kubwa na kwa jinsi ni wajibu wa Serikali kuona kwamba kila mwananchi amepata ardhi atakayeishi, ~~ni~~ ni kwa nini Serikali haiwezi kutumia ule mpengo wa kuwapatia wananchi mashamba katika Taveta?

MR. MUTISO: Ikiwa mhe. Kiliku angekuwa akisikiliza kwa makini jinsi nilivyosema, pengine hangeliuliza swali hili. Nilisema kwamba katika upande wa Taveta hakuna ardhi ya Serikali ~~isi~~ isiotumika. Ile ardhi ambayo haitumiwi ni ya mtu binafsi. Kama mhe. Kubo angeunganisha wale wananchi wa sehemu yake wachange pesa za kulinunua ~~zi~~ shamba hili - na jambo hili linatendeka katika sehemu nyingine lingekuwa jambo la busara na wangepaidika. Si kweli ~~ka~~ kwamba Serikali haiwezi kuwapatia mashamba yakiwepo; lakini katika upande wa Taveta mashamba ya Serikali ~~haya~~ hayapo.

Mr. arap CHEPKOK: Jambo la nidhamu, Bv. Spika.

Ninafikiri mhe. Waziri Msaidizi analipotisha Bunge. ~~Wiz~~ Wizara inaweza kumunua shamba kutoka kwa Wizara ya Ardhi na Nyumba halafu ili wagawanyie watu. Mbona Waziri Msaidizi analipotisha Bunge wakati alipojua kwamba Serikali inaweza kuwagavia wananchi mashamba?

MR. MUTISO: Si kweli kwamba ninalipotisha Bunge kama vile mhe. Chepkok alivyosema. Analolisema ni jambo linaloweza kuleta ubishi kwa sababu Serikali huwapatia watu mashamba katika ardhi ya Serikali ambayo haitumiwi. Ilekini kuhusu shamba la mtu binafsi, kile kingefanyika ni wananchi wenyewe wachange pesa za kumunua shamba hilo. Haiwezekani Serikali ~~i~~ inyakue ~~i~~ lile shamba na kuwapatia wananchi wale bila kulipa pesa kwa mwenye shamba.

MR. KUBO: Ningependa kumfahamisha Waziri Msaidizi kwamba wananchi waliuziwa mojawapo ya yale mashamba - Jipe - kwa shilingi milioni 26 na hivi sasa wamekwishachanga zaidi ya shilingi milioni nne. Kwa hivyo, wananchi wanaoishi pale in watu wa hali ya maisha ya chini na hawawezi kupata hizi shilingi milioni 22 zilizobaki. Waziri Msaidizi atafanya nini kuona kwamba wale wananchi wakikosa kupata zile shilingi milioni 22 wataendelea kukaa katika sehemu hiyo na hawataondolewa? Hii ni kwa sababu ile ardhi ilitolewa na Serikali mwaka wa 1928 na/yakatolewa ^{masharti} kwamba itafanyiwa maendeleo. Hayo masharti yako katika ile lease ~~na~~ mpaka leo lakini hayajatumizwa. Waziri Msaidizi hawezi kutumia uwezo wake chini ya Kifungu cha Government Lands Act ili kuifutilia mbali ile lease kwa sababu wenye ardhi hiyo hawajafanya vile walivyokubaliana mnamo mwaka wa 1928?

MR. MUTISO: Ikiwa wananchi hao wamechanga shilingi milioni nne, hilo ni jambo ambalo linapaswa kuchunguzwa na kujadiliwa kati ya Wizara na yule tajiri ili tuone hasa ardhi yenyewe inafaa kuuzwa kwa bei gani ili tuone kama kuna msaada wowote ambao tunaweza kutoa ili kuwapatia hawa wananchi makao.

MR. MWANZANDI: Kama kawaida, ardhi ikitolewa ~~ka~~ kwa tajiri ambaye ameshindwa kuitumia vizuri, Serikali inaweza kuinyakuwa ikiwa inasimamiwa vibaya. Ni kwa nini Waziri Msaidizi huyu hawezi kushauriana na Waziri wa Kilimo kama madhumuni ya kuichukua ardhi hiyo ikiwa haisimamiwi vizuri na waigawie wananchi?

MR. MUTISO: Hivi sasa, sina habari kwamba ardhi hiyo haitumiwa sawasawa. Kwa hivyo, hilo ni jambo linalostahili kuchunguzwa. Ningetaka kulihakikishia Bunge hili kwamba tutafanya uchunguzi na tutayafanya yanayostahili kufanywa tukijua ukweli wa mambo.

Question No.73

MR. KUBO alimuuliza Waziri wa Ujenzi:-

- (a) ikiwa anafahamu kuwa barabara itokayo Njukini kupitia Chumvini, Chala hadi Darajani haipitiki wakati wa mvua kwa sababu "murrum" iliyowekwa imeisha nguvu; na
- (b) ni lini Wizara itaongeza "murrum" katika barabara hiyo.

THE ASSISTANT MINISTER FOR PUBLIC WORKS (Mr. Maiyani): Bw. Spika, naomba kujibu.

(a) Ninafahamu kuwa barabara itokayo Njukini kupitia Chumvini, Chala hadi Darajani haipitiki wakati wa mvua hasa katika sehemu ya Chala na Chumvini. Barabara hii, D536 iliwekwa 'murrum' mwaka wa 1982, lakini wakati huu kwa visehemu vingi, 'murrum' ime-malizika kwa sababu ya maji mengi ya mvua yatokayo upande we Nchi ya Tanzania.

Ingawa hivyo, muda ule 'murrum' inatumainiwa kutumika vyema kwa barabara ni miaka tatu hadi tano tu, baadaye ni sharti tabaki lingine la 'murrum' liwekwe ili kuhifadhi sura ya barabara.

(b) Kulingana na mpango ulioko katika Wizara, barabara hii imechaguliwa kama moja ya barabara zile zitakazowekwa 'murrum' kwa mpango wa 'Mafundisho ya Contractor wa Kiafrika'.

Pesa zimetengwa kwa kazi hii na kwa sasa matumaini yetu ni kuwa kazi itafanywa mwaka ujao wa Serikali.

MR. KUBO: Bw. Spika, nikimshukuru Waziri Msaidizi kwa jibu lake ~~hizi~~ zuri, je anaweza kuhakisha ~~ya~~ kwamba hiyo kazi itasukumwa ili ianze mapema? Hivi sasa ninavyoongea wananchi wa sehemu hile hawana ~~uwezo~~ njia ya mawasiliano, kwa sababu barabara hii haipitiki, na hali ndiyo ya pekee ambayo inaelekea mpaka Loitokitok. Je Waziri Msaidizi anaweza kuwasaidia wananchi wa sehemu hii?

MR. MAIYANI: Bw. Spika, kama nilivyosema, ni kweli ~~kwamba~~ barabara hii haipitiki; lakini nimetoa ahadi ~~ya~~ kwamba pesa ~~zimetengwa~~ zimetengwa.

MR. MAIYANI (contd.):

na kazi itaanza hivi karibuni baada ya makisio ya pesa ya mwaka huu kutolewa.

MR. SINGARU: Ahsante sana Bw. Spika sana Bw. Spika. Ninamrudishia ahsante Waziri Msaidizi wa Wizara wa Ujenzi kwa sababu ya kuhakikisha kwamba barabara ya kutoka Loitokikok hadi Amali imewekwa lami. Kama vile Mbunge wa Taveta, mhe. Kubo, alivyosema barabara hii ndiyo ile ile moja inayotoka Lasit, kwenda Rombo, Njukini mpaka Chala. Ingawa mimi ninafuraha, ninaomba Wizara ya Ujenzi -----

HON. MEMBERS: On a point of order, Mr. Speaker, Sir. What is your question?

(laughter)

MR. SPEAKER: Can you please allow hon. Singaru to continue without interrupting him?

MR. SINGARU: Ninamshukuru Waziri Msaidizi kwa vile alivyolijibu Swali aliloulizwa na mhe. Kubo. Ingefaa barabara hiyo iwekwe 'murrum' upesi iwezekanavyo kwa sababu wananchi wa sehemu hiyo wana shida sana wakati wa mvua na hata wakati wa ukuvu. Mchanga wa sehemu hii ni mwepesi na wakati wa mvua maji hupenyeza kwa urahisi na kwa hivyo haiwezi kupitika. Kwa hivyo, namw_omba baada ya makisio ya fedha za Serikali ---

AN HON. MEMBER: Anatoa shukrani.

MR. SPEAKER: Order! order! Nafikiri ni lazima tuelewe jambo hili kikamilifu. Mhe. Mbunge anauliza kama barabara hiyo inaweza kuwekwa 'murrum' hadi mawakilisho yake. Hicho ndicho anachouliza.

(applause)

MR. MAIYANI: Ahsante sana Bw. Spika kwa kufafanua swali la mhe. Singaru. Wizara yangu itafanya iwezavyo kurekebisha bara-

MR. MAIYANI (contd.):

bara hiyo. Lakini ningemwomba mhe. Mbunge apeleke maombi yake katika Kamati ya Maendeleo Wilayani wakati watakapokutana, kisha tutafanya kazi katika sehe_mu ambazo anataka.

MR. KUBO: Bw. Spika, ningependa kumfahamisha Waziri Msaidizi kuwa barabara hiyo itokayo sehemu ya Taveta kuelekea Rombo na Lasit ilitengenezwa mwaka wa 1982. Hii ni sababu mhe. Singaru alikuwa anemuuliza kama anaweza kufanya kazi mpaka mawakilisho yake. Kwa vile barabara hii ilitumainiwa kupitia mikoa yote mbili, nafikiri Waziri Msaidizi atakubaliana na mhe. Singaru na kutengeneza barabara yote hadi Wilaya ya Kajiado.

MR. MAIYANI: Tutatengeneza sehemu ya barabara iliyo-tengewa pesa, lakini ikiwa sehemu ile haikutengewa pesa katika makisio ya mwaka huu basi hatuwezi kuitengeneza. Itambidi mhe. Singaru ayapeleke maombi yake mbele ya Kamati ya Maendeleo Wilayani.

Question No.85

MR. MAKAU asked the Minister for Industry:-

- (a) if he is aware that the K.I.E. sheds in Kikima Market, Mbooni, were completed a few years ago and a Manager posted and that the sheds have been lying idle since then;
- (b) what the cause of the delay in making the sheds operational has been for all these years; and
- (c) the urgent measures he is taking to ensure that people in Mbooni make use of the K.I.E. sheds instead of them remaining indle.

THE ASSISTANT MINISTER FOR INDUSTRY (Mr. Kiplagat): Mr. Speaker, Sir, I beg to reply.

(a) I am aware that since the completion of Kenya Industrial Estate's (K.I.E.) sheds at Kikima Market, Mbooni in 1984, they have been lying idle. I am aware that an Industrial Development Officer was posted to the area in October 1984, immediately after the sheds were completed_.

THE ASSISTANT MINISTER FOR INDUSTRY (Mr. Kiplagat)(contd.):

(b) The sheds have remained unused because of lack of electricity. It was anticipated, by the time the construction of the ten sheds ^{would be} ~~were~~ completed, power-line from the National Greed would also be available to facilitate power connection to each individual shed. Unfortunately, there has been no power-line since the completion of the ~~the~~ construction of the sheds up to the present moment. 7 -

(c) Despite this lack of power from the National Greed, we have allocated all the sheds to various entrepreneurs.

Out of the ten sheds available, two are already under use, but the projects do not need power. The remaining eight ^{sheds} will start operating after the completion of the installation of our acquired diesel generator. ~~The total~~

The total commitments of investment in Kikima is kshs1,364,235/-. ^{more} Further, there are eight projects in the environment worth kshs.560,000/- which have been supported by K.I.E.

MR. MAKAU: Mr. Speaker, Sir, I would like to thank the Assistant Minister for giving that answer. However, when he says that the sheds have been allocated to the people for the last for years; allocation does not mean that they are being used. These sheds have been lying there, and ^{out of} the two sheds that are ~~six~~ said to be in use, one is being used as a storage for ciondo baskets. Somebody stays in the other one and nothing is done it.

^{as to} I would like the Assistant Minister to give an answer ~~saying~~ when the generator which has been lying there for the last three years ^{was} ~~is~~ going to be commissioned. It is lying there for installation; wiring has been done; people have been allocated the sheds and yet they cannot use them due to lack of electricity.

End D.....

MR. KIPLAGAT: Mr. Speaker, Sir, I think the hon. Member heard that the ~~intx~~ installation of our own generator is in progress, ~~as~~ ^{so}, when the installation is complete, those people will be able to use the sheds, and the commissioning will have taken place.

MR. LAGAT: Mr. Speaker, Sir, the Assistant Minister has said that the installation ~~i~~ of the generator is in progress, but the hon. Member for the area has told ^{us} that the generator is already there, and the wiring has already been done. What is in progress? I ^{do not} understand ^{this because} that the generator is there ~~and~~ the wiring is already done ^{and} it only remains ^{to} switching it on. What is remaining? Can he tell us what installation is in progress?

MR. KIPLAGAT: Mr. Speaker, Sir, as the hon. Member knows, when you buy a generator from the manufacturers, it does ~~not~~ st start giving you power until you have completed the wiring and the necessary ^{accessories.} ~~XXXXXXXXXX~~ This is what I mean by saying that the installation ^{of the generator} is in progress.

MR. MAKAU: Mr. Speaker, ^{ago} I was there two days ^{and but} ~~he~~ ^{the Assistant Minister} has said that ~~they~~ the work is in progress. What progress is taking place? The generator has been laying there, the Government ~~has~~ took it there and for five years the Government has not done anything. There is nothing in progress. What is that that the Assistant Minister is saying is in progress?

MR. KIPLAGAT: Mr. Speaker, Sir, since the hon. Member just reported this problem to the Ministry just ~~w~~ before we went for the recess, we ~~intx~~ ~~intx~~ inquired from Kikima Market through the Kenya Industrial Estates (K.I.E.) which is under our Ministry, and we were told that there were very few things left. When I say that ^{work} it is in progress, then ^{we} it should be given some more time so that we can set the generator functioning.

MR. SPEAKER: Let us move on ~~to~~ to Question No.43

Question No.43

MR. SPEAKER: Dr. Mungai not here? Let us move on to Question No.45.

Question No.45

MR. SPEAKER: Mr. A.I. Mohamed not here. Let us move on to Question No.42

Question No.42

MR. SPEAKER: Mr. J.N. Mungai not here? Let us move on to the next Question.

Question No. 41

MR. SPEAKER: Mr. Mate not here? Let us go back to Mr. wa Mang'oli's Question.

MR. wa MANG'OLI: Mr. Speaker, Sir, before I ask my Question I would like to apologise for coming late.

Question No.79

MR. wa MANG'OLI asked the Minister for Labour:-

- (a) whether he is aware that the employees of Panafrican Paper Mills (E.A.) Limited are paid their wages and salaries without job evaluation system;
- (b) why ~~has it~~ ^{it has} taken too long for the company to establish job gradings system for all the workers to avoid the underpayment of the salaries and wages to the workers; and
- (c) ^{if he} can he direct the company to establish job groups ⁱⁿ the company to avoid the underpayment of salaries and wages to these hard working employees?

THE MINISTER FOR LABOUR (Mr. Okondo): Mr. Speaker, Sir, thank you very much because the hon. Member has apologised before asking his Question because we had also ~~not~~ waited for a very long time to reply.

Mr. Speaker, Sir, I now beg to reply.

(a) I am aware that the employees of Panafrican Paper Mills Limited are paid their wages and salaries according to the collective agreement reached between the employers and the Union (The Printing, ~~and~~ Publishing, Paper Manufacturers and Allied Workers Union) whose agreements sets out the grades for various categories of employees.

(b) No time limit can be set for such negotiations.

(c) I have no powers to direct an employer to establish job groups in his company or organisation. It is a matter to be negotiated between the ^{Trade Concerned} Union and the employer.

MR. wa MANG'OLI: Mr. Speaker, Sir, arising from the Minister's reply, is he aware that his Ministry ~~has~~ had sent an expert to this company to carry out the job grading, and somehow this exercise was later stopped by the same Ministry?

MR. OKONDO: Mr. Speaker, Sir, I am aware that the ^{company} paper ~~has~~ approached the ~~appropriate~~ appropriate department in the Ministry of Labour to assist them to do the job grading, and that operation is still in progress. It is not a compulsory ~~operation~~ operation, it is a request from the employer who wants to be assisted to ^{set} up the various grades. Naturally, as a Government department, and as Ministry that deals with the affairs of the wananchi we are very conscious ~~is~~ of the welfare of our workers. ~~we go~~ we have ~~gone~~ gone out of our way to So, ~~out of our own will~~, we will give assistance to this paper company and work out the categories ~~is~~ of the employees so that ~~it~~ in future ^{they} ~~it~~ can be used ^{them} for collective bargaining arrangements.

MR. wa MANG'OLI: Mr. Speaker, Sir, I agree with what the Minister has said, but is this grading system he is talking about ~~is~~ not through, and ^{why has it not been} ~~they~~ have signed. If he is telling us that his Ministry is powerless, where will these employees ^{go to} ~~we~~ seek help if his Ministry, and the Government, are powerless? If this kind of agreement is there, what can the Ministry do to have the company's ~~x~~ grading system effected?

MR. OKONDO: Mr. Speaker, Sir, I did not ~~xxxx~~ quite understand the question, but I think the hon. Member wants to know what the Government can do to assist the workers to ~~get~~ get paid appropriately. If that is the question, the answer is quite simple. The Government has various rates, there are ~~xxxx~~ minimum wages which have been declared, ~~xxx~~ which are known to the public and have already been gazetted, and this guides the employees and the ~~xxxx~~ employers. In addition the Government ^{has} ~~other~~ ways in which it has ~~xxxx~~ directed the Industrial Court to see that wages are within certain limits, and gives guide lines. This is also a way in which the Government is helping the workers. But, the Government does not go into companies and tell them ^{that about} the various levels of ~~the~~ jobs. That is up to the company to come to a compromise with the trade unions. If we go into such issues, it would be impossible for us to judge ^{what} ~~what~~ each company ^{wants any} ~~is~~ in its particular category. ~~The~~ Some ~~x~~ companies can employ managers for K£4,000 others can employ him for K£25,000. Therefore, it varies from company to company. Actually, it is up to the employees of each particular company to work out a categorization. But ~~th~~e Government will always help when called upon to help in the same way we are helping this paper company.

(END.....E)

MR. MAKAU: Mr. Speaker, Sir, the hon. Minister has said that he is aware that there is a problem. As ~~the~~ the Minister for Labour he is expected to make sure that wananchi are not exploited by employers. Now, from what the hon. Member from the area says, it is very clear that the workers are being underpaid. Those of us who have knowledge of this company know that most of ~~XXXXX~~ its African employees are affected. Even the managers are designated; they are referred to as assistants to other people. So, this is a problem. Now, when the Minister says that he cannot be involved in having these people graded, ^{then} what is the role of the Ministry of Labour? He has to protect our people from being underpaid; this is ^{his} your role. If people were sent there to investigate, what result did he get from there. The issue has been raised by the hon. ~~the~~ Member to make you aware of it. The question now is, as the Minister for ~~the~~ Labour what are doing, or have you done, to make sure that wananchi are not ~~exploited~~ ^{exploited} by those people at Webuye?

THE ASSISTANT MINISTER, OFFICE OF THE VICE PRESIDENT, ~~AND~~ THE MINISTRY OF HOME AFFAIRS AND NATIONAL HERITAGE (Mr. Lalampaa): On a point of order, Mr. Speaker, Sir. Did you notice that the hon. Member was directing his question to the hon. Minister instead of addressing the Chair?

MR. SPEAKER: I hope he has taken note of that.

MR. MAKAU: Mr. Speaker, Sir, I would ~~like~~ like to apologise for that, but I intended to put that question through the Chair.

MR. OKONDO: Mr. Speaker, Sir, the Ministry of Labour has done a ^{tremendous} tremendous amount of work for wananchi, whenever we have a problem, we solve it, and we have never failed to resolve a problem. But there is not problem here. ~~XXXXXXXXXXXXXXXXXXXX~~ There is not problem here because we have assisted the workers there to enter into a collective ^{bargaining} ~~able~~ agreement. The workers voluntarily signed this agreement between themselves and the management. Now, once they have voluntarily signed an agreement, which states what the terms of ~~the~~

MR. OKONDO (Ctd):

service and wages they are going to earn are, how do we go and interfere when those wages are above the minimum wages? Our Ministry is responsible for setting the minimum wages, which we did. The wages which have been agreed upon between the employer and the employees are ^{well} above the minimum wages level. So, the Ministry of Labour has done its work in this respect. Now if the managers in this company are not ~~xxxx~~ categorised, they ^{should} use the Employment Act to sue the employers for not fulfilling the ~~2~~ terms of service in their employment contracts. This is because managers are employed according to the terms of ~~xx~~ service of their letter of appointment, which states what the salary will be; that letter of appointment is a contract. Now, if you are then paid less than what is stated in your letter of appointment, you should ^{cue} that company. But if you are being paid according what you agreed ^{on} and signed for in your letter of appointment, how can I interfere? There is no offence or anything wrong.

So, I do know where the Ministry has failed to do its work. In fact, before this matter came up here, the only thing we ~~knowxxxx~~ knew ^{had come} about was that this company ^{to} the Ministry of Labour to ask for assistance in categorising its managerial jobs. They asked us to go and help them categorise those jobs. We told them that ~~x~~ we have experience of other companies and we could give them comparisons. But the employees, themselves, have not complained. This is how well this Ministry is doing its ~~x~~ jobs for the benefit of wananchi.

MR. wa MANG'OLI: Mr. Speaker, Sir, I get very worried when we get such answers from the Ministers. ~~xxxxxx~~ This is because we are talking about the wananchi of this country and we should be serious. If we are talking about the people of this country and then take matters lightly, then we will completely leave them in the hands of of these foreign~~x~~ managers. This company is making profits. ~~The Ministers~~ I am aware that the Ministry of Labour sent a gentleman there to do

MR. wa MANG'OLI (Ctd):

the job grading. But I am talking about two categories of workers: there are unionisable employees and non-unionisable employees. Even non-unionisable senior managers are underpaid; ~~you~~ you will find an accountant being paid Sh.1,200/-. So, I am asking where the job grades are. At least I need the Ministry of Labour to guide us on where we are going. Now, my question is, since there are two categories of employees in this company, what is the Minister ~~is~~ doing about the employees who are not ^{Covered} covered by the trade union agreement? He is talking about a collective agreement, which has not even been signed, as I am talking now. So, what is the ~~x~~ Minister doing about the job grading of the non-unionisable employees?

MR. OKONDO: Mr. Speaker, Sir, I will repeat this briefly and say that if the hon. Member knows a particular managerial employee in the company who is ~~being underpaid, as a result of the fact that he is~~ underpaid, ~~is~~ paid according to his letter of appointment, he should bring up that specific case of so-and-so who was employed to be paid, say, £4,000 a year, but he is being paid £3,500 a year, and we will handle it. ~~B~~ If there is not such case, we cannot ~~stand~~ stand here and argue on ^a hypothetical situation by saying that people are underpaid. What do we mean by underpayment? ~~xxx~~ How much do we term as underpayment? A person getting Sh.3,000/- a month is, probably, ^{terribly} underpaid, and yet somebody who is getting Sh.200/- a month may be very well ~~paid~~ paid, depending on the job and the classification. So, unless he can say the particular in that company who ^{was} ~~has~~ employed at a specified salary, but he is not getting that salary, we ~~xxx~~ cannot establish underpayment. Thank you, Sir.

MR. MALEBE: Mr. Speaker, Sir, since the Government is a share in the Panafrican Paper Mills (E.A.) Ltd, Webuye, can the Minister tell this House whether they participate in meetings of the Board of Directors so they can streamline the salary and wages structure? ²
This is because the Minister seems to be unaware of the terms of service

MR. MALEBE (Ctd):

in this company, otherwise he ~~would~~ would be able to give us information which shows us whether the employees in the company are employed according to the provisions of the ~~the~~ Labour ~~and~~ Act. ~~Thank you, Sir.~~

MR. OKONDO: Mr. Speaker, Sir, ~~at least~~, I think, I will ask the hon. Members to ask specific questions. This is because asking rambling questions which are not targeted at a specific issue will also solicit general answers which cannot solve ~~the~~ issues. If there is a specific person who is not being ^{paid,} according to his letter of appointment, let that case be brought forward and we will handle it.

MR. wa MANG'OLI: Mr. Speaker, Sir, ~~and~~ I am still not satisfied with the reply the Minister is trying to advance to this House. Earlier on he told us that there was somebody from his Ministry who was helping this company with the job grading. This is means that there is a problem. So, what is he doing? Is this gentleman still going to help with job grading in that company? According to the Minister's reply, he has no powers to exercise, and the gentleman who was ~~try~~ sent to help that company with job grading is no longer going there. I was told that the financial year was coming to an end and the ~~M~~ Ministry did ^{not} have money. So, will this gentleman still continue helping the management to establish job grades, ~~and~~ since he had already started doing this?

END F

J. M. M.

MR. OKONDO: Mr. Speaker, Sir, I do not know what will come out of the negotiations, but our officer is there simply to help the company and the employees agree on the categorization of jobs. We will discuss according to how the company and the employees will agree. Our officer will just be a chairman of this group that will agree on ^{this} categorization. Therefore, what they will agree upon, ~~that~~ will be the agreement, but we cannot force it in advance.

Question No. 78

MR. KILIKU, kwa niaba ya Mr. Wakole, alimuuliza Waziri wa Wafanyakazi:-

- (a) mfanyakazi wa kibarua hustahili kuandikwa kazi ya kudumu, baada ya kufanyakazi kwa muda gani;
- (b) kama anafahamu kuwa wafanyakazi wa China Road and Bridge Construction huko Garsen mpaka sasa ni vibarua licha ya kufanya kazi kwa miaka miwili; na
- (c) ni lini wafanyakazi hawa wataandikwa kazi ya kudumu.

THE ASSISTANT MINISTER FOR LANDS HOUSING (Mr. Mutiso): On a point of order, Mr. Speaker, Sir. Are you really satisfied that the hon. Member has the mandate to ask this Question? This is because it was called several times before and the hon. Member was still here but he did not ask it then. How come now he says he has been authorised to ask that Question on ~~Kxx~~ hon. Wakole's behalf?

Member
MR. SPEAKER: I am satisfied that the hon. ^{Member} has the mandate to ask that ~~the~~ Question on behalf of Mr. Wakole.

(Applause)

THE MINISTER FOR LABOUR (Mr. Okondo): Bw. Spika, naomba kujibu.

(a) Mfanyakazi wa kibarua kama analipwa kila siku anaweza kuendelea kama kibarua bila kuajiriwa kazi ya kudumu.

(b) Wafanyakazi wa China Road and Bridge Construction huko Garsen si vibarua. Hawa ni wafanyakazi wa muda.

(c) Kazi ya ujenzi si kazi ya kudumu, na wakati wa kazi hii ya kujenga ^{dara} itakapokwisha hawa wafanyakazi ^{wataandikwa} wataandikwa kazi ya kulipwa na marupurupu yao yote yatatolewa.

MR. KILIKU: Bw. Spika, kulingana na sheria za wafanyakazi, na ninafikiri Waziri anafahamu, mfanyakazi akifanya kazi kwa miezi mitatu mfululizo huchukuliwa kama ~~ni mfanya~~ mfanyakazi wa kudumu. Waziri amekubali hapa kwamba hawa wamefanya kazi ~~x~~ kwa miaka miwili. Kwa hivyo Waziri anaweza kulihakikishia Bunge hili kwamba wakati ^{ambayo} ~~jule~~ ambao kazi hii itakwisha hawa wafanyakazi watalipwa marupurupu yao yote? Hii ni kwa sababu ~~kulingana~~ wamefanya kazi kwa ~~mi~~ zaidi ya miezi mitatu kulingana na sheria za wafanyakazi.

MR. OKONDO: Bw. Spika, nimejibu ~~ya~~ kwamba wakimaliza kazi ambayo ~~x~~ wanafanya, watalipwa marupurupu yao yote maana kampuni haiwezi ^{kwenda} ~~kuenda~~ na marupurupu yao. Kama kampuni itakosa kuwalipa marupurupu yao, basi ninamuomba mhe. aliyehuliza ~~Swali~~ Swali hili arudi hapa na kuniuliza na hapo ^{nitahakikisha} ~~nitahakikisha~~ kwamba hiyo kampuni imewalipa.

MR. KILIKU: Bw. Spika, Waziri ~~ama~~ amekubali kwamba kama mfanyakazi atakuwa akifanya kazi na kulipwa kila siku, basi anaweza kufanya kazi akiwa kibarua ~~mi~~ mwaka nenda mwaka rudi. ^{Hili ni} ~~...~~ mojawapo ya makosa ya Wizara yake ya kutoleta Hoja katika Bunge hili ya kufanya marekebisho katika sheria hii. Sasa ninamuliza Waziri kama anakubaliana na mimi kwamba ^{matajiri} ~~...~~ wengi wanatumia kifungu hiki cha sheria kuwanyanya ~~...~~ wafanyakazi ~~x~~ na kuwafanya wafanye kazi kwa siku nyingi kama vibarua kwa sababu ya kuwalipa kila siku? Kwa mfano, hata wakati mwingine nilisema hapa kwamba mfanyakazi mwingine huko Mombasa ambaye alikuwa akifanya kazi na ^{Brooke} ~~Brooke~~ Bond Kenya Ltd. alifanya kazi kwa miaka 28 kama kibarua kwa sababu alikuwa akilipwa kila siku. ^{Ninamuomba} ~~...~~ Waziri achukue hatua ^{Kuleta} ~~...~~ Hoja hapa ya kurekebisha matatizo kama haya?

MR. OKONDO: Bw. Spika, ninakubali ~~xxx~~ kwamba kuna ^{matajiri} ~~...~~ wengi ambao wanakosa kwa ^{kufanya} ~~...~~ mambo haya. Ni kweli kuna waajiri wengi ambao wanadanganya. Hata hivyo hatuwezi kusema ^{tuongele} ~~...~~ ama kumaliza kazi ya muda; hatuwezi kuimaliza kwa sababu kuna viwanda vingine kama ujenzi ^{ambazo hawa} ~~...~~ na kazi za muda. Kwa hivyo viwanda kama hivi ni lazima viwe na wafanyakazi wa muda. Hii ni kwa sababu kama ujenzi wa nyumba au wa ~~xx~~ daraja umekwisha, basi hawa wafanyakazi wa muda hawawezi kuendelea kuwoko. Hata hivyo ni heri tuendelee kuangalia na kurekebisha

MR. OKONDO (Ctd.):

mambo haya ili wafanyakazi wengi waajiriwe kazi ya kudumu. Lakini kusema au kuwadanganya watu hati kutakuwako na wakati ambao hakutakuwa na wafanyakazi wa muda hapa Kenya - Ninafikiri hilo ni jambo ambalo halitawezekana.

MR. WASIKE-NDOMBI: ^{Ni} Juzi tu mwezi wa Januari ambapo Bw. Waziri mwenyewe ambaye anazungumza, alitangazia dunia nzima kwamba mfanyakazi akifanya kazi kwa miezi mitatu mfululizo, basi huyu mfanyakazi atakuwa ~~na~~ mfanyakazi wa kudumu. Akishakuwa mfanyakazi wa kudumu basi ataweza kupewa likizo ya mwaka, aweze kulipa malipo ya National Social Security Fund, yaani ataweza kupata misaada yote kama mfanyakazi wa kawaida. Kwa vile kuna kazi za muda ambazo zinaweza kuendelea kwa muda wa miaka miwili au zaidi, je Waziri havezi kuzingatia msimamo wake wa awali na kuona kwamba hawa ~~z~~ wafanyakazi ambao tumewataja hapa wanawekwa kwa kazi ya kudumu? Hii ni kwa sababu kama ~~z~~ watakuwa wa kudumu basi watakuwa wakipata likizo ya mwaka na marupurupu mengine. Kama kazi itakwisha, basi hilo ni jambo lingine.

MR. OKONDO: Bw. Spika, siwezi kukata kesi hiyo na kusema hawa wafanyakazi wawe wa kudumu. Hii ni kwa sababu hiki ni ~~ku~~ kiwanda cha ujenzi na katika ujenzi, kazi humalizika wakati mwingine na kwa hivyo kazi yao inakuwa ni ya muda. Kwa hivyo siwezi kuamuru hivyo.

MR. KILIKU: Bw. Spika, ninakubaliana na Waziri kwamba hawa watu wanafanya kazi kwa muda. Laki ni kulingana na sheria ni lazima kuwe na mkataba baina ya wafanyakazi na waajiri. Ninauliza Waziri ~~x~~ atoe ile agreement ambayo hawa wafanyakazi na tajiri ~~x~~ wao waliandikia na kwa sababu kama ni ~~ku~~ kazi ya muda, basi ni lazima k_uwe na agreement.

MR. OKONDO: Bw. Spika, ni kawaida kwamba watu wakifanya kazi ya namma hii hawana ~~mtaba~~ mkataba wowote. Mkataba ni kwamba inajulikana kwamba mtu ameajiriwa kazi ya muda na mshahara wake unajulikana lakini hakuna mkataba ~~x~~ baina ya kila mtu ambaye anafanya kazi ya muda na kampuni fulani.

MR. SPEAKER: Let us move on to the next Question.

Question No. 43

MR.

MR. SPEAKER: Dr. ~~Kyax~~ N. Mungai no yet in, okay, that Question is deferred.

Question No. 45

MR. SPEAKER: Mr. Mohammed not in, okay that Question is also deferred.

Question No. 42

MR. SPEAKER: Mr. J.N. Mungai, not in. Okay that Question is deferred.

Question No. 41

MR.

MR. KILIKU: I beg to apologize for not ~~making~~ having^{asked} this Question ~~was~~ when it was called for the first time.

MR. KILIKU, on behalf of Mr. Mate asked the Minister for Education:-

- (a) whether he is aware that the Headmaster of Siakago Boys High School has been using the school bus as his personal vehicle for the last 18 months, and
- (b) if the answer is "yes", whether he could surcharge this Headmaster for all the irregular ~~x~~ trips he has made with the school bus.

THE MINISTER FOR ENVIRONMENT AND NATURAL RESOURCES (Mr. Nyagah): On a point of order, Mr. Speaker, Sir. I do not ~~know~~ know whether you are satisfied because the information I have from ~~some~~ some other quarters is that this Question was not going to be put forward. I do not know whether it has been ~~changed~~ changed.

END G.....

MR. SPEAKER: I am satisfied and I hope the Minister in charge is around. Is he? Is the Minister for Education ready to reply to the Question? Yes, I am satisfied that the hon. Member is in order to ask that Question.

(applause)

THE ASSISTANT MINISTER FOR EDUCATION (Mr. Cheruiyot):
Mr. Speaker, Sir, I beg to reply.

(a) It is not true that the Headmaster of Siakago Boys High School uses any of the two school buses (Registration Nos. KYF 597 and KQL 898) as his personal vehicles.

(b) There is no need, therefore, to ^{Surcharge} ~~surcharge~~ the headmaster.

MR. KILIKU: Mr. Speaker, Sir, although the Assistant Minister has denied that the Headmaster has not been using these vehicles, I think, when a Member of Parliament brings a Question here, he usually first investigates before he submits ~~that~~ it to the House. The Assistant Minister, therefore, should have told ^{what} ~~us~~ ~~of~~ ~~the~~ investigations that he has done. Could he prove that this Headmaster was not using the vehicles as his personal property? Hon. Members do not just bring Questions ~~just~~ for the sake of spoiling other peoples' characters. There must be something when a Question is asked. What sort of investigations has the Assistant Minister done to back the reply that he has given to the House?

MR. CHERUIYOT: Mr. Speaker, Sir, the Headmaster in question is called Mr. Maitima. He is a senior headmaster Grade II and was posted to Siakago Boys High School on January, 1987 on transfer from St. Paul's High School. This teacher has hardly been in the school for 18 months as stated by the hon. Member.

The Headmaster's home district is ~~in~~ Meru, but Siakago Boys High School is in Embu. It is hardly possible that this Headmaster has any interest in Embu District which requires the

MR. CHERUIYOT (ctd.):

use of a bus. The school has two buses Registration Nos. KYF 597 and which was bought on 29th September, 1987 and KQL 898 bought in 1979. Both of the two buses are in roadworthy condition. The examination of the school buses' work tickets show that the buses have always made trips related to the school business. The buses ~~XXXX~~ normally make day trips to Embu Town and back to school. They are normally parked at night at school. Therefore, the question of surcharging him does not arise.

THE ASSISTANT MINISTER FOR LANDS AND HOUSING (Mr. Mutiso):

On a point of order, Mr. speaker, Sir. In the first place, I think, part (a) of the Question needs substantiation from the hon. Questioner because it is accusing the Headmaster from misusing the school buses. Thus, it requires substantiation to the effect that the hon. Member has evidence to show the days, places, number of times the ~~x~~ bus was used and how the Headmaster was using the bus as his personal ^{Vehicle} ~~car~~. Before the Assistant Minister answers his question, ~~xxx~~ could he substantiate that point?

MR. SPEAKER: I think the hon. Assistant Minister was busy ~~i~~ giving us a very up-to-date answer and, thus, I do not think there was ^{any} ~~no~~ need for the other Assistant Minister to intervene.

THE ASSISTANT MINISTER FOR LANDS AND HOUSING (Mr. Mutiso):

On a point of order, Mr. Speaker, Sir. What I was saying is that since this is a very serious allegation the House needs to be told categorically the evidence that the hon. Member has to prove that there ~~x~~ has been this misuse of school vehicles. As it is, it ~~x~~ is an allegation that has ^{not been proved} ~~no proof~~. I wanted the hon. Member to do that before his question was answered.

MR. KILIKU: Mr. Speaker, Sir, I think the Assistant Minister for Education was satisfied with the Question. That is why he gave a very good reply which has also satisfied us.

MR. KILIKU (ctd.):

However, Mr. Speaker, Sir, I need your clarification here. This is because hon. Assistant Minister Mr. Mutiso has a habit of helping other Ministers with their Questions. He is acting as if he is responsible for all Ministries.

(laughter)

I think it is against the rules of this House for two Ministers to answer one Question. He should know that since he is a very senior ^{Member} of this House having been a Member of Parliament since 1963.

THE ATTORNEY-GENERAL (Mr. Muli): ON a point of order, Mr. Speaker, Sir, Could the hon. Member substantiate, and effectively ~~at that,~~ that hon. Mutiso has taken over the other Ministries?

MR. KILIKU: Yes, Mr. Speaker, Sir, I think I can substantiate that.

MR. SPEAKER: Order! Order! That was not really a point of ~~r~~ order. Could we continue please. We are running short of ~~y~~time.

(laughter)

POINT OF ORDER

MR. KUBO: On a point of order, Mr. Speaker, Sir. Yesterday when I was making my contribution ~~towards the cotton~~ on the debate on the Cotton Bill, one of the newspapers quoted me as having said that this country needs about \$s.4 billion to import cotton. While I have ~~r~~ no quarrel with the reporting, I would like to clarify that what I actually said was that, if cotton farmers stopped growing cotton, this country may have to spend as much as \$s.4 billion to import cotton. That is what I said. I did not say that we are in fact spending that much money on cotton ^{imports} ~~exports~~. Could that correction please be done as it gives the impression that I make irresponsible statements while in actual fact I am

MR. KUBO (ctd.):

very careful of what I say?

MR. SPEAKER: I hope they have taken note of that.

Next Order.

BILL

(Second Reading)

The Cotton Bill

(Minister for Agriculture on 11.5.88)

(Resumption of Debate interrupted on 1.6.88)

THE MINISTER FOR AGRICULTURE (Mr. Mwangale): Mr. Speaker, Sir, I thank my hon. colleague for making that correction because I, was myself, surprised because he is a man who is himself a cotton grower and a very experienced one too. and further he represents an area which grows this ^{crop} commodity in a big way. I am sure that he is aware that the Government has not imported cotton except on just two occasions in 1984 and 1988 only. This is because we had a shortfall and the ~~ex~~ Cotton Lint and Seed Marketing Board needed this cotton. The total ^{cost} of this last importation was \$2.7 million. So, when I ~~saw~~ ^{read} in the papers that you had talked of \$4 billion, I thought that there must be some mistake somewhere. I thank you for that correction.

By yesterday, Mr. Speaker, Sir, I was on the verge of concluding my reply to the various salient points which had been raised by hon. Members in their contributions. I believe that the main concern of the hon. Members on the cotton industry as a whole is in a number of areas one of which is lack of production incentives to the farmers. The other ^{issue is about} ~~points~~ are poor system of and marketing cotton, which I did mention yesterday, ^{and} poor management of organisations dealing with the cotton industry right from the societies, unions, ginneries and right up to the top.

THE MINISTER FOR AGRICULTURE (ctd.):

Mr. Speaker, Sir, one of the major contributing factors to the decline in the cotton industry has been the delays in the payments to the farmer. As for the poor prices which farmers are paid, I mentioned that the price review will continue. This price review ^{is intended} ~~intends~~ to ensure that a farmer is adequately remunerated in such a manner that it provides him with an incentive to grow more cotton. We should also bear in mind the fact that there are other sectors in our economy that the price review will have to take into account ~~in order to have a~~ ^{the} balance or an equilibrium in all the industries ^{from} ~~in~~ livestock ^{to} ~~and~~ agriculture so that one sector ^{will} ~~is~~ not favoured against the other.

END H.....

THE MINISTER FOR AGRICULTURE (Ctd.):

Mr. Speaker, Sir, let me again say that the purpose of this Bill is to restructure the entire cotton industry right from the cotton board, down the line up to streamlining the marketing system so that we can now, once and for all, get on with the job of expanding our cotton production. We are doing so by ensuring that the monopoly which has been previously enjoyed by the cotton board since its inception in 1954-55 to date will now be removed. This will enable the co-operative unions and their societies, the ginner and the individuals who will be ~~licensed~~ licensed by the board to purchase the cotton and lint from the farmers directly. It also gives total authority to the farmer as the owner of the cotton, just like the owners of all other commodities. The ~~present~~ present practice is that once cotton is planted, from that time, it belongs to the cotton board. That makes it impossible for the farmer to choose where to sell his cotton except through the cotton board. The cotton board has performed extremely well ^{though} under very difficult conditions because of the type of financial structure that has been existing from the cotton board itself right down ~~to~~ up to the unions. I explained yesterday that although the cotton board can be able to provide the funds to the unions, sometimes, the management of the unions have not been that effective and efficient. As a result, the societies have been affected and therefore, the farmer down on the line. But what ~~we~~ we are trying to do by passing this cotton Bill of 1988 is to transfer the property or the cotton that is grown ~~to~~ back to the farmer himself and give him that opportunity to decide whether he wants to sell his cotton to the co-operative union, ~~to the~~ or to the societies, or to the ginnery or to individuals as the

THE MINISTER FOR AGRICULTURE (Ctd.):

the case may be.

I mentioned that when it comes to the licensing of individuals, we will have to wait and look at the new auctioning system which is similar to what the tea and coffee ^{industries have} ~~industry has~~ developed, that is auctioning all their cotton and lint. Based on the auction of that cotton and lint, we will then know the ~~xx~~ general prices that will prevail and the cotton farmer will be paid accordingly. This is a very effective way because it enables the farmer to benefit - like many other hon. Members were suggesting yesterday - from the international market prices. When the prices on the international market change - let us say if they were higher like they were since 1986 up to date which have been pretty good - the farmers can also benefit from that. I also mentioned that the Government will continue with the price review to ensure that at the beginning of every year, before the cotton is planted, the farmer is given a certain fixed price so that he knows that when he plants his cotton, the minimum price he is going to be paid is so much. That, I think, is the key ~~xx~~ to the new marketing system that ~~xx~~ we have introduced. The concern of the hon. Members has been whether or not the unions, the co-operatives and the ginneries will pay the farmers because we are saying that the farmers must be paid first. I am going to lay on the ~~xx~~ Table the rules which are going to be used in the cotton industry, just as we normally lay on the Table rules which are ^{related to} ~~xxxxxx~~ the coffee industry and the tea industry at the auction system. I will lay on the Table of this House those rules defining the mechanism which will be used in the marketing of cotton, including the actual purchases that are going to be made from the farmers. This will be done in the very near future.

THE MINISTER FOR AGRICULTURE (Ctd.):

Mr. Speaker, Sir, other hon. Members expressed concern about the structure of the board itself. They were saying that ~~the fact that~~ ^{the fact that} ~~the~~ ^{the} ~~fact that~~ ^{fact that} appointment of the ~~Managing~~ ^{Managing} Director is going to be done by the Minister--- This is the practice that has been on for many years and it has been proved to be the right one. The moment you allow the board - and I am not under-estimating the quality and the ability of any board to appoint managing directors - our experience is that once you leave the appointment of the managing director totally to the wishes of the board, sometimes the boards--- Our experience shows that very well especially in the local authorities where you see the council sometimes dismissing its clerk perhaps, politically. It is a safeguard that the Government has considered very carefully and come to the conclusion that it is necessary for the Government - in this case the Minister - to be responsible for the appointment of the managing director. When we say so, the actual appointments are also ~~expressed~~ specified in the State Corporations Act. So, the appointment is made with obviously with a lot of consideration. I said yesterday that when you look at page 7 of the Bill, some hon. Members were pointing out 15 members of the board and I said that out of those 15, eight are direct representatives of the ~~firm~~ ^{farmers} - whether they are ginners, co-operative society officials or whether they are growers of cotton. But, ~~the~~ eight of those are those who represent the farmers and I believe that this board is greatly in favour of the farmers of ~~in~~ this country and we hope that they will take advantage of their presence on the board to influence quick decisions so that the cotton industry can continue to expand.

THE MINISTER FOR AGRICULTURE (Ctd.):

Mr. Speaker, Sir, some ~~xxx~~ hon. Members also mentioned the role of the co-operative unions. This whole system will work well if the hon. Members of Parliament can take direct interest in the management and the running of the unions and societies. They should also take direct interest in those ginneries which will be established and also take *direct* interest in the actual buying of the cotton. We would like to urge the hon. Members of Parliament themselves to be involved rather than leaving it to the committee members of unions, committee members of societies or for that matter, the owners of owners of the ginneries or ~~the~~ the licensed individual buyers of cotton who may not fulfil the commitments for which this whole Bill is designed. I would like to urge the farmers to be co-operating with the hon. Members of Parliament and other leaders, to ensure that they play an important role in the expansion and marketing of their own cotton. I think, the hon. Members of Parliament have said before that we now require ginneries ^{in several places} instead of ~~xxx~~ including Tharaka ~~flattery~~ where the hon. Member for ~~that~~ that area mentioned yesterday, ~~that~~ we need ginneries almost in five or six places. The nucleus for motivating the farmer and mobilizing the farmers to be able to establish those ginneries should be the Member of Parliament himself. Therefore, I would like to urge the hon. Members to ensure that they play their role in getting investors to establish ginneries. They should organize companies to establish ginneries in those areas where cotton is grown so that we, as much as possible, remove the problem which will now affect the farmers because of the expansion of the cotton industry. I do agree that the potential

I.5....15.6.88

THE MINISTER FOR AGRICULTURE (Ctd.):

for the expansion of the cotton industry is ~~enormous~~ enormous.
I mentioned that looking at our country as a whole, ~~and~~ we
know that only about 24 or 25 per cent of the total land
area of 584,000 square kilometres is suitable for agriculture and
the rest is semi-dry land. The Government has taken a lot
steps in matters of land this morning by agreeing to expand
irrigation schemes in those areas which are dry and ~~which~~
~~are~~ suitable for farming.

END I.....

THE MINISTER FOR AGRICULTURE (Mr. Mwangale)(Ctd.):

Cotton is one of our major anchor crops in the irrigation schemes. So, Mr. Speaker, Sir, the potential here is very large and has the possibilities of employing a lot of people. So, the onus is upon us to ensure that where potential for cotton growing exists, with the incentive that we have now given to the farmers, it is properly exploited to support cotton farmers so that the expansion of textile industries and feed mills and so on/^{can} also accompany the expansion of ^{the cotton} coffee industry in those areas.

Mr. Speaker, Sir, today, we have a market for the sale of cotton/^{seed}oil. Oil extraction from cotton seed, is a major potential in this country, yet we have two^f or three factories which are doing this job, while the other factories are doing a very small-scale/^{job}of crushing the seeds. However, when you look at the potential that lies there, you/^{will} find it ^{is} enormous. Again, Sir, we cannot wait for anyone else to come and invest money in this industry and it is up to us to invest in our own country. Therefore, I am calling upon my colleagues here to take the first step to encourage our own people to get together and invest. I am saying so because, for example, in Nyanza, in Western Province, in Eastern Province/^{very}where cotton is grown in/large quantities, we need more industries in these areas and one industry which can be established with medium technology is the cotton industry whereby we can also have the processing of cotton oil seed ~~and~~ cakes and so on. The prices of cotton oil seed internationally are very good. Even in our own internal market, we know that the potential in this country is very good. I would like to appeal to my colleagues to look into this area to ensure that they participate fully.

With regard to research, I did mention that/^{one of}the purposes of restructuring the Board is to introduce, like we do ~~in~~ for other crops, a fund in order to support research in the cotton industry. We have a research station which ~~x~~ deals with cotton although it is a very small one. However, we know that the varieties of cotton that we now grow are not the types that we can export in large/^{quantities} quantities internationally due to their low grade. We also know, however, that we can grow the type of varieties that could be exported. These ^{Varieties} ~~varies~~ can produce high grade cotton for export or for high grade textile/^{locally} but we have to do our research first

THE MINISTER FOR AGRICULTURE (Ctd.):

and I think that the fund that is going to come under this Board is going to be used for that purpose.

Mr. Speaker, Sir, I did deal at length with all the problems affecting the cotton industry and the purpose for which this Bill is established and I think I have gone through all the points which hon. Members wanted to be clarified. I believe that I have been able to go through all these points carefully. The other outstanding issues regarding licensing, levying and so on, will be brought in when I introduce the rules to govern the actual marketing and managing of the cotton industry at the ^{lower} ~~lower~~ levels at a later date.

With those few remarks, Mr. Speaker, I beg to move.

(Question put and agreed to)

(The Bill was read a Second Time and committed to a committee of the whole House today by leave of the House)

COMMITTEE OF THE WHOLE HOUSE

(Order for Committee read)

Mr. Speaker left the Chair

IN THE COMMITTEE

Mr. Chairman took the Chair

The Cotton Bill

(Clause 2 agreed to)

Clause 3

THE MINISTER FOR AGRICULTURE (Mr. Mwangale): Mr. Chairman, Sir, I beg to move:-

THAT, Clause 3 be amended as follows:-

(a) in sub-clause (2) by deleting paragraph (i) and inserting the following:-

- (i) six representatives of cotton growers, four of whom shall be elected on a zonal basis to represent cotton growing co-operative societies and two of whom shall be appointed by the Minister to represent cotton growers who are not members of any cotton growing co-operative society;

THE MINISTER FOR AGRICULTURE (Ctd.):

(b) in sub-clause (4), by deleting paragraph (a) and renumbering paragraphs (b) and (c) as paragraphs (a) and (b) respectively.

Mr. Chairman, Sir, the purpose for this amendment is first to increase the number of members who are going to be elected by the co-operative societies two of whom will represent areas where there are no co-operative societies, for example, in Kerio Valley where they have donor societies and cotton growers as well. So, the number of members of the Board is being increased because of that reason.

(Question of the amendment proposed)

MR. ANGATIA: Mr. Chairman, Sir, we had asked the Minister to consider this point yesterday and I thought that we had convinced him to reconsider this particular amendment and see how he can incorporate a provision for half of the members of the Cotton Board to be elected by the cotton growers. He promised us yesterday that he was going to consider this. However, he has not in his reply indicated whether or not he is going to consider this. If he has not considered ~~this~~ this, I am sure he is now going to convince us that the number which is now there is adequate.

THE MINISTER FOR AGRICULTURE (Mr. Mwangale): Mr. Chairman, Sir, I did take into account the suggestions made by the hon. Member yesterday. As I said before, the cotton industry as a whole is divided into various zones. I am saying this because we have cotton now being grown by large-scale schemes such as the Bura Irrigation Scheme. We also have areas where cotton is grown by co-operative societies and unions only. However, in certain other areas, we have cotton being grown by farmers who do not either belong to the co-operative societies or the unions. So, we have to make a decision to see how the membership of the Board can be distributed. The two members of the Board whom I am talking about will represent the cotton growers who are neither members of the unions ^{nor} of the societies.

END J.

THE MINISTER FOR AGRICULTURE (ctd.):

I also said that we are going to introduce rules concerning zoning areas in which elections are going to take place. This will be done by the Ministry of Co-operative Development. Therefore, his suggestion will be taken care of. I also said that out of the 15 members of the Board, eight of them represent those people who are directly in the cotton industry, either as ginneries, the farmers themselves, in the form of co-operative societies, or as individual farmers who grow cotton but are not members of co-operative societies or unions.

~~THE ASSISTANT MINISTER FOR TECHNICAL TRAINING AND APPLIED TECHNOLOGY~~
~~THE MINISTER OF STATE, OFFICE OF THE PRESIDENT (Mr. Amayo):~~

Mr. Chairman, Sir, could the Minister let us know which zones these are since they are not specified in the Bill?

THE MINISTER FOR AGRICULTURE (Mr. Mwangale): Mr. Chairman, Sir, these zones are governed under the rules and regulations which are, in this case, defined by the Commissioner for Co-operatives. These will be brought under rules and regulations within the ~~z~~ Act.

(Question, that the words to be left out be left
 put and agreed to)

(Question, that the words to be inserted in place
 thereof be inserted, put and agreed to)

(Clause 3 as amended agreed to)

(Clause 4 agreed to)

Clause 5

THE MINISTER FOR AGRICULTURE (Mr. Mwangale): Mr. Chairman, Sir, I beg to move:-

THAT clause 5 be amended by inserting immediately after sub-clause (4) the following new sub-clause (5):-

Notwithstanding any other provisions of this Act, the Board may, during such period as may be determined by the Minister, own and operate the cotton ginneries which at the

THE MINISTER FOR AGRICULTURE (ctd.):

commencement of this Act are owned and operated by the former Board and for that purpose may purchase raw cotton and sell cotton lint and cotton seed and do all other things necessary for the effective operation of the ginneries.

Mr. Chairman, Sir, when we ^{drafted} wrote this Bill, we had left out this particular section which is very important, because there is a transition period between the time when the Board is going to release the ginneries and so on to the ~~gi~~ unions and co-operative societies. We, therefore, want to ensure that the operations of the industry are not disrupted. Secondly, we believe that since the cotton season is almost on, we want to ensure that the farmer does not suffer. That is why we are giving the Board this ~~ix~~ interim period which will enable the Board to intervene and be able to buy cotton as necessary.

(Question of the amendment proposed)

(Question, that the words to be added be added, put and agreed to)

(Clause 5 as amended agreed to)

(Clause 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17 and 18 agreed to)

Clause 19

THE MINISTER FOR AGRICULTURE (Mr. Mwangale): Mr. Chairman, Sir, I beg to move:-

THAT sub-clause 19(1) be amended by deleting the words "the Board or" appearing in paragraph (b) thereof.

The reason for this is that the words are superfluous. The clause talks about the purchase of all cotton from any grower other than the Board, because the Board does not grow any cotton - it is supposed to be 'from any ginner'.

(Question of the amendment proposed)

(Question, that the words to be left out be left out, put and agreed to)

(Clause 19 as amended agreed to)

(Clause 20, 21, 22, and 23 agreed to)

Clause 24

THE MINISTER FOR AGRICULTURE (Mr. Mwangale): Mr. Chairman, Sir, I beg to move:-

THAT sub-clause 24(2) be amended by adding at the end thereof the following new paragraphs:-

- (f) the Director of Agriculture;
- (g) the Managing Director.

The omission of these two was an oversight on our part. The advisory board which will be licensing those who will be doing the ginning and buying cotton, it is important that the Managing Director of the Cotton Board of Kenya be ~~part~~ included because he is part and parcel of the Board. Also, the Director of Agriculture should be involved.

(Question of the amendment proposed)

(Question, that the words to be added be added, put and agreed to)

(Clause 24 as amended agreed to)

(Clause 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39 and 40 agreed to)

END K



Clause 41

THE MINISTER FOR AGRICULTURE (Mr. Mwangale): Mr. Chairman, I beg to move:-

THAT, Clause 41 be amended by:-

- (a) deleting paragraphs (s) and inserting the following -
 - (s) regulating and prescribing the charges, if any, for services rendered under the Act including handling and processing commissions;
- (b) by inserting the following new paragraphs immediately after paragraph (v) -
 - (w) prescribing the manner in which representatives of cotton growing co-operative societies for the purposes of section 3(2)(i) may be elected.
 - (x) prescribing the mode of payments to cotton delivered to a ginner under section 20(1)

This, again, is another way of streamlining the Bill itself to ensure that under the regulations which the Minister is empowered to bring forth as to regulate the industry are properly exercised. There is nothing else to it other than to ensure that the powers are carried out by the Ministry.

(Question of the amendment proposed)

(Question, that the words to be left out be left out, put and agreed to)

(Question, that the words to be inserted in place thereof be inserted, put and agreed to)

(Clause 41 as amended agreed to)

MR. ANGATIA: Mr. Chairman, Sir, I thought it would be in order for you to propose the Question on a Clause before you actually put the Question. You have put Questions to very many Clauses before proposing the Question, such that there is no room for one to make any comments.

MR. CHAIRMAN: Mr. Angatia, if you were careful, you would have heard that in any given situation, I was proposing the Question first in order to allow hon. Members to make ~~xx~~ whatever comments they may have. Probably, however, there was an oversight on your side.

MR. ANGATIA: Mr. Chairman, are you now ~~you~~ going to put the Question about Clauses 42, 43 and 44 before proposing them?

MR. CHAIRMAN: I have assumed that since Clauses 42 to 44 were elaborately discussed during the Second Reading, there would not be any further query on them at Committee Stage. That is why I wanted to put the ~~X~~ Question straight.

Did you want to make any comment with regard to Clauses 42, 43 and 44?

MR. ANGATIA: Mr. Chairman, there are two issues involved here. The first one is ~~n~~ just a matter of procedure, that we would like to go by the normal procedure whereby the Question is not put unless it is ~~pro~~ proposed. In this particular regard, then that was not the case.

Secondly, Sir, I just wanted to seek clarification from you as to whether these Clauses - 42 and 43 - are coming the way ~~as~~ they should do. I think they are not adequate repealing of the previous Act because, if so, one would have expected that they come at the ~~gib~~ beginning of this particular Bill instead of coming in the middle so that, earlier on, we looked as if we were setting up an Act of Parliament besides another Act. We now realise here that the previous Act is being repealed and is coming as Clause 42 in a mere one line just shuffled in as an afterthought. Would it not have come on its own to repeal an Act or at the beginning of this Bill and not just being squeezed in privately at the corner of the whole Act?

MR. CHAIRMAN: Mr. Attorney-General, could you clarify that part?

THE ATTORNEY-GENERAL (Mr. Muli): Mr. Chairman, if hon. Mwangale wants to assist me ~~ixn~~ in drafting Bills, then he may suggest that. That is the right place for a repealing Clause. We have dealt with a new Act which is ~~inted~~ intended to come into effect and, having agreed that that should be done, then we have proposed a repeal. The repeal, of course, cannot come into effect immediately because we still have Clause 1 which we have not yet touched, and which will come into being on being gazetted. So, I do not agree with hon. Angatia that the Clause has been put in the wrong place.

(Clauses 42, 43 and 44 agreed to)

Title

THE MINISTER FOR AGRICULTURE (Mr. Mwangale): Mr. B. Chairman, I beg to move:-

THE MINISTER FOR AGRICULTURE (Mr. Mwangale)(Ctd.):

THAT, the long title to the Bill be amended by deleting the words "and to provide for the regulation of the cotton industry and the control of production, processing and marketing of cotton" and substituting the following:-

"and to provide for the promotion and regulation of the cotton industry".

(Question, that the words to be left out be left out
put and agreed to)

(Question, that the words to be inserted in place
thereof be inserted, put and agreed to)

(THE ATTORNEY-GENERAL (Mr. Muli): Mr. Chairman, there is a short title to a Bill and a long title to a Bill. What we are proposing to amend here is the long title, by deleting and ~~insert~~ inserting the words that the Minister has mentioned. In the long title, we more or less enumerate items or more or less limit the scope of it. By inserting the words "and to provide for the promotion and regulation of the cotton industry and for connected purposes", that makes it neater.

(Question of the amendment put and agreed to)

(Title as amended agreed to)

(Clause 1 agreed to)

THE MINISTER FOR AGRICULTURE (Mr. Mwangale): Mr. Chairman, Sir, I beg to move that the Committee doth report to the House its consideration of the Cotton Bill and its approval thereof with amendments.

(Question proposed)

(Question put and agreed to)

(The House resumed)

Mr. Deputy Speaker in the Chair

REPORT

The Cotton Bill

MR. MWAMZANDI: Mr. Deputy Speaker, Sir, I beg to report that a Committee of the whole House has considered The Cotton Bill and approved the same with amendment.

(Consideration of Report of Bill ordered for today
by leave of the House)

CONSIDERATION OF REPORT AND THIRD READING

The Cotton Bill

THE MINISTER FOR AGRICULTURE (Mr. Mwangale): Mr. Deputy Speaker, Sir, a Committee of the whole House has considered The Cotton Bill and has reported the same to the House with Amendment. I, therefore, beg to move that the House doth agree with the Committee in the said Report.

(Question proposed)

(Question put and agreed to)

THE MINISTER FOR AGRICULTURE (Mr. Mwangale): Mr. Deputy Speaker, Sir, I just want to thank hon. Members for the various points they have given to the Ministry along with their suggestions. I have heard someone mention "cash on delivery", and I would like to assure hon. Members that we have taken note of every suggestion and proposal that has been made here. We have been listening very carefully and taking down notes to ensure that the proposals made by hon. Members form part of our regulations to be tabled in this House to make sure that the farmer and the cotton industry in this country benefit.

I beg to move that The Cotton Bill be now read the Third Time.

THE ATTORNEY-GENERAL (Mr. Muli) seconded.

(Question proposed)

MR. ANGIATIA: Mr. Deputy Speaker, Sir, thank you very much for giving ^{me} this opportunity again. I just want to remind the Minister - although he seems to remember this himself, as he has said when moving that the Bill be now read for the Third Time - that there are some proposals which have been made which

MR. ANGATIA (CTD.):

I think he did not have time to include in the amendment brought before the Committee of the whole House. We hope that the Minister, who has taken much trouble to prepare the necessary provisions to streamline the cotton industry, will continue to take interest and to look into the proposals made by hon. Members during the debate on the Bill. In particular, I have drawn the attention of the Minister to Clauses 10 and 11. I feel very strongly about the appointment of officers, the terms and condition of service and the performance of parastatal bodies. We want to persuade the Minister to take this as the first case where steps will be taken within the written provisions to make sure that the officers of this board perform their duties well and that if they do not do so, they are removed from service. This is why we think that the Minister will place greater responsibility and accountability on the shoulders of the board so that ^{it} becomes responsible for what its officers do and these officers are totally answerable to the board. These officers should not try to overlook the board and do their own things. In this regard, we emphasised that the terms of service and remuneration should also be subject to the performance of the board. Salaries should not be paid automatically, whether the board delivers the goods or not.

We also want to draw the attention of the Minister to ~~sub~~-clause 18(2) where it says that the Minister shall lay the annual report before the National Assembly as soon as possible after it has been submitted to him. I think there ^{is} ~~should be~~ a time limit ~~here~~ in the Exchequer and Audit Act, if not in the Act governing the Civil Service, or the one governing parastatal bodies. This time limit governs the time during which this report should be tabled in this House. This does not depend on the Minister doing it as soon as possible. If there is no such provision in the Acts I have cited, it is important that this be provided for in this particular Bill. There should be a time limit during which the ~~the~~ Minister will table this report in this House. This is mandatory. Saying that the report will be laid on the table as soon as possible could mean that it will lie idle for two years without

MR. ANGATIA (CTD.):

being tabled here. I do not think that that ~~it~~ would be the intention of this House or of the Ministry. So, I expect that particular sub-clause to take into account the provisions of the Exchequer and Audit Act.

I also want to point out to the Minister that with regard to clause 24, that there is no need of duplication of committees. I think one hon. Member brought this point up. Instead of having several committees, all of which are going to depend on the cotton ~~for~~ farmer and become a burden to the farmer, there should be just a sub-committee of the board. There is no need of establishing another committee which will require allowances, its own provisions and expenses to be met by somebody, probably the same board. This is what people have been saying in the coffee industry. We thought that we would ~~not~~ avoid this in the cotton industry by having the board alone doing all these jobs, perhaps with sub-committees to deal with licensing, instead of establishing another independent body which is going to act on its own separate terms, ~~and~~ with its separate officers, as a result of which it will become a burden on the cotton grower in this country.

Mr. Deputy Speaker, Sir, I assume that since the Minister has given us a promise - and I have no reason to doubt that he can fulfil it - he will look into these views and try to incorporate them where they fall appropriately.

I beg to support.

THE VICE-PRESIDENT, AND THE MINISTER FOR HOME AFFAIRS AND NATIONAL HERITAGE (Dr. Karanja): Thank you, Mr. Deputy Speaker, Sir, for allowing me to make a few comments on this Bill. First of all, I would like to thank the Minister for having moved the Bill. I think the Bill represents the Government's concern over ^a ~~the~~ vital and important cash crop in our country. As you know, cotton is one of them most important crops ~~in this~~ in this country. In other countries, such as the United States of America, India and Britain, cotton was for many years the prime mover of industrial development. In fact, it was known as "King Cotton". The problem we have in this country is that the cotton industry has had the most severe constraints, adverse problems and complaints,

THE VICE-PRESIDENT AND THE MINISTER FOR HOME AFFAIRS AND NATIONAL HERITAGE (CTD.):
particularly among farmers. One hopes that this Bill will help farmers to
reap greater benefits from their labour.

The major constraint in the cotton industry has been the inability,
or failure, of the Cotton Lint and Seed Marketing Board to pay farmers in time.
This restraint is affecting many parastatal bodies which experience a shortage
of funds. We hope that our farmers will be paid in time so that they can be
induced to grow more cotton, because this is a very important crop. If we were
to increase our production of cotton, we could reduce our dependence on imports
which we occasionally undertake at a great cost to ourselves.

Cotton lends itself to creating employment opportunities in rural
areas. It is a commodity which can be grown by small-scale farmers, and this
will help our rural folk to benefit greatly. Cotton, of course, is the basis
of the textile industry. In many developing countries, cotton has been the
basis on which the textile industry has grown. Good examples are South
East Asia and the United States of America. We cannot at present meet our
export quotas as set for us by the European Economic Community and the United
States of America. This is an area where we can create a great potential for
export growth for the benefit of our people. As you know, cotton is one
of the most sought after luxury fibres today.

END M

THE VICE-PRESIDENT AND MINISTER FOR HOME AFFAIRS AND NATIONAL HERITAGE (Contd.):

It is very much in demand and we could help our people by increasing the potential for our industry. This could help our country to earn more foreign exchange, particularly if we can take advantage of this policy which has been introduced for inborn manufacturing which lends itself to use of cotton as the basis. At least, we should be able to compete with other countries in South East Asia, particularly India and South Korea.

Cotton is also a basis, of course, for animal feeds, and this shows how versatile the crop is. We know that in this country we are short of good quality animal feeds. Everybody is complaining of good quality animal feeds for chicken, pigs, cows and so on, and with extended manufacturing from this sector we can produce very good quality feedstock for our animals.

Mr. Deputy Speaker, Sir, I would also like to stress the importance of research in this particular field, particularly in the use of modern insecticides to decide what kind of insecticide we should use for our cotton fields without harming the environment. I think this is a great danger for this country because a lot of chemicals that we are using are, in fact, endangering our environment. I hope that the Minister, in co-operation with other bodies responsible for this particular aspect of our industrial growth, will look into the question of the kind of chemicals ~~that~~ we are using for our cotton fields because there is a great danger of using chemicals that are dumped in this field and producing adverse effects to the environment.

Also, research would help us in determining the kind of fibre and the types of cotton we grow because some cotton fibres are not as competitive as the others. I hope that the Minister will

THE VICE-PRESIDENT AND MINISTER FOR HOME AFFAIRS AND NATIONAL HERITAGE (Contd.):

stress this point because in order to be competitive we have to start producing the long staple cotton which is very much more in demand in the world.

It is our hope, Mr. Deputy Speaker, Sir, that the new streamlined Board, with its more representative of the farming sector and cotton growers, will go along way to revolutionalise and rationalise the growth of this important cash crop in our country to the benefit of the farmers in the rural areas.

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

MR. MWAMZANDI: On a point of order, Mr. Deputy Speaker, Sir. In view of the fact that this is just Third Reading of the Bill, which is just to comment what one might have forgotten in the Second Reading of the Bill, would I be in order to move that the Mover be now called upon to reply?

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

THE MINISTER FOR AGRICULTURE (Mr. Mwangale): Mr. Deputy Speaker, Sir, I beg to move.

(Question put and agreed to)

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

ADJOURNMENT

MR. DEPUTY SPEAKER: That concludes the business on the Order Paper. The House is, therefore, adjourned until tomorrow, Thursday, 16th June, 1988, at 2.30 p.m.

The House rose at forty-five minutes past Four o'clock.

End N.

H A N S A R D

Thursday, 16th June, 1988

The House met at thirty minutes past Two o'clock.

Mr. Speaker in the Chair

PRAYERS

ARRIVAL OF HIS EXCELLENCY THE PRESIDENT

(The Speaker announced the arrival of His Excellency the President, the hon. Daniel Toroitich arap Moi, M.P)

(Hon. Members rose in their places while His Excellency the President took his seat in the Chair of State)

PAPER LAID

The following Paper was laid on the Table:

1988/89 Vote on Account

(By the Minister for Finance (Prof. Saitoti)

COMMITTEE OF WAYS AND MEANS

MOTION

THAT Mr. Speaker do now leave the Chair.

Mr. Speaker, Sir,

I beg to move that Mr. Speaker do now leave the Chair.

1. INTRODUCTION

Mr. Speaker, since my last Budget, two major events have taken place on the Kenyan soil which symbolize the stability of our political institutions. First, we hosted the 4th All Africa Games; an event which underscored the confidence and trust which the Nations of Africa have in Kenya and, indeed, its leadership. Second and most important Kenya held both the Presidential and National Assembly Elections which ushered in the Sixth Parliament. The orderly and peaceful manner in which these elections were conducted is a tribute to His Excellency the President's commitment to the continued maintenance of democracy, peace and stability in Kenya as enshrined in our Constitution. It is, therefore, most befitting that I call upon all Honourable Members to join me in asking all Kenyans to emulate H.E. the President's foot-steps in upholding the principles of our Constitution in order to sustain and enhance our political and social stability which is a pre-requisite for economic progress.

Mr. Speaker, the themes of the last four Budgets have centred around the subject of efficient utilization of resources in order to attain the objectives spelt out in both the Fifth Development Plan and the Sessional Paper No. 1 of 1986. Each year, we have endeavoured to formulate and implement policies aimed at achieving these objectives in order to sustain growth. Although considerable success has been recorded in this regard, there remain a number of fundamental problems which need to be addressed. Among them are two major structural imbalances which Kenya has been experiencing in the recent years. The first imbalance is a worsening balance of payment deficits occasioned by sharply deteriorating terms of trade, coupled with rising debt service payments. The second imbalance is the large budgetary deficits. Although the high coffee prices of 1986 considerably improved these imbalances, the downward trend in the prices of our major export commodities has resulted in the re-emergence of the status quo. This year's Budget will, therefore, attempt to lay the foundation necessary to restructure the economy in both the short and medium terms. Thus, it is within this context, that I have framed today's budget around the theme: "Economic Growth Through Financial Discipline and Efficiency".

As usual, I would like to, in rapid succession, begin by reviewing the international economic scene as a background to our own economic situation. I will then deal with some of Africa's economic problems and thereafter, review Kenya's economy in 1987, including a prognosis for the year 1988 and beyond. Finally, I shall address the budget out-turn for the current fiscal year, that of next fiscal year, and present specific measures relating to taxation and other changes for the fiscal year 1988/89.

2. THE WORLD ECONOMY

Mr. Speaker, the international economy is presently in its sixth year of cyclical expansion, following the severe worldwide recession in the first few years of this decade. This unusually long period of uninterrupted growth in global production and in international trade has coincided with a remarkable decline in international rates of inflation. Looking at this period from a

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long historical perspective, the combination of sustained growth and a sharp deceleration in inflation rates is quite unique. However, there have been severe trade imbalances between some of the major industrial countries, reflecting an unwillingness to co-ordinate their economic policies, particularly fiscal policies. This has led to sharp fluctuations in exchange rates. For instance, the dollar rose sharply for several years, only to decline almost as dramatically in the past year or two. Other key currencies have displayed similar instability.

Financial uncertainties have not been confined to exchange markets alone. In October last year, stock market prices in New York fell by about 25 per cent in a few days, causing panic in a number of financial markets in the U.S.A., Europe and elsewhere. The spectre of global depression similar to that of 1931 was suggested. Fortunately, the situation seems to have stabilized.

The trade imbalances in some key industrial countries (especially between U.S.A. and Japan) over the past several years, together with the financial instabilities in exchange and other markets have had two major adverse effects on the developing countries. First, increasing trade restrictions in various forms have led to a more protectionist climate, adversely affecting developing countries' exports to developed markets. Second, the resulting financial turmoil, coupled with uncertainties regarding the debt of developing countries, has led to a continuous slow-down in the transfer of new financial resources to developing countries. At the same time repayments by developing countries on their external debt have been mounting. An illustration of the awkward paradoxical situation that has developed is this: while in the five years up to 1982, there was a net transfer of financial resources to the developing countries of 140 billion dollars, that transfer has now been reversed, and in the five years since 1982 the developing countries have transferred financial resources to the developed world amounting to 80 billion dollars. The combined effect of these factors has crippled meaningful development in the developing world, particularly Sub-Saharan Africa.

Mr. Speaker, the growth record in Sub-Saharan Africa has been particularly poor over the past several years. This group of countries as a whole recorded persistent declines in per capita GDP (or incomes) since 1981. The cumulative decline in per capita incomes from 1981 to 1987 is close to 15 per cent. Last year, the growth in real output in the region, was less than 1 per cent, and in per capita terms there was a decline of 1½ per cent. Projections for 1988 and 1989 indicate the possibility of a very marginal increase in per capita incomes in Sub-Saharan Africa, although there are now convincing signs that the declining trend is being reversed.

Kenya with an average growth rate over the past three years of about 5 per cent and thus an average increase of 1 per cent in per capita incomes, has done comparatively well.

The slow growth in output and incomes -- and hence the decline in per capita incomes -- is, by far, the greatest problem facing the African continent today. In simple terms it means that we are collectively getting poorer instead of making a dent into the problem of poverty. Finally, Mr. Speaker, there are four main problems, relating to, and to some extent causing this stagnation, that I would like to touch on.

The first relates to the burden of external debt which Africa, together with many other developing countries, incurred during the first few years of the 1980's when oil prices shot up, the dollar value increased and interest rates in international markets doubled

or trippled. This debt burden is being reinforced by the declining transfer of new financial resources to developing countries.

The second problem that I want to touch on is the instability, and in some cases the downward trend, in commodity prices. We have seen this in the past few years, when coffee prices shot up in 1986, only to decline to lower levels in 1987. This phenomenon causes great problems in terms of stabilization policies. For how can a country absorb and harness the gains during a temporary export boom, without letting inflation loose, and then spread out the benefits in the following years? It requires a highly sophisticated policy apparatus to counteract these fluctuations. We have tried to learn from the latest experience and we have been partially successful -- mainly because the recent coffee boom was a moderate one in contrast to that in the late 1970's.

The third problem, which I have already touched upon, is the protectionist climate that has developed in the industrialized world over the past several years, and which harms exports from developing countries and thus limits these countries' ability to break out of stagnation and poverty.

The fourth problem which partly explains the slow growth in African economies is the frequent incidences of drought, and sometimes floods. Certain countries have been severely affected by climatic changes, particularly by droughts, in recent years. Fortunately, we in Kenya have been relatively spared compared to other countries in the region. Although there are certain ways in which one can reduce the adverse repercussions of droughts -- and I believe we were successful on this score when the severe drought hit us in 1984 -- droughts, nevertheless, cause great economic damage and human misery.

3. THE DOMESTIC ECONOMY

(a) ECONOMIC PERFORMANCE

Mr. Speaker, I would now like to turn to the domestic economy. Considering the fact that Hon. Members have already read their copies of this year's Economic Survey, which describes the performance of the economy during 1987 in detail, I will confine myself to a review of the highlights in that publication. Discounting 1984 as a year dominated by the drought, the last three years of the current Fifth Development Plan have recorded excellent economic performance in many years. If we ignore the coffee boom years of 1976 and 1977, we have to go back to the 1960's before we find a three year series where economic growth was as good as that recorded between 1985 and 1987. The average growth during this period has surpassed 5 per cent per annum which is slightly better than that targeted in the Plan. Even inflation, although far from being a matter for complacency, has over these same three years been, on average, below any three year period since the oil price crisis of 1973.

Mr. Speaker, 1987 recorded a paradoxically mixed performance of the economy. On the one hand, we recorded satisfactory growth while on the other, we experienced inadequate and erratic rainfall with declining tea and coffee prices in the world markets. Given these factors, one would have expected no growth at all. However, we achieved real growth of 4.8 per cent last year. Briefly, we managed that growth at the cost of our reserves. In a deliberate effort to sustain the positive signals which we had transmitted to the business community in 1986, we cut into our reserves to ensure industry would prosper. But this is not a strategy which

can be repeated this year due to the reduced level of reserves.

The situation, of course, was slightly more complex than I have described it because there was a secondary problem, in part associated with the uncertain growth of the world economy. As world markets were not growing, we had to stimulate domestic demand to sustain growth, and it was here that the excess liquidity which I mentioned earlier in my last Budget Speech, played an important role. This approach was costly, as inflation, measured by the Consumer Price Index, rose from 5.7 per cent in 1986 to 7.1 per cent, which, although up, is still the second lowest inflation since 1973. Clearly, export oriented growth would have been preferable, but in default of that we can be satisfied that difficult external factors had so little depressing effect on the economy.

(i) Income and Employment

Mr. Speaker, in the light of the overview I have just presented, it is commendable that overall employment, including self-employment, grew by 5 per cent, well ahead of the rate of growth of new entrants to the labour force. The strategies in support of the small business sector are clearly bearing fruit since the wage employment portion merely kept pace with the new entrants, growing at about 3.5 per cent. And together with this increase in employment I am happy to report to this House that for the third year in succession, real income per head grew by more than one per cent. Unfortunately, movements on the terms of trade over which we have no control, have adversely affected the availability of goods and services. Nevertheless, we experienced real positive income distribution effects as the average money income per wage worker in the private sector grew by 11.0 per cent, giving a real growth of almost 4.0 per cent.

(ii) Savings and Investment

Mr. Speaker, turning now to an important measure of the confidence in our economy, I am happy to report that we have continued our recovery in real investment levels which started in 1986 following the long decline since 1978. Gross Fixed Capital Formation in real terms grew satisfactorily by 6.6 per cent in 1987. A deeper analysis shows that this figure conceals even more positive trends. Investments in agriculture, manufacturing, building and construction industries have all continued their excellent growth upon which I alluded to last year. Most important, all this expanded investment has been led by the private sector, and not by the public sector as was the case in the early 1980's. Although domestic savings have fallen from their record high level of 1986, they have not dropped back to their pre-coffee boom levels and we shall continue to apply real positive interest rates as an inducement to enhance their growth.

(iii) The Economic Sectors

Mr. Speaker, I would now like to discuss briefly the performance of the various sectors of the economy whose success can rightly be attributed to our restructuring efforts. Last year, agriculture grew by only 3.8 per cent due to poor weather and the inefficient delivery of inputs. Since the economy has diversified, this otherwise serious drag on growth was compensated for by a 5.7 per cent expansion in manufacturing and a 7.2 per cent growth in activities in trade, restaurants and hotels.

Since we had focussed our attention on agriculture by ensuring it was not short of foreign exchange and raised the Ministry's Development expenditures, the performance in this sector was rather disappointing. In this regard, maize production fell by 25 per cent from the record crop of 1986 -- that is not to say that the crop was bad but the yield was low. In spite of this low harvest, food security reserves have virtually stayed stable throughout the year.

To mar the picture, wheat production was down by 37 per cent and coffee production by 8 per cent. The only improvement related to tea production, where a new record crop of 155.8 thousand tonnes was recorded compared to 143.3 thousand tonnes in 1986. There was also moderate expansion of meat related industries and horticulture.

(iv) Money and Prices

Mr. Speaker, I have indicated that domestic demand was boosted by the liquidity of the economy and I would now like to deal with this in greater detail. As a result of the mini-coffee boom, money supply grew by 32.5 per cent in 1986 -- an extremely high expansion. There was, therefore, an urgent need to bring it more under control, particularly as there was no reason to expect the fortuitous foreign exchange windfall last year. Although we reduced the rate of growth of money supply to 11.2 per cent last year, this has not fully managed to control inflationary pressures.

The conventional measure of inflation which I mentioned earlier Mr. Speaker, is the consumer Price Index and it was showing a rise of 7.1 per cent over the year, with the lower income group benefitting slightly, in relative terms as the index for that group rose by only 5.1 per cent.

(v) Trade and Payments

Mr. Speaker, let me finally, turn to our international transactions. I have already mentioned the expansion of tea production and contraction of coffee production, together with the decline in the world prices of both of these commodities. This had an adverse effect on our balance of payments. While the quantity of coffee exported fell by 21 per cent, the price fell even further by 36.6 per cent. Gains from increased tea exports were wiped out by an 18.2 per cent fall in price. Overall the quantity index for our exports declined by 3.5 per cent.

On the other side of the account, we had expanded imports by 5 per cent in real terms in order to get the industry moving. The value of imported industrial supplies rose by 15 per cent, fuel by 18.4 per cent and machinery and equipment by 25.6 per cent. From these figures, it is clear that the industrial sector has been given extensive support, and hence the need for requiring it to be efficient.

(b) PROGNOSIS

Mr. Speaker, as I have noted it is encouraging, that the turmoil in international financial markets over the past nine months appears to have had little effect on economic activity at a global level. As Honourable Members will have noticed from their copies of the economic survey, based on estimates at the end of 1987, world economic growth was estimated at 2.35 per cent. More recent data shows that the forecast growth of output in industrial countries is close to 3 per cent this year, about the same as in 1987, and the volume of world trade is projected to grow by about 5.5 per cent,

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an acceleration from last year. Forecasts for 1989 based on the assumption that oil prices in real terms do not rise from present levels, show a marginal decline in global growth rates, with the increase in world trade projected at about 4.5 per cent.

Therefore, Mr. Speaker, our prognosis for the Kenya economy is one of cautious optimism. Domestically, the weather has been good and fertilizer is rapidly available. These factors suggest that the economy should be able to sustain its growth around the 5 per cent mark this year.

4. POLICY FRAMEWORK

Mr. Speaker, against this background of international and domestic events and prospects, I would now like to discuss policy strategy for the coming fiscal year. As I have stated on a number of occasions, Sessional Paper No. 1 of 1986 outlines a policy agenda for the period up to the year 2000. This is the third Budget based on that Sessional Paper. I see each year's Budget as an instalment in the long-term strategy outlined in that document, as well as dealing with short-term issues and emergencies to stabilize the economy. Therefore, this and the previous two Budgets should be seen as a consistent effort to increase efficiency in domestic markets, an improvement in the functioning of financial markets and the opening up of the economy to international competition -- in short, an improvement on the efficient utilization of our scarce resources.

Mr. Speaker, we have this year come to the end of the Fifth Development Plan. As we are preparing a new Development Plan, I find it, again, important to stress the continuity in our policy direction. Many of the things we said we would achieve in the current Plan have been realized, but not all. I would, therefore, like to see the "unfinished business" of this Plan become an integral part of the new Plan.

The major "unfinished business", and one of the key questions in shaping Kenya's economic future is that of moving from an inward-looking industrial policy, which has proved to be an impediment to economic growth, to an export-oriented, dynamic industrial policy² which can attract new risk capital and which can employ a large part of our rapidly growing labour force.

Bearing in mind the consistency of the Government's economic policies, as well as the need to focus on the immediate problems at hand, I believe that a two-pronged approach is called for in this Budget as reflected in the theme: "financial discipline" in order to keep the economy on a stable course on the one hand, and "increased efficiency" on the other hand in order to sustain economic growth and ensure that incomes per capita continue to rise. I will announce a number of policy initiatives in both these areas in the hope that the two sides of the budget will complement and support each other.

I will first deal with the fiscal, financial and monetary aspects of economic policy. Later on, I will discuss in some detail the longer-term issues that I have just touched upon.

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(a) Fiscal Policy

Mr. Speaker, taken in its broadest sense, fiscal policy represents the extent of Government's involvement in the economy. Given the need to optimize resource allocation, the extent of Government involvement should be based on what Government can do better than the private sector. The public sector should then confine itself to those areas where its role is crucial, and leave the rest to the private sector. The Government should ideally provide an economic environment which encourages individuals and enterprises in the private sector to utilize their capacities to the fullest.

At a more practical level, there is, however, the question of the selection and composition of public expenditure. We have tried to articulate a philosophy in this field in the Budget Rationalization Programme, where we have stated, first, that priority in our investment projects will be given to those projects promising the highest returns, and second, that we will reduce the share of recurrent expenditures (of which salaries are the major component) in total budget expenditures. This process has begun, but substantial work remains to be done. For example, the share of recurrent expenditures continues to increase, and in particular, the salary bill has proved very difficult to contain. Salaries now take about two-thirds of total recurrent expenditures which means that resources for other expenditures, recurrent as well as capital, will have to be compressed to the point where the efficiency of public sector is seriously impaired. It is, therefore, essential that employment in Ministries and public agencies are scrutinized and that the volume of employment in the public sector is reviewed over time.

The Budget Rationalization Programme should also guide us in containing the total level of Government expenditures, which has risen too rapidly over the past few years. In fact, the share of Ministries expenditures in GDP has been rising and is now well above the target level of about 23 per cent set out in the Sessional Paper No. 1 of 1986. This trend of rapidly increasing public expenditure has two undesirable effects. First, it pre-empts real and financial resources from the private sector, contrary to our long-term goals; second, it causes the budget deficit to widen, and this destabilizes the economy.

Mr. Speaker, this second effect is of great importance, and I would, therefore, like to deal further with the question of the Budget deficit. After the deficit had been contained in the early eighties, there was a sudden increase in the deficit in 1986/87 due to some unavoidable Government expenditures. In the year just ending, the deficit will be brought down to just around 5 per cent of GDP. However, I still consider this deficit to be too large.

It is too large for two reasons. First, it is difficult to finance such a deficit in a non-inflationary manner. Second, a deficit of this size demands so much financing from the banking system and from the economy as a whole, that funds are diverted from other uses, such as productive investment in the private sector. I, therefore, want to reduce it further in the two coming fiscal years. For 1988/89 the Budget will aim at a deficit of 4.0 per cent of GDP. If we are to succeed in bringing down the budgetary deficit, it will not be sufficient to tighten controls on expenditure. It will also be necessary to raise revenue and introduce participation charges in several areas.

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Mr. Speaker, the issue of ~~cost-sharing~~, or participation charges, has been discussed extensively over the past few years. Since then, I believe we have now established a broad political consensus about the necessity of finding new sources of finance for some of the services provided by the Government. It is, therefore, necessary that operating Ministries should identify areas where participation charges can be introduced.

(b) Financing the budget deficit -- Debt management

Mr. Speaker, the financial stability of a country is not only influenced by level of the budgetary deficit, but also by the manner in which it is financed. It is, therefore, important that debt management policy is developed into a more active tool of our overall economic development policy.

It was in recognition of this fact that, last year, we embarked on a process to broaden and diversity the financing of Budget deficits. The new and active debt management policy means that the Government offers a variety of debt instruments -- in addition to the conventional Treasury bills -- to banking institutions as well as to the public. A major aim in the past year has been to try and absorb liquidity from the non-bank public (~~by offering government bonds on attractive terms~~), and thus reduce part of the large excess liquidity which was created during the 1986 coffee boom.

The debt operations, particularly the Treasury Bond issue in March, have been successful in terms of Government's policy aims, i.e. to reduce the growth in money supply. While the Budget deficit in 1986/87 added some 20 per cent to the stock of money in the economy, that contribution in the fiscal year just ending is estimated to be less than 5 per cent. Moreover, recent bond issues have opened up new markets, outside the financial system: private companies, co-operatives and individuals have invested in Government bonds. I regard that as an important step forward because it broadens and deepens the market for government debt instruments and is thus likely to facilitate future debt operations. As we continue with regular bond issues, and as the borrowing requirements diminish with the lower budget deficit that I envisage, a more normal situation will emerge in the financial system, and more funds will become available for lending to the private sector.

(c) Monetary Policy

Mr. Speaker, the development of Government debt policies has gone hand in hand with an activation of monetary policy. The task has been a difficult one: to reduce the large excess liquidity that was created in 1986 and early 1987.

First and as a precautionary step, the Treasury and the Central Bank introduced, in late 1986, cash ratios for the commercial banks in order to limit the risk of a secondary credit expansion, based on the high liquidity in the banking system. Second, in late 1987, quantitative limits on the banks' private sector credit were imposed, as we predicted a tendency for this credit to accelerate and endanger financial stability. Third, as a step to reduce the excess liquidity, Government debt operations were activated.

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As a result of these measures, we have now managed to reduce the annual growth rate of money supply from a peak of nearly 30 per cent about two years ago to some 8 per cent at present. Although we have not yet restored a normal relationship between the money supply and real economic activity, we are well on the way to doing so. I intend to continue using monetary policy actively as a supplement to fiscal policy. My intention is to allow a growth in total domestic credit (~~to both the government and the private sectors~~) of the order of 6 per cent over the next year. In this respect and on present assumptions for the balance of payments, (~~which influences domestic monetary conditions~~) this means that we are forecasting money supply over the coming fiscal year to rise by 6.8 per cent.

In order to achieve the 6 per cent target for total domestic credit and, at the same time, to smooth operations in the financial system, the foregoing policy instruments will be reinforced, and modified as necessary.

In addition and, in order to smooth out fluctuations in banks' liquidity and to operate monetary policy in a more effective and market-oriented manner, the Central Bank has activated its open market operations. That means that banks and other financial institutions can use Treasury bills and bonds to obtain cash on short-term, and also that the Central Bank, by altering the interest rates on its re-discounting and lending operations, can influence the cost of credit in the market in a flexible manner. We intend to pursue these policies in active collaboration with the financial community.

Mr. Speaker, a fundamental underpinning of all our monetary arrangements is the maintenance of a competitive exchange rate. The flexible exchange rate policy we have chosen has been highly successful over the past several years. We have managed to gradually make exports more competitive in international markets and raise the price of imports. The management of the exchange rate has had the effect of making the shilling a "hard currency" in the East African region. ~~a clear sign of success of our monetary policy.~~
~~This flexible exchange rate policy will be maintained.~~

(d) Efficiency and stability of the financial system

Mr. Speaker, the primary role of the financial system is to absorb savings from various parts of the economy and to redirect these savings -- as loans and credits -- to those who can use the money in the most efficient manner. Therefore, as the financial system becomes more flexible and effective, the national savings can be directed to those activities that contribute the most to economic growth.

Mr. Speaker, I have already described the trends in public debt and monetary policy. One purpose of these policy initiatives is to stimulate new financial markets, thus improving the "financial intermediation" process -- a process of channelling savings into productive investments.

The very fact that a wider variety of debt instruments -- Treasury Bonds with different maturities -- are offered to the public will mean that new market activities can develop. We have also encouraged the financial system to start secondary trading in Government bills and bonds; that means that individual holders of such papers should be able to sell them before they mature, if the holder needs cash immediately. This will make these securities even more attractive to buy. There are a number of other financial markets that we will need to develop in order to increase the efficiency

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of the financial system. Here, I have in mind the market for housing finance, the market for risk capital to the private company sector, i.e. the stock market, etc. These are all issues I discussed in my last year's Budget when I promised to set up a "Capital Markets Development Authority".

Mr. Speaker, in view of the substantial legal work that needs to be undertaken before a bill establishing the Capital Markets Development Authority can be laid before this House, I have decided to establish, as an initial step, a Capital Market Advisory Council. The proposed Council will draw its members from the private financial and manufacturing sector, as well as from the Government and the Central Bank. The council will have a secretariat which will prepare papers on the key issues which need to be resolved. It will also draw up the necessary legislation for the establishment of the Authority. I consider the Council to be a useful meeting place for those in the public and private sector concerned with the development of our financial system.

(e) Strengthening the Banking System

Mr. Speaker, an important aspect of the efficiency and stability of a financial system is the rules and guidelines concerning its solvency. As we all know, there were some problems in this area during 1986. We want to avoid a recurrence of that episode. To that effect, we have started the process of strengthening the system to protect it from disruptions. It is for this reason that the Deposit Protection Fund was established to ensure that depositors do not lose money if and when a bank has to close, and the capital requirements for banks and financial institutions were increased in order to provide a safer basis to their operations. However, the Deposit Protection Fund needs strengthening, and a number of other measures will be considered to improve the stability and solvency of the system. Over the longer term, I envisage a gradual consolidation of the financial system into fewer and stronger institutions. This process of strengthening the banking industry has already started. The Central Bank is currently engaged in a major effort to improve its supervisory capacity and to review the regulatory framework so as to provide a more stable foundation for the banking industry.

In order to supplement the administrative efforts being made by the Central Bank, I have in the Finance Bill published today, proposed amendments to the Banking Act. Briefly, these amendments are intended to firstly, enhance penalties including further emphasis on custodial sentence chargeable under the Act; secondly, allow more transparent disclosure of information relating to the balance sheets of the banking institutions to the public; and thirdly, increase the membership of Deposit Protection Fund Board to include representatives of banks and financial institutions.

(f) External debt and balance of payments policies

Mr. Speaker, during the periods of large balance of payments deficits in the past, we have borrowed funds abroad to supplement our own foreign exchange reserves. We have done that in order to avoid a painful contraction of imports, something that would have had negative effects on economic growth, as importers would not have been able to supplement their stocks of spare parts and raw materials.

However, Kenya's external debt now standing at approximately one-third of all our export earnings, has reached a level where we have to take some strong measures to contain any further growth in foreign borrowing on commercial terms. Such loans are much too expensive for a developing country. A number of other African countries have gone further on this path, and have been forced to renegotiate their loans in the so-called Paris Club. The Kenya Government would want to avoid this "solution" and instead correct the situation on its own.

The crux of the matter is that we cannot afford commercial borrowing abroad other than in the most extraordinary circumstances. We will have to focus almost exclusively on concessional loans, i.e., money which is extended at very low interest rates and with long repayment periods. To the extent possible we should also try and raise the volume of money which is extended as grants.

Mr. Speaker, it is of utmost importance that we must try to reduce the debt service ratio over the next few years. That will require a more co-ordinated effort within the Government than we have had so far. I have, therefore, decided to establish a firm central control of all new loan proposals (both concessional and commercial) in the Treasury through the establishment of a Debt Management Division which will be charged with the task of analysing and monitoring external (as well as internal) debts.

(g) Industrial Policy

Mr. Speaker, I would now like to turn to some important issues concerning the efficiency and hence the future of our industry. The efficiency aspect of my theme emphasizes the need to promote growth in the economy through a more efficient use of our resources. I believe that Kenya can accelerate its growth further through appropriate improvement of our economic policy framework.

Mr. Speaker, looking back over our history, we started with a very deliberate policy of stimulating indigenous industries by protecting them from international competition. We did that in order to build up industrial, technical and administrative competence which we lacked at Independence. This strategy served us well for a decade or more, but towards the end of the 1970's it was becoming clear that the gains from this policy of so-called import substitution was coming to an end. Since then, growth in industrial output has been low, exports of industrial goods in relative terms have declined and various indicators tell us that efficiency in this sector has deteriorated significantly.

The truth of the matter is that we must now make some difficult decisions, because our choices are limited. I am convinced that if we have the courage to make these decisions, the Kenyan economy can continue to expand, and even to accelerate from the growth recorded in the past few years. We must now embark on a more active industrial policy—which will, first and foremost, create more jobs for the rapidly growing labour force. Secondly, ensure that goods are produced more efficiently and in greater volumes, therefore at lower prices to the consumers. The combined result of these two objectives should be an improvement in the standard of living of all Kenyans.

Before going into specific policy matters, two general points are worth noting. First, that the policies I am proposing form one further step in a consistent policy for long-term economic growth.

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The origin of these policies is Sessional Paper No. 1 of 1986. Indeed, the Fourth Development Plan (1977-83), also suggested that we need to increase competition in the industrial sector and rid it of some of the rigidities that impede its efficiency.

those industries which

My second general observation is that industrial transformation involves changes -- changes for firms as well as for individuals. We have for too long tried to avoid changes in our industrial structure, and that is now beginning to hurt us. It is, therefore, necessary that we must reverse this position. The proposed changes might force the inefficient industries to restructure their operations. Those manufacturers who are likely to be affected will need to pull up their socks and improve efficiency. What is important is that the society as a whole stands to benefit from the transformation. And the ultimate purpose of transforming industry is, of course, to make us all better off: to produce goods more cheaply to enable us to export more and thus earn more foreign exchange which can, in turn, be used to buy more imports; to create more and meaningful jobs, etc.

I will now discuss the specific policy areas where I intend to effect these changes.

(i) Import restructuring

Mr. Speaker, the restructuring of our import policy is an ongoing process. The policies that have over-protected many of our industries are gradually being changed. There are three components in this import strategy. First, the flexible exchange rate policy we have pursued over the past several years will be continued. This form of "protection" is probably the most efficient one of all, as it entails no discrimination between industries. Second, the tariff system can be seen as a complement to the exchange rate as a protective device. Overall, there will be little change this year in the average rate of protection provided through tariffs. I will also propose a number of detailed measures to simplify the tariff structure.

The combined effect of the exchange rate and tariff policies is to raise the overall effective protection for domestic industries. This allows us to de-emphasize protection via quantitative restriction. Thus, the third element in this year's import policy is a simplification and liberalization of the import licensing system through a move towards more efficient and transparent import schedules.

On the question of tariffs, you will recall that over the past several years, we have substantially reduced tariffs on imported inputs. This year, I shall be reducing the number of tariff categories so that similar goods bear similar tariffs. This change will simplify the handling through customs and minimize the risk of faulty classification of imported goods. I shall also effect changes intended to counteract both over-invoicing for capital repatriation and under-invoicing for duty evasion.

Mr. Speaker, with the added protection provided by the exchange rate movement, and possibly also through a small increase in the average effective tariff protection, we are in a position to modify and liberalize the import licensing policy. The purpose here is to ensure rapid and easy access to foreign exchange licences for a variety of goods -- essential items for domestic production as well as raw materials -- which are important for efficiency in our production process.

Accordingly, I have today published a revised booklet on Import Licensing Schedules containing a complete list of traded products classified into three schedules, with the third schedule being subdivided into three categories. Importers applying to bring in goods under Schedule I, which are primarily raw materials and intermediate goods, will receive foreign exchange allocations expeditiously. Import licences under Schedule II include medicines, fertilizers and other high priority goods requiring Ministerial approval. After such approval, processing should again be expedited. Items on Schedule III A will need slightly more careful scrutiny to avoid over-invoicing. However, if genuine, such import applications will also be freely approved and local protection will depend on appropriately high tariffs. For items under Schedule III B, which are of somewhat lower priority, we will ensure that tariffs will be appropriate to restrain import demand and to provide adequate protection. Low priority and sensitive items are covered under Schedule III C.

It is my expectation that these three approaches to import rationalization -- the continued flexible use of the exchange rate, the rationalization of the tariff structure, and the simplification of the imports licensing policy -- will help provide a more competitive environment for Kenya's industry, and thus help improve the efficiency with which we use our foreign resources.

(ii) Export promotion and investment incentives

Mr. Speaker, to achieve a stronger position in our transactions with the rest of the world, we need to stimulate exports. The experience of those developing countries which have been successful in reducing poverty and raising social and economic welfare tells us that an export-oriented growth is an important key to success.

We are already actively using one important policy instrument to stimulate exports: the movement of the exchange rate over the past several years has provided substantial additional stimulus to exporters. One of the basic reasons behind the exchange rate policy is, in fact, to move resources -- labour and capital -- into exporting activities and thus raise export production. We have seen effects in some areas.

However, processed exports from Kenya industries have not expanded as we had hoped. It is, therefore, necessary to design a strategy to promote industrial exports, both in order to raise the total value we earn from exporting, and at the same time to diversify the commodity pattern of our exports.

Mr. Speaker, Honourable Members will recall that in addition to the Export Compensation Scheme the Government decided some time ago to establish manufacturing under bond. I am happy to inform the House that there has been some progress in this area. Applications for this Scheme will be dealt with expeditiously and I am sure that entrepreneurs will find the arrangement most attractive. To make production under this Scheme efficient, we will assure producers taking advantage of it that import applications for raw materials will be dealt with within five days. I hope that many new industries will be started under this Scheme, taking advantage of Kenya's location, low cost of production, and political stability.

Since export growth is so essential to our strategy, we are currently exploring the possibility of establishing Export Processing Zones. I believe that this scheme should be a further component in our export promotion policy, and we are prepared to start discussions with any consortium interested in developing such a facility with us.

Mr. Speaker, my last remarks on industrial policy relate to price control and foreign investment.

(iii) Price Control

Mr. Speaker, the issue of price control has been the subject of heated debate in recent weeks. Strong views have been expressed by those affected by decontrolled prices, and the newspapers are making big headlines about it.

Some of the criticism may well be valid. For instance, a sudden jump in prices a few days after price controls were lifted in some items does not show a responsible attitude on the part of the business community. They should be careful, in their pricing policies, to build up trust vis-a-vis the Government and the consumers. Moreover, it is important to stabilize prices of certain necessities, especially basic foodstuffs, and to give producers and consumers well-advertised prices on which they can depend. This should be seen as a policy to protect lower income groups and to which the Government is committed.

However, the policy that we outlined in Sessional Paper No. 1 of 1986 of gradually lifting price controls on 'non-essential needs' to be viewed within a broader economic context than the perspective of separate interest groups. Excessively strict controls do not serve the basic purpose of providing low-cost goods to consumers, because they reduce the incentive to produce such goods and ultimately lead to scarcities instead. There are innumerable examples from other countries which show that harsh price controls, even on basic commodities, dry up the supply of price-controlled goods and stimulate a flourishing black market, where prices are far higher than warranted from the point of view of producer costs. In this situation, price controls, merely suppress the symptoms of inflation, while allowing disguised -- and therefore, not measurable -- inflation to continue. We do not want this kind of situation to arise here.

Having said this, I want to stress three aspects of price decontrol. First, the timing and the pace of price decontrol; we should move ahead with caution to minimize possible disruptions. Second, I want to stress the responsibility of those benefitting from decontrolled prices; if they take undue advantage of their position they can do great harm to the whole process. Third, even those prices which have been removed from price control will continue to be monitored carefully. In this respect, I have today published the "Restricted Trade Practices, Monopolies and Price Control Bill" which will be debated by this House. The passage of this Bill by Parliament will outlaw collusion by manufacturers to increase prices while providing Government with the necessary powers to dismantle practices which restrain the competitive forces in our economy, ~~thus paving the way for indigenization.~~

(iv) Attracting Foreign Investment

Mr. Speaker, as Hon. Members are aware, foreign investment in Kenya is protected by our Constitution and more specifically by the Foreign Investment Protection Act. This Act has not been reviewed over a number of years. As we compete with other developing countries for outside investment, there is need to review the Act in order to maintain our competitiveness. In this regard, I propose to amend some sections of the Act which are no longer compatible with increased foreign investment.

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First, the Act guarantees the repatriation of foreign capital invested in an approved enterprise where "capital" is defined as "a fixed amount representing the equity of the holder.....expressed in Kenya currency". This definition does not take into account the movements of other currencies vis-a-vis the Kenya shilling. It is, therefore, proposed to amend the Act to provide that foreign investors can repatriate not only the value of the original equity investment denominated in the currency in which the investment was initially made; but also the value of any profits which were reinvested in the firm valued in the currency of the original investment at the time of reinvestment. The proposed amendment cannot, for obvious reasons, be backdated. It will, therefore, apply only to future foreign investments or reinvestment.

Second, if an investor sells his business at a price above the original shilling value, the difference between the sale price and the original value in shillings is considered a capital gain. The remittance of this gain is blocked for five years, during which time it is invested in Government securities at a low rate of interest. Although this practice is not contained in the Act specifically, and notwithstanding the fact there are very good reasons for its existence, it nevertheless deprives the genuine investor of his income because he is paid less than the market rate of interest on his blocked funds. I propose to change this practice and allow blocked funds to be invested at the prevailing market rates of Government securities at the time of investment.

(g) Rural-Urban Balance

Mr. Speaker, a major focus on our development strategy has been, and continues to be, its spatial dimensions -- what we have come to call "Rural-Urban Balance". Included in this, are District Focus for Rural Development and Jua Kali Development Programme.

In support of this strategy, the government has established the District Development Fund to finance such programmes as Nyayo Sheds for Jua Kali artisans and the Rural Trade and Production Centres. In order that the infrastructure set up by the Government can be fully utilized, entrepreneurs need the necessary finances but unfortunately they face two major constraints: First, in view of the low level of returns from these investments, the capital employed takes a long time to repay itself. Therefore, short-term loans availed by branches of commercial banks are not appropriate. Second, majority of these small entrepreneurs are generally not aware of the availability of these existing long-term loans.

Those who are aware, are forced to borrow from institutions, with exception of K.I.E., whose facilities are designated in foreign currencies with the associated exchange risks and unfortunately this has led to some bankruptcies.

In the course of the next financial year I shall explore the possibility of passing foreign funds, without exchange risk, through a diversity of financial institutions to enable this segment of the business community access to long-term funding. I know that the Government will incur a cost in bearing the exchange risk but there are under-utilised lines of credit which, if mobilised, would provide a number of economy-wide benefits ranging from increasing employment to relieving the balance of payments. I am convinced that we would be well recompensated for whatever costs we have to incur.

(h) Agriculture

Mr. Speaker, agriculture remains the mainstay of our economy and, therefore, this review would be incomplete without making any reference to it. The majority of Kenyans of working age are engaged in agriculture. Agriculture earns the bulk of our foreign exchange and most important, agriculture has enabled us to be self-sufficient in our basic food requirements.

With this record and achievement in agriculture it is essential that we maintain our success. There is, therefore, no need for major policy changes in this sector, but rather an enhancement of those factors which lead to further growth. Agriculture is the biggest private sector activity in our economy and what is required is to keep our farmers properly serviced, making inputs readily available to them and providing them with positive results from research so as to increase their productivity. One further essential requirement is to enable them to market their produce at prices which give reasonable returns. With these factors in mind, I have allocated more funds to both the Ministries of Agriculture and Livestock Development.

The other major support to the agricultural sector I mentioned earlier is marketing. The Government has looked at the various marketing problems faced by farmers and has embarked on a series of measures aimed at ameliorating these problems. The problems have centred around delayed payments, restricted access to alternative markets and sluggishness to reflect market opportunities. Besides undermining farmers' efficiency, inefficient and sometimes inappropriate marketing has presented a major burden to the taxpayer: Nowhere was this more so than with the operations of the National Cereals and Produce Board. Here I am happy to report that, with assistance from E.E.C., the Government has embarked on a programme ^{to} ~~of reform which will not only be less costly to the Government but will also benefit the farmers by increasing their marketing options.~~
NCPB.

The reform under way consists of management re-organization, streamlining the network of NCPB buying, financial restructuring of NCPB and a gradual development of other marketing outlets. With effect from July 1st this year, KGGCU, co-operatives and small maize traders will be allowed to buy directly from the farmers up to 20 per cent of the marketed maize. As these alternative channels are developed, more and more can be allowed to go through these channels and NCPB will revert to its more basic role of holder of strategic reserves and buyer of last resort. Farmers will continue to be able to sell to the NCPB since we are establishing a special crop revolving fund.

Mr. Speaker, Treasury will continue to support policy changes in Agriculture and Livestock Ministries. In this respect we will assist the ongoing reforms aimed at speeding up coffee payments, and an auction system in cotton with early payments to farmers, somewhat along the lines of the system enjoyed by our tea farmers. Further support will entail the development of the marketing and processing for the meat industry, not by pouring more taxpayers' money into K.M.C. and Uplands, but by encouraging commercial approaches in running such ventures. I would like to assure the House that this will be done with the full cognizance of the need to develop indigenous ownership, although initially foreign investment may be necessary and indeed, welcome.

Finally, Mr. Speaker, one of the most important ways in which the Government has boosted agricultural output is the regular review of producer prices to reflect the economic value of the agricultural

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commodities. The other is to ensure that agricultural inputs are available to the farmers timely and in sufficient quantities. These policies will be continued and improved upon.

5. FINANCIAL OUT-TURN 1987/88(a) Recurrent Revenue

Mr. Speaker, I would now like to turn to this year's Budget out-turn. This fiscal year's recurrent revenue was estimated at Kf1,542.0 million plus Appropriations-in-Aid of Kf48.8 million making a total of Kf1,590.8 million. This revenue was to comprise of Kf356.0 million from Customs & Excise; Kf447.0 million from Income Tax; Kf477.9 million from Sales Tax and the balance of Kf261.1 million from export duty, other minor taxes, charges, dividends and fees. Mr. Speaker, revised estimates show that I may realize a total revenue of some Kf1,537.7 million, ~~i.e. Kf14.3 million below my last year's forecast.~~

There will be marginal increases in both Income Tax and Sales Tax which will exceed their targets by approximately Kf10 million and Kf15 million respectively; while Customs & Excise will exceed the original target by Kf2 million. There will, however, be a large shortfall in other taxes and revenue mainly as a result of reduced dividends received from parastatals, reduced export duty on coffee whose prices have fallen and a shortfall in other minor taxes and fees.

Therefore, I expect to raise Kf358 million from Customs & Excise; Kf457 million from Income Tax; Kf493 million from Sales Tax and Kf219.7 million from other taxes and revenue.

(b) Recurrent Expenditure

This year's Printed Estimates of Recurrent Expenditure were estimated at Kf1,009.4 million excluding Appropriations-in-Aid. Consolidated Fund Services were to take another Kf624.2 million making a total Recurrent Expenditure of Kf1,633.6 million. As the House will recall, there were five important items which forced the Government to seek Parliamentary approval for Supplementary Appropriation amounting to Kf92.6 million early this calendar year. These were, firstly, the need to triple the intake into our national universities late last year and the increased enrolment in our primary schools; secondly, the carry-over related to the hosting of the 4th All Africa Games in Nairobi; thirdly, the costs related to the holding of the Presidential and National Assembly Elections which ushered in the Sixth Parliament; fourthly, the increased cost associated with maintenance of security along our borders; and lastly, the need to accommodate expenditures of new Ministries created recently with the view to improving delivery of Government services to wananchi. I had also to finance Excess Votes and Under Issues of Kf81.8 million. I, therefore, expect this year's Recurrent Expenditure to be Kf1,808.0 million, compared to a total revenue of Kf1,527.7 million. I will, therefore, have no surplus in the Recurrent Account to transfer to the Development Exchequer.

(c) Development Expenditure

This year's Printed Development Estimates projected gross expenditure of Kf613.6 million including Appropriations-in-Aid of Kf288.6 million. Early this year, the House approved gross Development Supplementary Estimates of some Kf10.2 million. As I have already indicated, this increase was necessitated by the need to increase university intake while enhancing our territorial security. Therefore, some Kf299.9 million will be issued from the Development Exchequer.

On the basis of preliminary estimates, I expect the overall budget deficit this fiscal year to be Kf328.6 million. As I had indicated, I am determined to reduce this deficit next fiscal year. I now turn to forecast out-turn for 1988/89.

6. FORECAST OUT-TURN 1988/89

(a) Expenditure

Mr. Speaker, as Hon. Members have already seen from their copies of Printed Estimates, the Gross Recurrent Expenditure of Ministries is estimated at Kf1,494.3 million, with Appropriations-in-Aid of Kf76.2 million and a net expenditure of Kf1,418.1 million. Those estimates include an amount of Kf258.5 million representing the write-off of loan and interest owed to Government by the National Cereals and Produce Board. Since these transactions do not involve cash, this amount should be excluded from the estimates. Thus the Gross Recurrent Expenditure of Ministries in 1988/89 will be of the order of Kf1,235.8 million, Appropriations-in-Aid of Kf76.2 million and net expenditures of Kf1,159.6 million.

4th If this year's special expenditures on defence equipment, Registration, General Elections and All Africa Games, which will not be repeated next year are excluded, there will be an increase of more than 8.5 per cent in next year's Recurrent Expenditures. I am also happy to inform the Hon. Members that local Appropriations-in-Aid to finance such expenditures will go up from around Kf48.8 million in 1987/88 to Kf63.6 million in 1988/89.

The increase in recurrent expenditures next year is necessary to meet the costs of salaries and allowances for civil servants and teachers and the requirements of the new Ministries. In addition, provision has been made for the cost related to our 25th Independence Anniversary celebrations as well as ten years of Nyayo era. Consolidated Fund Services will take another Kf740.7 million. Therefore, total Recurrent Expenditure, excluding the write-off of NCPB debts, will be Kf1,976.5 million.

Development Estimates for 1988/89 call for a gross expenditure of Kf702.5 million including Appropriations-in-Aid of Kf397.1 million. This represents an increase of 12 per cent over this year's Revised Estimates. This increase is accounted for by the need to increase the absorption in the Budget of grant and loan financed projects partly because of the unavailability of local resources and mainly because of the need to have increased external resources inflow to support our balance of payments.

Apart from the foregoing expenditures, I have also to finance an additional Kf96.2 million as Under Issues relating to previous years.

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Mr. Speaker, I will not analyse further the details of either recurrent or development expenditure at this stage. I shall hold the matter until we come to debate the spending allocations of Ministries in the Committee of Supply.

It suffices to note that I have to finance a total expenditure of some Kf2,775.2 million. The rest of my Speech will outline how I propose to do this.

(b) External Revenue

Mr. Speaker, Kenya is committed to maintenance of cordial international relations. I have also indicated that Government is committed to Budget Rationalization programme aimed at improving efficiency in public expenditures through optimal utilisation of existing capacity and giving priority to completion of on-going projects with high returns. Within this criteria, and in the light of the sound economic policies which Kenya has been pursuing, foreign donors have pledged to assist us with an amount equivalent to Kf676.1 million next fiscal year. Of these external in-flows 50.5 per cent will be in the form of grants and 49.5 per cent in the form of project and programme loans. This is indeed a very large amount and I would ask Hon. Members to join me in expressing our gratitude to those foreign Governments, bilateral and multilateral institutions who have consistently continued to assist Kenya. Thus, I expect to finance nearly 24.4 per cent of my total expenditure from external sources. As usual, the main burden of financing Government expenditure will be borne by Kenyans and I now turn to how I intend to raise the balance of Kf2,099.1 million.

(c) Domestic Borrowing

Mr. Speaker, I have already indicated my intention to reduce the growth in money supply. I have also indicated that, to achieve this reduction in money supply, I need to borrow money from non-bank sources. Given this position, I propose to raise some Kf284.2 million from local borrowing. This money will be raised by way of long-term stocks, Treasury Bonds, and Treasury Bills.

(d) Internal Revenue

Mr. Speaker, when I outlined the economic outlook for 1988/89, I indicated that the economy is projected to grow by approximately 5 per cent this year. On the basis of this projection, I estimate that ordinary revenue, at present rates of taxation, will provide some Kf1,694.3 million. Appropriations-in-Aid will provide another Kf70.3 million.

Thus, I will raise a total of Kf1,764.6 million from this source. I have, therefore, a gap of Kf50.3 million to finance from additional taxation. The rest of my Speech will outline the areas of extra revenue.

7. TAXATION PROPOSALS

Mr. Speaker, I have appraised the House on the international economic environment, the problems facing Sub-Saharan Africa, the state of our economy and the policies we propose to pursue to sustain growth. In particular, I have emphasized the need to restructure our financial, fiscal and industrial policies in order to reduce the imbalances inherent in the economy. I have also indicated that I have a financing gap of Kf50.3 million. I now turn to my taxation proposals, and as usual, I would ask Mr. Speaker, that the rest of my Speech be regarded as Notice of a Motion to be moved before the Committee of Ways and Means.

(a) Customs Tariff

The Finance Bill published today contains substantial amendments to the Customs and Excise Act. It contains amendments to the Act aimed at correcting typographical errors and omissions. It also contains amendments to the Schedule of excise duties intended to align the schedules with the requirements of Customs Co-operation Council Numbers. In addition, it has been considered necessary to reclassify fresh flowers and raw skins in order to assist exporters of fresh flowers and tanneries who import raw hides and skins.

Mr. Speaker, I would now like to turn to those amendments which have significant structural and revenue implications. As I indicated earlier, there is need to restructure our industry towards efficiency so that it becomes competitive on the export markets. It is mainly with this in mind that the following changes have been made in the Customs Tariff.

First, some offences under the Act carry very lenient penalties. As a result, these offences have recently been on the increase. In order to discourage those who may be tempted to continue committing these offences, I propose to increase the current penalties as a deterrent measure.

Second, as the House is aware, we have authorized manufacturing in bond under section 40 of the Act which empowers Commissioner to allow assembly in bond provided that such assembly does not substantially change the essential character of the goods. The Act does not, therefore, contain specific provisions governing this important instrument of our export promotion. Given the fact that most of the prospective manufacturers in bond will require to source some of their raw materials domestically, it is essential that the law be amended not only to provide for this, but also to enable proper control, supervision and regulation of these operations. I am therefore proposing to amend the Act to ease administration of this kind of manufacturing.

Third, there are far too many different tariff categories. This complex and sophisticated system arose from historical developments as Government addressed problems and concerns of particular industries and sectors of the economy. Such a diversified tariff system treats products entering the economy in 25 different ways, creating 25 alternative incentive patterns which benefit certain products, firms and industries, while penalising others. There is no method of establishing with certainty whether those activities being favoured by this differentiated structure

are the best for the economy. However, to some extent, exactly the opposite occurs because "sometimes it is the most inefficient firms and industries which need and obtain the greatest benefits from a differentiated tariff system." A tariff structure which is more uniform (~~with a narrower range and fewer categories~~) provides a similar Effective Protection Rate to all firms and industries; it is more efficient in its impact on the economy; fairer to all concerned; and easier to administer with integrity, than wide-ranging tariffs, with 25 different categories. I therefore, propose to reduce the number of tariff categories from the current 25 to 17 by abolishing eight rates: 55%, 65%, 75%, 90%, 95%, 110%, 125%, and 170%. Mr. Speaker, this is perhaps the most fundamental reform in the history of our tariff structure and its impact on the industry will be far reaching.

Fourth, Mr. Speaker, it has been Government policy to move towards a more uniform tariffs structure and substantial progress towards this goal has been made in the last few years. However, there still continues to be anomalies in the current tariffs where similar goods though made of different materials, continue to bear different tariffs. In order to remove this inconsistency I have attempted to ensure that similar goods bear the same rate of duty. For example, bathtubs and sinks of either plastic, stone or ceramic will now be dutiable at the same rate.

Fifth, I have already indicated that I intend to restructure our import system such that items on Schedules 1, 2 and 3A shall be liberally licensed for importation. I have also indicated that we are experiencing severe balance of payments problems. Given this situation, it is only logical that demand for those items which will be licenced liberally be restrained by way of increase tariffs. Accordingly, I propose to raise duty on some of these items like magnesite, live horses and cloth-washing machines by between 5% and 15%. Similarly, and in order to provide appropriate protection to domestic industry, I have increased duty on biscuits, calf leather, locks and keys by between 5% and 10%.

Sixth, keeping the public informed is an important aspect of our overall development policy. It is for this reason that the Voice of Kenya and more recently the Ministry of Political Affairs & National Guidance, have been charged with the responsibility of informing and guiding Kenyans on matters relevant to political, economic and social development of this nation. While these institutions are doing an excellent job, their output reaches the public mainly through the radio, one of the largest means of information dissemination to the public. It is, therefore, essential that this important means of communication should be made readily available to the public. In order to enhance availability of radios to the public while simultaneously reducing incentive to evade tax, I propose to reduce duty on these items by approximately 10%. For similar reasons, duty on T.Vs. will be reduced according ~~in spite of this reduction, I expect some revenue increase as~~ ~~importers will now be less inclined to cheat.~~

Seventh, it is common knowledge that specific duties do not keep up with the rate of inflation. In spite of this fact, some of our specific duties have not been adjusted for many years --

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with the result that they are much too low compared to other ad valorem duties. In addition, I have also discovered that this state of affairs has been used for over-invoicing for capital flight and under-invoicing for tax evasion. In order to correct this situation, I propose to increase specific duty on unassembled monochrome T.Vs. from sh. 50 to sh. 350 and impose ad valorem rates of 135% on all spirits.

Eighth, graphite lead for manufacture of pencils is currently dutiable at 25%. Recently, there have been complaints that local manufacturers of pencils are threatened by cheap imported pencils. In order to ease the situation, I propose to reduce duty on this raw material from 25% to 20%.

Ninth, yarns. During the early years of our industrialization suspended duty was imposed in order to protect infant yarn manufacturers without recourse to Parliament. In spite of the fact that majority of these industries have now grown up, suspended duty continues to be in our statutes. I propose to abolish this duty by combining it with the normal duty such that yarns will from now on bear one rate of duty. In combining these rates into one, I have ensured that duty on yarn which is a raw material for manufacture of textiles bear a lower rate of duty than that of yarn for retail sale.

Tenth, leather. The shoe industry has constantly complained to me that duty on imported finished leather shoes and similar leather products is too low and is, therefore discouraging local leather industry. I am aware shoe manufacturers know best where that shoe pinches, and consequently, I intend to correct this situation. I therefore propose to, firstly, lower duty on raw hides and skins from (10-35) per cent to 15 per cent; secondly, raise duty on leather products from 45% to 50%; and thirdly, raise duty on shoes and leather shoe uppers from 55% and 75% to 60% and 80% respectively.

Eleventh, steel. Mr. Speaker, steel industry is basic to the whole process of industrialization, and hence economic development. Indeed, it is virtually impossible to find any industry which does not, in one way or the other, use steel or steel products in its manufacturing process. Because of the importance of steel in manufacturing and the economy in general, it is essential that steel industry itself be rationalized cautiously. It is because of this reason, and its complicated nature, that the government has decided to commission a study on how best to rationalize the steel industry. Pending the outcome of the study, I have today attempted to rationalize duty on its raw materials and the final products, such that duty on billets will be reduced from 20% to 10% while that of wire rods will be reduced from 25% to 20%.

Twelfth, films. Recently, a number of foreign film producing companies have shown interest in shooting new films in Kenya, mainly due to the beautiful sceneries available in our country. Although they eventually take the films out of the country after shooting, they have been unable to bring the unexposed films into the country duty-free because, once exposed, the Act considers the film as having been entered for home use. Therefore, by practice, films are deemed ineligible for temporary importation. In order to promote Kenyan sceneries abroad, and therefore tourism, I propose to amend the law to

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allow such film shooting companies to bring into Kenya unexposed films duty-free provided that they have been licensed by the Ministry of Information and Broadcasting to shoot the films.

Thirteenth, buses. Mr. Speaker, prior to the introduction of matatus on our roads, buses used to be the biggest means of public transportation. However, they have recently been surpassed by matatus in terms of passengers carried. This means that the number of matatus coming into use is growing faster than that of buses but unfortunately, this has been accompanied by road carnage. In spite of this growth, public transportation continues to be a major problem, particularly in our major towns. In case of our capital city, the Government has, through H.E. the President's initiative, introduced Nyayo buses to alleviate this problem.

Notwithstanding these Government's efforts, the problem has continued to worsen. I am informed that one of the main reasons why the number of buses on our roads is not keeping pace with the growth of the travelling public is that the cost of buses is prohibitive. The high cost of buses is not due to duty alone, it is mainly attributable to the appreciation of our trading partners' currencies. Nevertheless, and in order to give further support to H.E. the President's efforts in improving public transportation, I propose to lower duty on big buses from (35-45) per cent to (20-35) per cent.

Fourteenth, section 51 of the Act spells out the rates of warehouse rent to be charged on goods stored with Customs Department. Currently, the rent at Kilindini port is Sh.15 per bill of lading ton per day and Sh. 10 per bill of lading ton per week or part thereof in other areas. Recently, there has been an increase in volume of goods stored in customs warehouses outside Kilindini and particularly at the Inland Container Depot at Embakasi thereby causing congestion leading to pilferage and evasion of taxes. In order to discourage importers from using Government warehouses for inordinate storage of their goods, I propose to raise rent chargeable on these other warehouses as follows:-

- (i) Inland Container Depot at Embakasi from Sh. 10 per bill of lading ton per week to Sh. 15 per bill of lading ton per day.
- (ii) All other places from Sh. 10 per week to Sh. 10 per day.
- (iii) The minimum charge which is currently Sh. 5 will be increased fourfold to Sh. 20.

Finally, Mr. Speaker, bicycles. As Hon. Members are aware, bicycles used to be a major means of short distance transportation for individuals in both urban and rural areas. However, in recent years, this important mode of transport has become increasingly unaffordable by those who genuinely require it because of the exorbitant price of bicycles. I have reflected on this, and although bicycles are expensive partly because of the low level of imports, it is equally true that duty on bicycles is high.

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Therefore, in order to make this basic item available to wananchi at a reasonable price, I propose to drastically reduce the rate of duty on bicycles from 80% to 40%. ~~It is my earnest hope that bicycle-dealers will reduce their prices proportionately.~~

Mr. Speaker, taken together, the measures I have announced today on customs tariff will provide the Exchequer with a marginal additional revenue of Kf1.65 million - but will have a far reaching effect on our industrial growth.

(b) Excise Tariff

Mr. Speaker, I would like to turn to excise tariff where I have only two minor amendments to make. As I indicated earlier, the rate of domestic inflation this year is currently estimated at 9.3%. Given this rate of inflation, it is only logical that prices of luxurious items like cigarettes and tobacco be adjusted accordingly. However, it is not my intention to penalise smokers by anything higher than the rate of inflation. Therefore, I propose to raise the levels at which the current rate of excise duty on these products apply by an overall weighted average of approximately 9.1 per cent. I also propose to raise the current rates of excise duty nominally by approximately 6.2 per cent. These two measures will have the effect of raising the price of some popular brands of cigarettes such as Ten Cent, Rooster, Nyota, Score and Crown Bird by 50 cents per packet; while that of elegant brands such as Embassy and Sportsman will go up by Sh. 1 per packet.

This measure, which takes effect from mid-night tonight, will provide the Exchequer with an additional Kf9.9 million in revenue.

(c) Local Manufactures (Export Compensation) Act.

Mr. Speaker, the House will recall that, two years ago, I reduced the number of items eligible for export compensation from about 2,000 to 700. In effecting this reduction, I took account of the need to increase domestic value added on our exports; the need to avoid a situation where one may import a product and re-export it to earn compensation; and the need to make the eligible list small and workable. I also requested those exporters whose products were deleted from the eligible list to apply for reinstatement giving all the necessary details for consideration by an Inter-Ministerial Committee of Treasury, Planning and National Development, Commerce and Industry. Although some of the applications have been considered and acceptable products reinstated over the intervening period by way of Legal Notice, there is still a large number of items which qualify for eligibility and have not been gazetted. While the exercise of scrutinizing these applications continue, I propose to add some 43 items which have been recommended to me for the eligible list. Accordingly, the Finance Bill published today contains these additional items. I estimate that this measure will cost the Exchequer some Kf315,000 in lost revenue.

(d) Sales Tax

Mr. Speaker, I now turn to sales tax. First, there are certain cases the Department has been unable to collect some tax due to insolvency, death, bankruptcy, closure or departure from Kenya of the manufacturing firms/owners. A substantial amount of this uncollected tax is in the form of "Return to Drawer" cheques which remain in the Department's books as arrears

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because there is no provision in the Act to write off such bad debts as is the case with Income Tax Act. I am, therefore proposing to amend the Act to provide that such uncollectable tax may be written off subject to default schedule being vetted by the Controller and Auditor-General and approved by the Minister.

Second, from the way in which the Act is worded, sales tax liability is determined by reference to Tariff Numbers. Therefore, local manufacture should be seen as a process involving conversion of raw materials of a different tariff from that of the finished product. However, our tariff structure is such that, this is not always the case. In cases where the imported CKD kits fall under the same tariff as the final product after assembly such as motor cycles, bicycles, electric smoothing irons, etc., manufacturers have argued that tax should only be paid once on the CKD kits. This is obviously unacceptable because tax should be levied at the point of sale taking into account the direct costs of assembling, overheads and profit. In order to close this loophole, and without altering the rate of import duty on CKD kits, I propose to amend the tariff structure to provide for separate tariff numbers for these items.

Third, last year, I amended the Act to curtail tax avoidance through sales by manufacturers to related businesses at artificially low prices. This amendment empowered the commissioner to register both the purchaser and the seller where he is satisfied that the goods are being sold at an inappropriate price. This amendment has not had the intended result for two reasons:

- (a) The basic charging section of the Act was inadvertently not amended to provide that the purchaser shall be deemed to be a registered manufacturer and the goods sold by him to be the goods manufactured by him.
- (b) The registration of the purchaser is not automatic but subject to the discretion of the Commissioner. If the Commissioner does not find out about the inappropriate prices on which tax is being paid, then there is no liability on the purchaser for any additional tax.

Because of these deficiencies, I propose to amend the Act to deem the purchaser to be a registered manufacturer and the sale of such goods by him to be deemed as sale of goods manufactured by him. In addition, the Act shall be amended to define related businesses so that, those who are using this loophole to evade tax can consider themselves liable to additional tax and, therefore, register themselves without waiting for the Commissioner to discover them.

Fourth, as I indicated a few minutes ago, very high rates of tax sometimes serve as an inducement to tax evasion. In the case of sales tax, a very high rate of tax discourages the small producer from registering for sales tax and, because of the large price differential between taxed and untaxed goods, demand for high taxed goods may shift from large scale registered manufacturers to small scale unregistered manufacturers with substantial loss of revenue. In order to avoid this situation, and while measures are under way to broaden sales tax base and improve tax compliance, I propose to reduce rate of tax on bakers wares and sugar products from 35 per cent to 25 per cent.

Fifth, margarine. Mr. Speaker, this product is a direct substitute for butter which is currently taxed at the general rate of 17 per cent. It is only fair that the two items should be given equal tax treatment. I, therefore, propose to impose tax on margarine at the general rate. Similarly, advertising materials and commercial catalogues made of paper are exempt from tax while those made of plastics, base metal, etc., are taxable at the general rate.

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I, therefore, propose to impose tax on paper advertising material and commercial catalogues. I am sure Hon. Members will agree with me that, had there been tax on this item, the Exchequer would have received its fair share of the cost of the recently completed elections which saw thousands of campaign posters scattered across the nation. Country

Sixth, motor cars. Last year, I made a substantial reduction on tax payable on passenger cars. As I emphasized at that time, the high cost of passenger cars is attributable more to the appreciation of the currencies of our major trading partners rather than to taxation. This continues to be the position. However, the Government is aware of the high price of passenger cars and I am, therefore, effecting further tax reduction this year. Accordingly, with effect from midnight, the rate of tax on passenger cars with an engine capacity not exceeding 1200 c.c. will be reduced from 30% to 25%; exceeding 1200 c.c. but not exceeding 1500 c.c. from 40% to 30%; exceeding 1500 c.c. but not exceeding 1750 c.c. from 55% to 45%; exceeding 1750 c.c. but not exceeding 2000 c.c. from 75% to 60%; exceeding 2000 c.c. but not exceeding 2250 c.c. from 195% to 155%; and exceeding 2250 c.c. from 340% to 270%.

Seventh, soda. The price of this beverage was increased last June. Since then, the price of sugar has been increased with the view to compensating sugarcane growers for increased costs of production. As a result of this, soda manufacturers have applied to me for a price increase. I have considered their application and their allowable increase falls far short of the rate of inflation. I have, therefore, decided to slightly raise the rate of tax on soda by approximately 3% of the existing rate. As a result of these two factors, the price of soda will go up by 20 cents per bottle with effect from midnight to-night.

Eighth, beer. As I have already stated, it is Government policy to ensure that the prices of luxurious items like beer, rise in line with the rate of domestic inflation and particularly where tax on those items can be used to close the budgetary deficit. Considering the large budgetary deficit I have already alluded to, it is only fair that this deficit be reduced slightly by increased taxation on alcohol. I have pointed out in my previous budgets that although our beer ranks among the best in the world, its price is also among the lowest. I am, therefore, proposing to increase the rate of sales tax on beer by Sh. 1/20 per litre. In addition, Kenya Breweries has applied for a price increase of 40 cents per half litre bottle mainly because of higher maintenance costs occasioned by appreciating foreign currencies and the need to expand their manufacturing capacities at Nakuru, Nyeri and Mombasa to meet ~~domestic and export demand~~ and elsewhere. I have analysed their request and concluded that it is justifiable. Those two factors will have the effect of raising the price of beer by Sh. 1/00 per half litre bottle with pro-rata increases in other sizes with effect from midnight to-night.

Ninth, petrol. Mr. Speaker, those who are still with me will have noticed that I have so far been very generous to motorists. Not only have I reduced duty on buses for public transportation, but I have also effected substantial reduction in sales tax on passenger cars. In order to recoup some of the revenue lost by these measures, I propose to increase the rate of tax on petrol.

Therefore, effective from midnight to-night, the price of premium will go up by 30 cents per litre, regular by 20 cents per litre and diesel by 10 cents per litre. Considering the duty reduction I have already effected on big buses, there would be no reason for commuter bus operators to increase fares as a result of this minor increase in diesel. Further, and in order not to adversely affect the cost of basic consumer items, I have not increased the prices of kerosene and industrial diesel. ~~This will enhance forest conservation while maintaining the energy costs of industrial diesel-based manufacturing at existing levels.~~

Tenth, tax refunds. Mr. Speaker, sections 25(b) and (c) of the Act provide that the Commissioner shall refund tax paid on raw materials used to manufacture goods which are subsequently sold. The Department, therefore, uses this provision to refund tax paid on raw materials used to manufacture both taxable and non-taxable goods. In the processing of these refunds, it has become clear that there are numerous manufacturers of non-taxable goods who simply use the Department as a refunding institution of taxes paid on their raw materials. In view of the fact that these manufacturers of non-taxable goods do not pay tax, it is often difficult for the Department to verify whether the raw materials on which refunds are being sought have actually been used as an input into manufacturing or for some other purpose. Our conjecture is that we may be losing substantial revenue through these refunds. In view of this suspicion, I propose to abolish refunds on raw materials used to manufacture tax exempt goods.

Finally, pencils. Mr. Speaker, pencils are a basic educational material which is locally manufactured and mainly used by school children. In view of the importance Government attaches to education, I propose to abolish sales tax on pencils.

Mr. Speaker, taken together, the various measures I have announced on sales tax will provide the Exchequer with an additional Kf24.1 million.

(e) Income Tax

Mr. Speaker, I would now like to turn to income tax where I shall be making fundamental changes aimed at improving investment.

(i) Leasehire Transactions

Under normal leasing arrangements, the lessor or owner receives a payment for the use of his asset or property and the lessee or user of the asset pays for such use.

For tax purposes, the lessor pays tax on what he receives from user and user deducts these payments in computing taxable profits.

However, as far back as 1970s, there were certain devices invented by taxpayers to frustrate this symmetry of treatment.

Under these arrangements, a payment of capital for the acquisition of an asset was disguised as a payment of hire. In consequence, the payment became deductible in computing taxable profits.

Section 12 was, therefore, introduced to counter these devices which were known as collusive hiring. The section worked by neutralising the tax advantage gained by taking the capital value of the asset when the asset passed into the hands of the lessee.

Of late, this section has been abused. Contracts are being devised under which the asset will never change ownership, thus avoiding the recapture envisaged under section 12.

I propose to change the law so that any payment which purports to be a payment for hiring, renting or leasing of any asset will not be deductible unless the taxpayer proves that it is income in the hands of the person to whom it is paid.

(ii) Investment Deduction

Last year, I re-introduced investment deductions for factories put up within the Municipalities of Nairobi and Mombasa. The rate of deduction was set at 10% within those two municipalities but at 60% outside.

I have since received complaints that a 10% rate is too low due to the negative effects of inflation. Taking into account the Government's commitment to promote industrial development in both urban and rural areas, I have decided to increase the Investment Deduction rate from 10% to 25% for Nairobi and Mombasa; and from 60% to 75% in other areas:

Mr. Speaker, I have spoken at length elsewhere about the introduction of Manufacturing Under Bond Programme. In order to strengthen this programme further, I propose to introduce additional special Investment Deduction to be known as Investment Deduction Bonded Manufacture under the Income Tax Act.

The Investment Deduction Bonded Manufacture will be at the rate of 75% of cost of new machinery and buildings within the municipalities of Nairobi and Mombasa and at the rate of 25% of cost elsewhere in Kenya.

The effect of Investment Deduction Bonded Manufacture as an initial investment deduction is to allow manufacturers under the programme to get a 100% investment deduction on new machinery, equipment and industrial buildings no matter where the premises are situated.

As a safeguard to Revenue, if the licensed manufacturer ceases to manufacture for export under the programme within three years, then the additional advantage received will be clawed back and assessed on him.

(iii) Taxation of Professional Income of Married Women

Traditionally, the income of married men and women has been added together for income tax purposes. Since 1980, however, the wife's employment income has been taxed separately but at the same rate as that of the husband. This special treatment of the arms length employment income of the wife has encouraged many married women to seek paid employment and I have been encouraged to seek further measures that would promote more participation of women in self employment as opposed to purely paid employment.

I am pleased to announce that in recognition of the expanding contribution of women to national development, I propose to extend to self-employment professional income the same treatment as is accorded to wife's employment income for the purposes of assessment to tax. This means the income earned by a professional woman, in exercise of her professional skills, will not be aggregated with that of her husband as the practice is today.

Mr. Speaker, by introducing a special treatment on wife's professional income, we have given higher impetus to women professionalism in the country. We are also pointing out explicitly that our professionals are equal, irrespective of their sex. The eligible professions are enumerated in the Finance Bill published today.

(iv) Increase in Employee Benefit Value

Mr. Speaker, benefits provided by an employer to his employees are subject to personal income tax according to the Income Tax Act. The law provides that each benefit facility or advantage must be valued in monetary terms and the total values added to the employee salary for taxation.

These benefits were moderately increased last year as a result of my concern at the Commissioner's low valuation. However, their levels are still too low.

Therefore, there will have to be a further revaluation this year. Indeed I am of the opinion that such revaluation must become a periodical event in order to at least keep up with the rate of domestic inflation. This will ensure that those employees who enjoy these benefits in lieu of straight salary increases will have their taxation maintained at par with that of the rest.

(v) Retirement Benefit Rules

Mr. Speaker, in order that a Pension Fund or Provident Fund may be registered with the Commissioner of Income Tax, and in order that such a Fund may enjoy the tax exempt status which it automatically does on registration, such a Fund is required to pass simple rules which guarantee certain principal objectives.

Included in these objectives are the maximum amounts that may be contributed by both the Employers and their Employees in any given year. In the case of a Provident Fund, the rules also provide for the maximum amounts that may be payable to an employee in respect of his Employer's contribution. The maximum amount that may be commuted is critical in the case of a pension fund and clear limits are set out in the rules too.

I have been asked to examine these amounts with a view to increasing them, the reason being that the last review was made in 1980.

I have given this matter careful thought and have accepted that increased wage and salary levels since eight years ago do justify a re-assessment of the figures. Consequently, I have signed a Gazette Notice increasing the amounts generally by about 50%. The actual details are contained in the Gazette Notice.

(vi) Foreign Exchange Losses and Gains

Mr. Speaker, in a world of fluctuating currency values or exchange rates, any country that remains oblivious to the realities of gains and losses arising from such currency stands to lose investments as a result of losses imposed on investors by the fluctuations. When a currency appreciates, any investor who holds

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a loan or suppliers credit denominated in that currency stands to lose. As the Hon. Members are aware, the Kenya shilling has fluctuated at varying degrees relative to other currencies. ~~In some cases, there have been substantial gains, as well be noticed with currencies of some neighbouring countries. In other cases, the shilling has lost substantially.~~

Perhaps the most significant measure that I wish to propose under the Income Tax Act concerns foreign exchange losses and gains. Hitherto, the practice has been that only exchange gains and losses relating to trading transactions were taken into account in computing gains and profits of a business. In particular, an exchange loss on repayment of a foreign currency loan was ignored.

I propose to abolish this distinction. Effective year of income 1989, all foreign exchange gains and losses ~~whatever their character and howsoever arising~~ will be taken into account in computing business profits so long as they are incidental to the conduct of that business.

The Finance Bill contains a new provision to provide a comprehensive set of rules to deal with foreign exchange gains and losses. Firstly, the new law affects exchange gains and losses realised on or after 1st January, 1989. Secondly, the law affects all exchange gains and losses realised whether in respect of a foreign liability or a foreign asset.

One important effect of this new provision is that business will be able to deduct a foreign exchange loss realised upon repayment of a foreign currency loan except that in the case of pre-1989 foreign assets and liabilities only the exchange rate movement after 30th December, 1988 will be taken into account.

Mr. Speaker, the deductibility of foreign exchange losses automatically increases the incentive for a foreign controlled subsidiary to increase debt relative to equity thus reducing the corporate tax liability of the Kenyan subsidiary.

To counter this possible manipulation, foreign exchange losses will be disallowed to the extent that the debt equity ratio exceeds 3 - to - 1. Excess losses will be carried forward to be deducted from future foreign exchange gains.

Rules have also been formulated to disallow interest on external loans to foreign subsidiaries to the extent that the debt-equity ratio exceeds 3 - to 1 except when the loan was taken prior to the budget date.

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All foreign exchange gains will be taxable without restriction. Mr. Speaker, in view of the timing of these measures, I expect no revenue loss next fiscal year. However, I project substantial losses thereafter.

(f) Air Passenger Service Charge

Mr. Speaker, passengers departing on international flights have been paying ten dollars to the department of Aerodromes for the services rendered to them. This charge is levied under the Air Passenger Tax Act. I am informed that, because of the word "tax" in the title of the Act, some passengers belonging to certain organizations have objected to paying these charges presumably because they are ordinarily tax exempt.

I would like to emphasize that this is a service charge for the services rendered by our airports to departing passengers, and not a tax. In an effort to clarify this point home, and considering that the costs of these services have gone up since the charge was last revised in 1985, I propose to introduce three amendments to the Act: First, the name of the Act will be changed from "Air Passenger Tax Act" to "Air Passenger Service Charge Act". Second, the rate of the service charge will be doubled for passengers departing on international flights from ten dollars to twenty dollars per passenger. Finally, a service charge of Sh. 50 per passenger will be levied on all domestic flights originating from Jomo Kenyatta International Airport, Moi International Airport, Wilson Airport, Malindi Airport and Kisumu Airport. These changes which will take effect from midnight tonight, will provide the Exchequer with an additional Kf5.72 million in revenue.

(g) Second Hand Motor Vehicles Purchase Tax

Mr. Speaker, Second Hand Motor Vehicles Purchase Tax has not been adjusted over the last three years. During this period the number of used cars changing hands have increased mainly as a result of the growth of economy which I alluded to earlier. As a result of this increased transfer, the cost of registration has gone up considerably. It is only fair that the Exchequer be compensated and be seen to share equitably in this growing motor trade. I, therefore, propose to increase the rates of Second Hand Motor Vehicles Purchase Tax by approximately (19 - 25) per cent.

From this minor change, the Exchequer will realize an additional Kf350,000 in revenue.

(h) Hotel Accommodation Tax Act

Mr. Speaker, the current rates of Hotel Accommodation Tax Act stand at a reasonable level to give the Exchequer the estimated revenue from this source. However, in spite of the fact that tourism is growing at good rate, the amount of tax collected from this tax is not rising proportionately. This is mainly because some hoteliers have made deliberate efforts to evade this tax. In order to discourage this tax evasion, I am increasing the various penalties payable under the Act. I also propose to amend the Hotel and Restaurants Act to provide that, where a hotelier deliberately swindles Government of its legally entitled revenue in the form of Hotel Accommodation Tax, then his licence shall be cancelled.

Mr. Speaker, traffic charges were last increased in 1985. During the last three years, the costs of various services rendered by Government to the motoring public have increased considerably in line with the increased number of vehicles. In view of these increased costs, it is only fair that motorists pay a little more to supplement Government efforts in this important sector of our economy. Consequently, I propose to effect the following measures on traffic charges.

First, I have already increased the rate of Second Hand Motor Vehicle Purchase Tax, i.e. tax on used cars changing ownership. However, the registration fee of a new car is Sh. 200. I am sure Hon. Members would agree with me that it is inequitable to tax a person who is buying an old car at a higher rate than the buyer of a new car. In order to put them on equal footing, registration fees for new cars will be equated to the new Second Hand Motor Vehicle Purchase Tax rates. Therefore, new vehicles registration fees will be graduated such that, the higher the engine rating of the vehicle, the higher the registration fee.

Second, I propose to effect an increase ranging from 7 per cent to 27 per cent on road licence fees covering all classes of vehicles. These increases will maintain the current graduated structure where, the higher the engine rating of a vehicle, the higher the fee.

Finally, the cost of full driving licence will now be raised from Sh. 200 to Sh. 250 while annual renewals will rise from Sh. 100 to Sh. 150.

It is estimated that these changes will provide the Exchequer with an additional K24.0 million in revenue.

(j) Entertainment Tax Act

Mr. Speaker, Entertainment Tax is payable by those who attend cinemas. The rates of this tax have remained stagnant since 1981 when they were last amended. I am, therefore, proposing a moderate increase in these rates. I am also widening the coverage of this tax to include discotheques and nightclubs where customers are entertained by way of music.

These measures will provide an additional K2350,000 in revenue from this source.

(k) Trade Licensing Act/Imports, Exports and Essential Supplies Act.

Mr. Speaker, fees charged under the Trade Licensing Act have not been adjusted over the past three years. During this period, traders have experienced booming business whose rate of growth has surpassed that of GDP which I have already indicated. It is only fair that the exchequer receives its fair share of this fast growing sector of our economy. Therefore, I propose to increase trade licence fees by approximately 50 per cent. In addition, there are several professions trading across the country who are not currently required to hold a trading licence. These professions include land and quantity surveyors, estate agents, doctors, engineers, lawyers, etc. My attention has been drawn to the fact that these consultancy services are more lucrative than any retail shop business. I agree with this observation that there is no reason why these professions should not pay for trading licences like anybody else. Therefore, a legal notice has been published today declaring these occupations as trading occupations and, therefore, subject to licensing.

Those who think that their occupation may have been so declared should look for the legal notice and make arrangements to obtain the licence from the Ministry of Commerce.

Mr. Speaker, Imports, Exports and Essential Supplies Act is the law which controls the importation and exportation of goods. Where an importer for one reason or the other cannot obtain an import licence and the goods have already arrived in Kenya, he goes to the Ministry of Commerce to obtain a free Letter of Release. This is particularly so in case of returning residents who invariably have always returned with personal cars. However, local importers have to pay 1.5% of the value of an import licence for a car as Exchange Control Fee. This situation is inequitable. Therefore, in order to put the two at par, a fee of Sh. 5,000 per car will be introduced for every Letter of Release issued by the Director of Internal Trade.

These changes will provide the Exchequer with an additional Kf4.50 million in revenue.

8. CONCLUSION

Mr. Speaker, this budget will be the final one within the content of the Fifth Development Plan which runs from 1984 to 1988. Although the growth performance relative to the Plan is satisfactory, the precise mode in which it was attained was far different. This is not surprising because even as we were finalizing that Plan some four and half years ago, it became clear to us that there were major issues which the Plan was unable to address fully. The outcome of the subsequent analysis of those issues was Sessional Paper No. 1 of 1986 ~~on Economic Management for Renewed Growth~~. In view of the fundamental nature of that Sessional Paper, it is easy for us to lose sight of the Development Plan, but that was not its intention. It was not a mid-term revision to the Plan as had happened previously. It was a hard look at our longer term future. It stated in no unequivocal terms that we had to face the problem of creating jobs for six and a half million new entrants to the job market over the next 14 years to the end of the century.

In parallel with this increase in the work force, there will be an increase in population which will need to be housed and fed. The best estimates suggest that the year 2000 will see somewhat over 34 million Kenyans compared with the current 22 million. We must, therefore, address ourselves to the questions of where they will be located and what they will be doing.

Mr. Speaker, as stated earlier, the Sessional Paper No. 1 on Economic Management for Renewed Growth, has formed the basis of my two previous Budgets. Today's budget has also drawn heavily on that comprehensive policy document and these three budgets should, therefore, be seen as a consistent effort to improve on the utilization of our scarce resources. Today, the main thrust is to provide a foundation for restructuring the economy while consolidating the gains we have recently made. To this end, I have emphasized the need for Government and the private sector to utilize our scarce resources efficiently for the benefit of all.

In conclusion, Mr. Speaker, I have today reaffirmed our commitment to ensure that the objectives of stabilization and structural adjustment measures will remain in place. I have further expressed my optimism that, with efficiency and appropriate financial discipline, we can maintain the growth already achieved in our economy. As we progress towards these objectives we will be guided by H.E. the President's wise counsel that Kenya is on the run.

Mr. Speaker, Sir, I beg to move.

THE MINISTER FOR ENERGY (Mr. Biwott) seconded.

(Question proposed)

DEPARTURE OF HIS EXCELLENCY THE PRESIDENT

MR. SPEAKER: Hon. Members, it is now His Excellency's pleasure to take his leave.

(Hon. Members rose in their places while
His Excellency the President left the Chamber)

ADJOURNMENT

MR. SPEAKER: That brings us to the end of our business today. The House is, therefore, adjourned until Tuesday, 21st June, at 2.30 p.m.

The House rose at Five o'clock.

END-A-