

Five Decades of Inspired and Inspiring Debate



MWAI KIBAKI IN PARLIAMENT

1963- 2013





“

There is an ancient legend which tells us that when a man first achieved a most notable deed he wished to explain to his people what he had done. As soon as he began to speak, however, he was smitten with dumbness, he lacked words, and sat down. Then there rose - according to the story - a masterless man, who had taken no part in the action of his fellow, who had no special virtues, but afflicted - that is the phrase- with the magic of the necessary words. He saw, he told, he described the merits of the notable deed in such a fashion, we are assured that the words “became alive and walked up and down in the hearts of all his hearers.”

There upon, the people seeing that the words were certainly alive, and fearing left the man with the words would hand down untrue tales about them to their children, they took and sought to deal with him. But later they saw that the magic was in the words, not in the man.

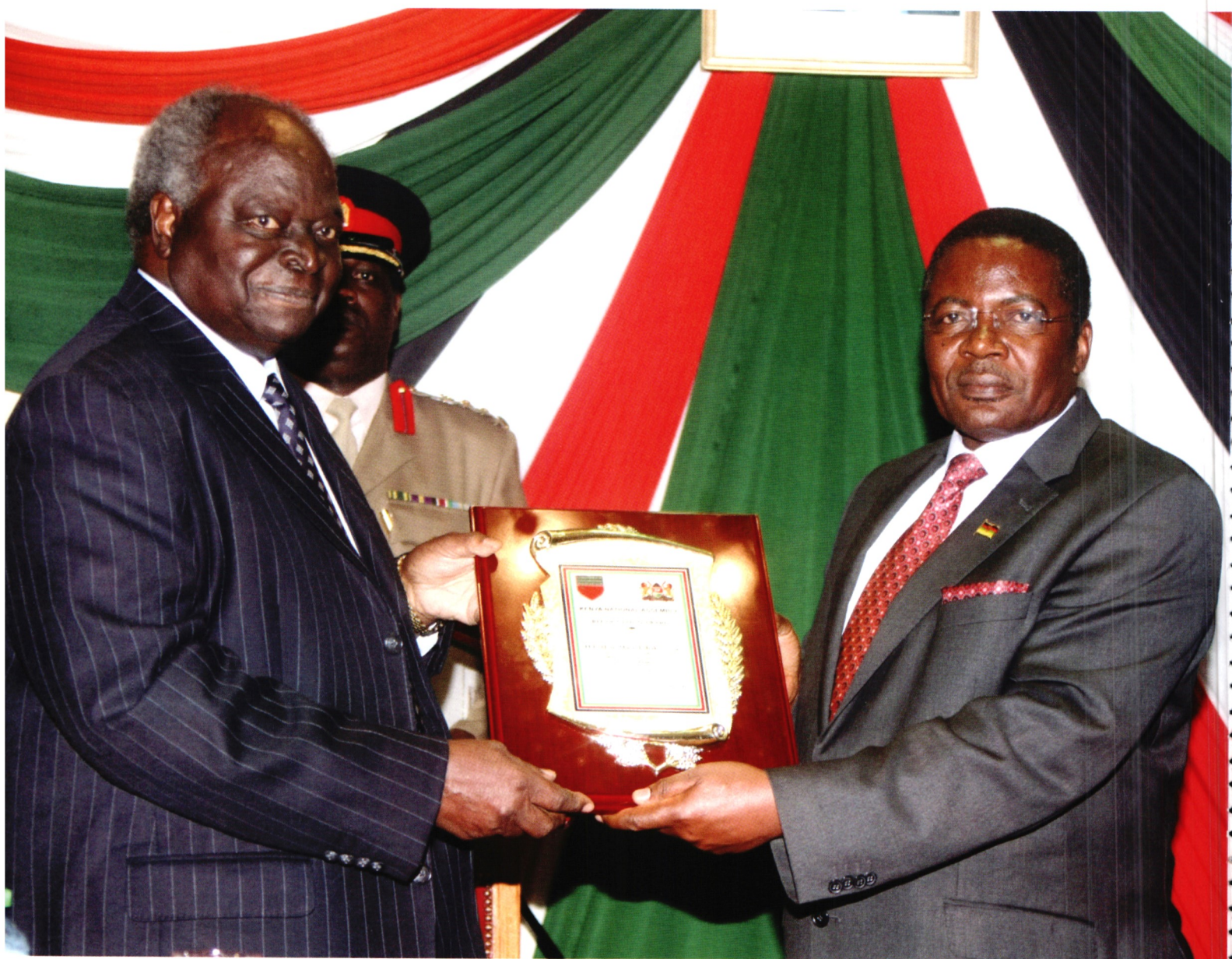
Rudyard Kipling

English Poet and Novelist 1835-1936

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House Speaker Hon. Kenneth Marende presents President Mwai Kibaki with an award to mark his long and exemplary service to Kenya's Parliament.

PREFACE

On 19th December 2012, President Mwai Kibaki made his farewell speech to Kenya's Parliament. On the same evening, Parliament hosted a farewell dinner to one of the world's longest serving member of a democratically elected Parliament. It was indeed an emotional farewell for a man who had been a member of Parliament for 50 years.

HOUSE SPEAKER HON. KENNETH MARENDE

He is a steadfast and astute politician who has served Kenya's Parliament and the Nation with diligence and honour in a multiplicity of capacities. Throughout his nearly 5 decades of service as a Member of Parliament, His Excellency Hon Mwai Kibaki has distinguished himself through exceptionally outstanding performance in the legislature and to the Republic of Kenya. Apart from serving as the 3rd President of Kenya his illustrious career has seen him serve in the positions of the Vice President, Minister for Commerce and Industry, Minister for Finance and Economic Planning, Minister for Home Affairs and National Heritage, Minister for Health, Leader of the Official Opposition, Leader of Government Business, and Chairman of the Public Accounts Committee.

His Excellency Mwai Kibaki joined elective politics in 1963 as the Member of Parliament for Donholm Constituency, now Makadara Constituency, where he was re-elected once in 1969 before shifting base to Othaya Constituency in Nyeri. His Excellency Hon Kibaki has been a dedicated Member of Parliament and had an extremely good record of attendance both as a minister and when member of the opposition. Those who served with the President fondly recall his wit, charisma and humour in parliament. As Leader of the Opposition in the 7th Parliament, President Kibaki displayed vibrancy and commitment to ensuring that the Government was kept in check.

He brought new meaning and impetuous to the office of Leader of Official Opposition with his brilliant and issue oriented debate both in and outside Parliament thus underling the importance of a loyal opposition. The President exceptional oratorical skills enabled him to disarm his debating opponents in a witty, diplomatic and at times cunning manner. Despite spending much time debating, however, Hon Kibaki was always against petty contributions in the House. To this end he is on record during debate in the House in the month of July 1970 asserting thus and I quote: "I do not believe in general slogans because slogans go up in smoke and die". His leadership of the official opposition marked one of the high points of constructive debate in the history of Kenya's Parliament.

As a minister, Hon Kibaki always espoused the principle of collective responsibility. In one famous debate he is quoted as saying thus and I quote: "How can we have a country where I am minister for Finance and I come here to say what Government should do?"

There are many ministers here who say that. His Excellency extended his exemplary leadership qualities to his position as Chairman of the Public Accounts Committee during the 8th Parliament; a position in which he served with distinction. His mastery of public finance and his explanation of matters economics in basic commonly understood language will always be a hallmark of this graduate of Makerere University and the London School of Economics. As a result of his impeccable parliamentary and public service record, President Kibaki is greatly admired by parliamentary counterparts and is regarded as an individual with unique and exceptional leadership qualities to be emulated.

It is little wonder that President Kibaki's leadership potential was recognized as early as 1974 when the Time magazine ranked him among the top 100 individuals with the potential to lead the world in the 21st Century, a prediction that has come to pass in the fullness of time. President Kibaki has indeed proven this time and again by being re-elected to represent Othaya Constituency 7 times; in 1979, 1983, 1988, 1992, 1997, 2002 and finally 2007.

By holding the outstanding record of the longest serving Minister for Finance in Kenya and by serving as the President of Kenya for 2 consecutive terms, a respectable and dependable man who has maintained his calm demeanor despite the tumultuous nature of Kenya's politics. President Kibaki has ardently dedicated most of his life in the service of Parliament and the people of Kenya. The 10th Parliament acknowledges His Excellency the President for his continuous guidance and support to Members as they undertook their legislative and other national duties. As he retires from public service, President Kibaki leaves an indelible mark on the Parliament of Kenya.

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State House website

(www.statehousekenya.go.ke)

Photos: State House website

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Assistant Minister for economic planning
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CHAPTER 1

MWAI KIBAKI: A PROFILE

After fifty years in Parliament, Mwai Kibaki is one of the longest serving MPs in the Commonwealth. He will also be remembered as a debator who kept everyone on toes – especially on economic matters. Born early morning November 15, 1931 - just before sunrise- Mwai Kibaki attended Gatuyaini Primary, where he was for two years. Kibaki joined Holy Ghost Catholic Missionaries Karima Mission School (now Karima Primary) for the next three years. He passed his exams to proceed to Mathari School, a boarding institution, now renamed Nyeri High School. It was his 1947 entry to Mang'u High School, a prestigious secondary school started by Fr Michael Joseph Witte in Kabaa that would significantly alter the course of his life. Mang'u was different. The original Principal, Fr Farrely wanted to craft a typical Irish school that had no tight schedules –unlike Alliance High School- and where the students were molded into Catholic faith and atmosphere. He believed that these two led to academic excellence.

In 1951, Kibaki joined Makerere University College to pursue a Bachelor of Arts degree in Economics, History and Political Science. In Makerere, Kibaki served as Vice-Chairman of the Makerere Students Guild (1954-1955). But, despite the balance between the student leadership and studies, he still emerged among the best students in the Faculty of Arts in 1955 by attaining a First Class Honours Degree (BA) in Economics. This earned him a scholarship to the London School of Economics for a BSc in Public Finance. He became the first African to graduate from the school with a first class degree. As he awaited the scholarship, Kibaki worked briefly as an assistant sales manager in the Uganda division of Shell Company of East Africa. After completing his post-graduate studies, Kibaki returned to returned to his alma mater-Makerere University as an Assistant Lecturer in the Department of Economics from 1958 to 1960. “Makerere is where my academic and intellectual foundation was laid. Many of my leadership skills were developed and nurtured here,” Kibaki would say 52 years after he left the Institution and as he received an Doctor of Laws (Honoris causa) degree from Makerere in January 2012. It was as a students' leader in Makerere that Kibaki started dabbling in politics when he was elected chairman of the Kenya Students Association and Vice-Chairman of Makerere Students' Guild. It was during this time, when Africans were calling for independent that Kibaki distinguished himself as a champion for decolonisation. In between, Kibaki had been approached by Tom Mboya to become a member of Kenya Educational Trust which was to co-ordinate the second airlift of students to the US. Kibaki and Dr Munyua Waiyaki, were the new faces of the airlift.

In 1960, when Kibaki was lecturing in Makerere, the British elections had brought in a new government, Kanu and KADU had been formed and the new Colonial Secretary Ian Macleod had summoned the entire Legislative Council for a Constitutional Conference in January 1960. The African politicians, more than ever before felt the need to join hands to bargain for greater concessions. Macleod held the view that because of British' diminished power at the global arena, it was “too dangerous to go slow” on decolonization. It was these events that catapulted Kibaki into politics working with the likes of Tom Mboya as one of Kenya's foremost economists. Kibaki thus became Mboya's ally, perhaps within the Nairobi People's Convention Party (NPCP). Both had graduated from Mang'u High School and were agemates. (Mboya was born in 1930). “(Mboya's) impressive organizing ability had made the PCP the best organized political force in Nairobi. But his organizing efforts were directed less at building a unified political movement than at building his own ascendancy,” recalled Jaramogi Oginga Odinga in

his autobiography. It was Mboya's supporters, among them Mwai Kibaki, who warned him, according to Odinga, that he could be isolated if he did not join a national party, Kanu, under formation. Kibaki had participated in the drafting of Kanu's new Constitution – which brought together several smaller district parties – into a solid block.

“Some friends and I visited the African Corner Bar along Race Course Road for a drink,” Kibaki recalled in a 2002 issue of the Christian Science Monitor. “During our conversation . . . one of us suggested that we draw a constitution for the future. So, we borrowed stationery from the counter and started drafting. . . . The exercise eventually led to the birth of KANU.”

But the rise of KADU, composed of minority groups had complicated the political matrix. The refusal by Ronald Ngala to join Kanu left the party with an organization void. Kanu had been registered on June 11, 1960 and five months into its troubled existence Mwai Kibaki was hired to put order at the headquarters. Thus in December 1960, and aged only 29, Kibaki left his teaching position and returned to Nairobi. “We thought it was very foolish at the time to abandon a teaching job at Makerere to be an executive officer of a political party,” says Absalom Mwangi, who was in third year when Kibaki left.

Kibaki was to become Executive Officer for the Kenya African National Union (KANU), a political party; he had helped found earlier in March of the same year. It was a delicate moment for the party since the Queen had legitimized all Colonial undertakings in Kenya by signing the Bill of Rights. The Queen had also signed the Orders in Council implementing the Lancaster Constitution and prohibiting racial restrictions on land. While the Bill covered many aspects of personal liberties, civil rights, public trials, respect for family and private life, freedom of conscience, freedom of assembly, compulsory acquisition of property and equality of economic opportunity; African political parties required intellectuals to inculcate this into the party manifestos. Kanu was lucky to have Kibaki and they bought him a Peugeot 404. “We moved around the country a lot. In just one month, the car had clocked 4,000km. It was great working for a party that was popular everywhere,” he recalled in a 1995 interview. The second challenge that faced Kibaki was that Kanu was to go to the general elections in March 1961. At the party headquarters they coined “Uhuru na Kenyatta” as their slogan.

Kibaki joined Kanu at the time when the demand for the release of Jomo Kenyatta from house arrest in Mararal was in top gear. The Kanu President, James Gichuru, had made it clear that Kanu would not form the Government, after the March 1, 1961 elections if Kenyatta, described by the Governor Sir Patrick Renison as ‘leader unto darkness and death’, was not released.

Kibaki knew that Kanu would not win without internal discipline and when the Kanu President, James Gichuru, summoned an executive meeting in Nairobi but decided to skip it together with Mboya, Kibaki joined other officials in signing a Press Statement that criticized Mboya and Gichuru for their behavior.

“We had to reinstate the principle that leaders were at the service of the organization and not its masters,’ Odinga, who signed the statement too, recalled in his autobiography. And when KADU members burned an effigy of Kenyatta, Kibaki called a press conference and said: Thus when it emerged that an assistant Minister for Agriculture, Taita (then Titus) Toweett had gone to the extent of burning a Kenyatta badge the Kanu executive officer Mwai Kibaki issued a hard-hitting press statement denouncing the issue.

“Burning an effigy or photograph is a sign of overwhelming hatred. It must be alarming to all African people to know that (Taita) Toweett hates Kenyatta to such an extent. Kenyatta is the father of our nationalism. He must have our due respect; and mere party politics must not make Toweett, or anyone as responsible behave in the way he has. The African people will demand a complete dissociation of

KADU from this shameful act,” said Kibaki in one of his first press conferences. Kanu was also trying to balance between the interest of the West and East, all who were jostling to have a say. It was a mandate that was left to the Kibaki-led office at Mfangano Street. Also at the time Kibaki returned the colonial Government had issued on Tuesday, December 12, 1960 a Sessional Paper on Unemployment which accompanied the Dalglish Report on Unemployment.

In his report, A.G. Dalglish warned that there would be no improvement in the employment situation in Kenya unless confidence, both economic and political, was secured for both agricultural and industrial development. Kibaki had a challenge before him. He was to mould a party that was raise the living standards of people by providing employments opportunities to a politically conscious and impatient people. Six months earlier Governor Sir Patrick Renison had told members of the Federation of chambers and Commerce in East Africa in Nairobi that the economy had started a downward trend and he did not know where it would end. Kanu won the March 1961 elections getting 19 of the 33 elected seats in the House of Representatives. Kibaki was one of the economists who understood that the prosperity of Kenya’s indigenous people would not be guaranteed without the foreign capital required to develop the African-held lands. As one of the trained economists in Kanu in the pioneer stages, Kibaki’s viewed held sway.

After the 1963 elections, when he was elected MP for Donholm, he was appointed Parliamentary Secretary to the Treasury. He is best remembered for pushing through the July 1963 Asian Officers Family Pensions Bill for retired colonial civil servants while some members in the House were opposed.

He said:

Before we get too emotionally involved in the House, I would like Members to think seriously of the words that they are uttering...the responsibilities of independence have got to be faced and it is no use indulging in “ifs”...we are going to be independent and we have to face the responsibility and we have to inherit the mistakes of the previous government: this is the hard part. You cannot say that when a new government comes into power and the old one made a given mistake, you cannot say that because it was the mistake of the previous government you are not responsible...this is part of our responsibility. I would like to ask the honourable members to face the challenge of being independent.”

Kibaki, in what showed his statesmanship and eloquence defined to the members the challenges that faced the independence Government. While he continued to serve as Kanu executive officer, where he was deputized by J. O’Washika, he had become more respected that in 1965, Majoge Bassi MP Zephaniah Anyieni asked Kenyatta to abolish the position of Kanu Assistant Executive Officer. “As a matter of fact, in our Kanu Constitution there is no post for an assistant Executive Officer, there is only one Executive Officer and that should be hon. Mwai Kibaki,” he said.

Kibaki at this time held the docket of Assistant Minister, Economic Planning and Development, and was thus Mboya’s deputy. It was in 1965 that the crucial Sessional Paper No. 10 of 1965 on African Socialism and its Application to Planning in Kenya was launched. This was a development blue-print that was to inform the economic progress of the nation. During the debate Kibaki said:

“We have been arguing before this paper was written, as if socialism by itself was an end in itself, as if it was a system we could pluck from a tree and apply to our own country... we need to be clear that socialism or any other ism, any economic system, any social system, is a means to the good life, means to happiness, to prosperity, to abundance for the people. We who drafted it are interested in

the living people of Kenya, not with dogma, not whether or not somebody who wrote a doctrine was right or wrong...In writing this paper the Government was nor arguing or trying to justify whether or not Karl Marx or Engels or Lenin or Mao Tse Tung or anyone else was right or wrong.."

This was also critical year at the ministry. In June 1965, Tanzania had thrown the East African nations into a monetary crisis after it announced that it would withdraw from the East African Currency Board which had been in place since 1919. The departure of Tanzania saw the collapse of the East African Shilling with the three separate nations issuing their own currency. Kenya launched its own currency on September 14, 1966 while Uganda launched its currency on August 15, 1966. Both countries also launched separate Central Banks.

In 1966, following the fallout between Oginga Odinga and Kenyatta and the formation of Kenya People's Union, Kibaki was elevated into a full Cabinet Minister on May 3, 1966 taking the Ministry of Commerce and Industry. Kibaki thus took over when the strongest pillars of the East African Union, the common currency, had collapsed. That year (1966), also when relations between Kenya and the Soviet Union appeared to have reached rock bottom due to local politics, Kenyatta dispatched Kibaki, Mboya (Minister for Economic Planning) and Bruce McKenzie (Agriculture and Animal Husbandry) to Moscow to review the Soviet-Kenya Economic Agreement which had been negotiated by Odinga and Joseph Murumbi. It was this renegotiation that saw the completion of the New Nyanza Hospital in Kisumu (now Oginga Odinga Hospital). Three years later, Mboya was shot dead along Nairobi's Government Street, triggering a tribal feud between the Kikuyus and Luos.

Kibaki and JM Kariuki were the two prominent Kikuyu who attended Mboya's funeral in Rusinga Island and would 42 years later unveil a monument in Nairobi in honour of Mboya. This made him a marked man, especially by a small coterie that surrounded Kenyatta's presidency, a political battle that he had to fight as Kenyatta succession debate began. Kibaki's quiet demeanor always intrigued friends and foe and is known to have stated that he does "not believe in making theoretical pronouncements and always makes his intentions known".

In the elections that followed the Mboya crisis, Kibaki almost lost his Donholm seat to Jael Mbogo and shifted base in 1974 to Othaya Constituency. This was a tactful retreat. Explaining it later, Kibaki said he was under pressure, ever since he left Makerere, to go back to his Othaya home. "The folks back home had been after me for years ..." he would later say. Kibaki's managerial abilities have never been doubted, and in July 1974, *Time* magazine voted him as one of the 150 men and women who would become the world's new leaders. It was simply because at that time he always steered away from divisive politics in a bid to boost his image as a national leader. Kibaki never identified with the then politically-correct Gikuyu Embu and Meru Association, which had been founded in October 1971 with Dr Julius Gikonyo Kiano as interim chairman and Mr Jeremiah Nyagah as vice chairman. Even when the GEMA mantle was taken up by Njenga Karume in April 1973 at a meeting in Nyeri, Kibaki failed to identify with it and it was not surprising that shortly after the assassination of Nyandarua North M.P. J.M. Kariuki in March 1975, Kibaki was put under pressure by GEMA leaders to have Nyeri District, JM's birthplace, pledge loyalty to Kenyatta.

Kibaki led a delegation to Kenyatta's Gatundu home, where he distanced the Nyeri people from "rumours" that Kenyatta and his Minister of State, Mbiyu Koinange, were behind the killing. So incensed was Kibaki with the Kiambu leaders that when two years later the Gema leaders started a campaign to block Moi from ascending to the presidency, in case, the President Kenyatta died. He went to the opposing camp and sided with Moi against an avalanche of Kikuyu politicians who had plotted the 1977 change-the-constitution debate.

In between he was instrumental in managing the crisis within the East African Community. In August 1975, Kibaki led a Kenyan delegation that was to review the Treaty that governed the East African Community. One of the problems facing the EAC was the number of strains that stood on the way. While the Treaty had been amended several times to accommodate both political and economic challenges, one of the most significant change was the demolition of the East African Income Tax Department and the amendment to the Charter of the East African Development Bank.

Uganda, where Idi Amin had toppled Milton Obote in 1971, had recalled all its employees serving in EAC and various regional parastatals. Most of the regional bodies had also collapsed after the East African Currency Board collapsed, followed in 1973 with the breakup of the income tax authority.

Kibaki had by this time been appointed Minister for Finance (from 1969) and oversaw the transition phase and negotiation on the sharing of assets.

In August 1976, the East African Railways Corporation (EARC) was wound up ending what was to become the engine of economic union and in June 30, 1977 EAC died. Kibaki had distinguished himself as a negotiator in the east African region.

Back at home, Kibaki decided to vie for the Kanu national chairman's seat, the third most powerful party position, when the polls were called that year. It was to be one of the bravest moves he would ever make in his political career. Kibaki was to take on James Gichuru, and possibly Njoroge Mungai, two Kanu veterans from Kiambu district. Although the polls were called off in March 1977 and Kenyatta died the following year, Kibaki had by then managed to get into the center of Kenyatta Succession politics.

It was this year (1977) that the Time magazine recognised Kibaki as one of the African leaders of the 21st century, with high potential. In 1981, the magazine again named him among its annual top 100 people who could lead the world in various capacities. When Kanu called for elections in October 1978 Kibaki was again under pressure not to run for the Chairman's position in favour of James Gichuru. The other opponent who came out was Cabinet Minister Jeremiah Nyagah. In the end, Gichuru had to pull out and Kibaki eclipsed Nyagah by polling 1,191 votes against 390. There would be more battles in the days ahead as political influence began to revolve around two camps, one loyal to him, and the other to then powerful Attorney General Charles Njonjo.

During his tenure as Minister for Finance, Kenya recorded economic growth rates of up to 7 per cent and Kibaki's sterling performance in that docket is widely known. Actually, the first decade of independence (1963 -1973), were the boom years of the Kenyan economy. But the next decade, challenged by the oil crisis, saw the growth stagnate with average growth rates of 4 and 2 per cent in the 1990/80 and 2000/90 periods. World Bank President Robert MacNamara described Kibaki as "one of the greatest economic brains to have emerged from Africa".

The year 1973 was a critical test for Kibaki. The Yom Kippur War had triggered an oil crisis and he was forced to spell belt tightening measures for Kenya. Fuel prices rose by 25 per cent and the stock market shares at the Nairobi Stocks Exchange lost value after US President Richard Nixon devalued the dollar. Kibaki proposed measures to protect local industries by restricting importation of goods similar to those which can be manufactured locally. He also introduced the Export Compensation Act of 1974 which established reimbursement procedures for exporters for duties paid on imported intermediate inputs. But firms would only qualify if they had a 30 per cent domestic value added. That saved the economy.

The death of Jomo Kenyatta in 1978 saw Kibaki elevated to become Kenya's Vice-President. The Kikuyus from Kiambu and Nyeri were openly jostling for the position via an age-old feud. If Moi wanted to incense the Kiambu group, which was opposed to him, he did it by appointing Mwai Kibaki as Vice-President and circumvented the power brokers with GEMA. At least, Kibaki was a neutralizing factor in these battles and was a moderate.

While served the Moi government, he was dropped as Vice-President in 1988, after an attempt to rig him out of the Othaya seat failed. He was retained as a Cabinet minister handling the Ministry of Health docket until 1991 when he quit in December to form the Democratic Party of Kenya (DP) after the reintroduction of multi-party politics in Kenya. While he was criticized by Forum for Restoration of Democracy (FORD) members for failing to join their party, Kibaki's moderate stand saw him attract many conservative and moderate politicians to his side. The split of Ford into Ford-Kenya, led by Oginga Odinga and Ford Asili led by Kenneth Matiba played into Kibaki's favour and solidified his reputation as a stable and principle-driven person. He came third in the elections that saw Moi secure 1.9 million votes, Kenneth Matiba 1.4 million (26 per cent), and Kibaki over one million (or 19.5 per cent). In the opposition, Kibaki distinguished himself in Parliament once gain as an astute debater and a voice of reason.

In 1997, he contested the presidency again on a DP ticket and came second to incumbent President Moi, polling 1,911,742 votes against Moi's 2,500,856 votes. Raila Odinga was third with 667,886 votes. With brilliant debates as the Leader of Official Opposition, Kibaki gave the new office credence and many Kenyans began to understand the crucial role of that office. During the 1997 - 2007 Parliamentary Session, Kibaki served as Chairman of the Public Accounts Committee and Member of the House Business Committee. Kibaki immersed himself in the search for a new Constitution by joining other leaders calling for a total overhaul of the Lancaster Constitution. It was in 2002 that he went into an alliance with other political leaders and parties and he became the candidate for the wider National Rainbow Alliance (NARC) to fight Kanu's dominance in national politics.

It was because of Kibaki's record of integrity, honesty and public service that he became a natural choice for NARC. Kibaki was overwhelmingly elected as Kenya's third President, garnering over 65 per cent of the popular vote and started to initiate critical economic changes in the country- even while nursing injuries from a motor vehicle accident during the campaigns. Kibaki was sworn into office on December 29 amid a jubilant celebration. "I am inheriting a country which has been badly ravaged by years of misrule and ineptitude," he stated at his swearing - in-ceremony. ""The era of anything goes is now gone forever."

It was his economic reform agenda, and Vision 2030, that has distinguished his leadership. Immediately he became President he unveiled the economic recovery strategy otherwise known as Economic Recovery Strategy for Wealth and Employment Creation. As a result of its implementation, the GDP expanded by 5.8 per cent in 2003 compared to 0.4 per cent when he took over in 2002. The Vision 2030 is his development plan to oversee a GDP growth to 10 per cent annually and transforming Kenya into a middle-income economy by the year 2030. This has included rehabilitation and expansion of infrastructure - roads, rail, power generation, telecommunications and port services. Kibaki also launched an investigation of the country's banking system and ordered an inquiry into a complex bank scandal known as the Goldenberg affair, in which the Central Bank paid out money for nonexistent export credits. Also Kibaki rolled out the free primary education and the Government started providing free drugs for malaria, tuberculosis, and HIV/AIDS. It has also meant transformation of institutions of good governance and this led to the promulgation of a new Constitution for Kenya in August 2010 after many false starts.

Internationally, Kibaki has distinguished himself as a statesman and remarkable progress has been done during his Chairmanship of East African Community and IGAD. Also his determination to see peace in Somalia, after more than two decades of war, saw him send Kenyan troops to the country.

In 1962, he had got married to Lucy, who is today the First Lady. They have four children, Jimmy, David, Kagai and Judy. In his political career, Kibaki has eschewed controversy often preferring to be a team player, who worked alongside colleagues as equals. Kibaki is an avid golfer and patron of Kenya Golf Union.

CHAPTER 2

KIBAKI'S FIRST BUSINESS IN THE HOUSE

Mwai Kibaki sat in the first parliament that was inaugurated on June 7, 1963. Jomo Kenyatta was the Prime Minister and Kibaki had been appointed Parliamentary Secretary for Treasury. On 23rd July the Speaker Humphrey Slade called Mr Kibaki.

MOTION: DEVELOPMENT ESTIMATES

The Speaker (Mr Humphrey Slade): Mr. Kibaki, do you want to initiate a policy debate on this Vote?

Kibaki (The parliamentary Secretary to the Treasury): Yes, please

The Speaker (Mr Slade): Does it suit you to speak for five minutes only?

Kibaki: I would rather speak tomorrow because it will take much more than five minutes.

The Speaker: You can speak for five minutes and carry on tomorrow if you like or would you rather leave it all together today?

Kibaki: I would rather leave it altogether, Sir, and make my speech tomorrow.

(Next Day) Wednesday, 24 July, 1963

Committee of Supply

(Order of Committee)

Development Estimate Motion

Mr. Kibaki: Mr Speaker, Sir, I beg to move that Mr. Speaker do now leave the Chair in order that the House may examine the Development Estimates.

Mr. Speaker, the Hon. members will remember that in the Budget Speech the Minister for Finance and Economic Planning gave the main features of the Development Estimates for the Coming Year and he went on to stress that the greater part of the finance which is required to execute the proposed expenditure of well over £ 14 million has already been secured, and we were confident, as a Government, that we would find ways and means of filling the gap of about £½ million, which remains to be filled.

Mr. Speaker Sir, the Hon. Members have already in front of them a pamphlet detailing the Government's proposed development expenditure. They will notice in the preface to the Development Estimates that these Estimates are referred to as an extension and consolidation of the three-year Development Plan from 1960-63. This does not mean, Mr. Speaker, that we are going to have a standstill here in 1963/64,

what it does mean, Mr. Speaker, is that our very hardworking friends in the Treasury, the civil servants, realizing the great changes that were taking place in the country, quite rightly did not intend at that time to put another three-or four- or five-year development plan to the House when there was going to be a new Government, so there would be an opportunity for the new Government to put its imprint on the new development schemes. Indeed, Mr. Speaker, the Government is very alive to the need for long-term economic development planning. The Hon. Members will be aware that a year or so ago we had a mission here from the World Bank and their report has been accepted by the Government as giving the broad lines of policy which should guide us in the next few years of our development.

Indeed the Government views on the World Bank Report have been presented to the Members in the Sessional paper No. 1 of 1963, I only hope, Mr Speaker, Sir, that the Hon. Members are going to treat it as a serious paper and will read it, and not merely put in on their shelves.

Mr. Speaker, Sir, while on this subject of long-term development planning, I would like to tell the House that the Government – within its six weeks of office – has already taken the first steps towards the long-term economic development planning. It has already been decided, Mr Speaker, Sir, that our intention is to have a six-year development plan stretching from 1964/65 to 1969/70. In planning for that period of time, we are going to break it up into two phases of three years each. It has been found, through experience in other countries, that the shorter development plans are more practical, easier to execute, and indeed, in a country like this, where we are so dependent on foreign money to finance our development these short-term development programmes are far more practical. Of course, the longer projects should be in our minds, because we realize that various long-term projects take a long time to mature.

Mr. Speaker, Sir, on the side of the development planning machinery itself, the Government has taken the first steps to strengthen it. Indeed, the Hon. Members will remember that last year, during the last coalition Government, a planning and advisory commission was appointed and it is this Government intention to see that that commission should continue under the chairmanship of the parliamentary secretary to the treasury, who is in charge of economic planning. It is also the intention that the work of that commission should be expanded so that it will bring us more in touch with the private sector. It is the Government's intention, Mr. Speaker Sir that the planning of the various investments in the private sector should be in line with what the country is trying to do. I shall come back later to this point to explain that our intention is not to control anyone, but to work in co-operation.

I want to stress one point, Mr. Speaker, in appointing the member to the planning and advisory commission; we are not being guided by any question of geographical distribution of those members. Our intention is to appoint people to that commission who would be able, in their own personal position as individuals, to make a real contribution to the planning of the development of this country. I am trying to forestall anyone from standing up here to question how many people we have appointed from his particular village. Our intention is to appoint people who have the experience, the knowledge, who understand the context of the economic life of Kenya. And who would, therefore, be useful in their advice to the Government.

Mr. Speaker Sir, I also know that the Hon. Members have raised the problem of how we are going to co-ordinate the development plans of the regions, and those of the central Governments. The central Government—again in its co-operative mood – has decided to set up a regional consultative council. The intention of this council is to enable the Government to co-ordinate plans of the various regions with those that originate from the central Government's planning machinery.

Mr. Speaker Sir, I do not have the intention today to go into the details of the development estimates that will come during the debate as we debate each head. However, I would like to stress that, while reading these development estimates, Hon. Members must note that part of them is a continuation of plans that were started previously and which, by their very nature, take a long time to mature. For instance, they will notice that under the heading of "Land Development" we have a substantial amount of money devoted to the expansion of the settlement schemes. We are now in the second year of our five year expanding schemes for settlement. Indeed, under the Ministry of Agriculture, they will also notice that we have laid aside a substantial amount of money to develop in this country. What is more, and what may not be obvious to Hon. Members, is that in the forest estates, we have been able to go some way towards alleviating the problem of unemployment. Currently, we are resettling people to the tune of 7,000 families—that is 60,000 people altogether—on some of these forest estates. This because they advised that the Government should import some technical planners from socialist countries because, they alleged, in socialist countries you have no unemployment. Their allegation was that because of socialism you have no unemployment. Mr. Speaker, Sir, the position of the Government is very simple and very clear and it is beautifully stated in this party's manifesto, if only the Hon. Members would care to read it. Everybody in the country knows that we are not committed to anybody's ideology. We are convinced that here, in Kenya, we, the people who have to face those problems, will have to sit back and analyse those problems, solutions to those problems, solutions we, ourselves, will carry out. In that exercise we are willing to take experience from America, from China, from Russia, from Hong Kong, from Bulgaria, from Cuba, from Hawaii, from Puerto Rico, from anyone we like. What we are not prepared for is to change our outlook and approach and to refer to a text book that has been written in the 19th century by someone who is already dead and very comfortably buried in high gate in London. Mr. Speaker Sir, this Government has already made it clear the nature of the economy we are working for and it is that of a mixed economy. An economy in which the Government will make its contribution in spheres where the Government can be most effective, in spheres where the profit motive may not be strong enough to drive the private investor, in spheres where the private investor may be hesitant to come in, in spheres where the project takes a long, long time to mature and to show profit. These are the spheres—and there are very many of them. Mr. Speaker—the areas where we, as a Government, intend to go. Those areas in which services and goods are being provided very efficiently – we are not going to interfere with.

Mr. Speaker Sir, we are not going to interfere with them for two reasons. One is that it would not pay us to do so; secondly it would be the height of irresponsibility for a Government in a country such as Kenya, which is short of capital resources, to waste the little amount of capital we have in buying out somebody who is already running an efficient industry very effectively. Mr. Speaker, we want therefore to make our position quite clear as a Government. We intend to have an economy where the Government and the private industries co-operate and an economy where the ordinary individual person, if he has his money, is free to move in the direction he wants to move. It might interest the Hon. Members to know that already, even under the Government which has already, even under the Government which has just gone out, Kenya has been moving in that direction, and, indeed, if you look at the figures of capital formation in this country, you will see that the Government share of it is close to 40%, at least it is 38 ½ percent. The rest, of course, is contributed by private industry. So we are already in a mixed economy. This is not so say, Mr. Speaker that we are not aware that the bulk of the people in this country are poor and that they look to the Government for the provision of social services and income which they are not in a position to provide themselves. We are perfectly aware of that position. But we are equally aware that the way to help them is not to grab what little exists, or what little has been developed, and to distribute it to these people. In that way, we would make them very happy for one night, they would have a good meal, and the following morning they would go back to their normal life of having no meals at all. That way would be the height of irresponsibility. Therefore our goal for ordinary man who is poor

in this country is for the Government to provide the services we need, on the understanding that he works with us in the first few years in tightening up his belt, rolling up his shirt sleeves and working hard, to help in increase the national product. Then, Mr. Speaker, we shall have something to distribute to him, and that we promise that we shall not allow our economic development to go in a way whereby the bulk of the wealth of this country could continue to be concentrated in the hands of a few people. No nation can allow that; not even the most capitalist nation today would allow it. Therefore, the point I am trying to stress here is to encourage the Hon. Members to move away from the theoretical position of the textbooks they happen to have read or not to have read, to move away from those theories, and start to study the practical problem which faces us. Each ordinary member in his own constituency should think of little projects which would make even a small contribution to the standard of living of his own people. He would be more usefully occupied that way than by expounding high theories to us in this chamber.

Mr. Speaker, everybody knows that agriculture is the main industry of this country. We, in the Government agree with the World Bank report that agriculture is going to continue to be, for the time being, the main source of livelihood for the bulk of our people, but we are determined to develop on two lines here. First, we must look for new crops. We must diversify the production of our agricultural produce. In the world of today, no primary producing country can afford to be dependent on one or two crops. We have to move away from the dependence on three or four crops—coffee, tea, sisal, and pyrethrum. We have to look for new crops to grow, and here we are placed by God in such a position that we have a country which, climatically and the soil conditions of which, permit us to grow literally everything which is grown in this world. So we have plenty of room to diversify on that side.

However, perhaps more important, and this needs to be stressed—particularly for the benefit of Hon. Members who stand here and ask us why we are not growing more sisal or more something in their constituency—it is no use expanding in a given line of production unless you have a market for it. So this Government, Mr. Speaker is laying plans to explore the world for new markets, for indeed it will be economically and politically wise for a country such as our own to reduce its dependence on a market in one country only, a foreign country. Dependence on one foreign for our marketing produce has economic and political consequences which our neighbours in Zanzibar have learnt from a very bitter experience, when they found that the primary market for their main agricultural crop just dropped and they had nowhere else to sell it. The Hon. Members will hear of plans shortly, to explore markets all over the world.

With regards to industrialisation, this is where we need to warn the Hon. Members of this House. All too many people seem to think that if you have a country which is undeveloped agriculturally, what you need is industrialisation. Indeed, today we have heard some questions here about plans for secondary industries. Mr. Speaker, in our planning we are determined that such industries as we go into shall be soundly based, shall be industries which can compete with other people in the world. If we cannot compete, we should not go into that particular, for the simple reason that we shall be wasting our money, and we do not have enough of it into waste. However, Government policy, as was made clear by the Minister for finance and economic planning when he spoke to this House, is that we are determined to industrialise in this country for two reasons. One is that industrialisation will reduce our dependence on agricultural production, and everybody knows that agricultural production is an unreliable source of income in the present-day world. Prices are always fluctuating. The coffee growers know this only too well, because they are now being asked to restrict production. The pyrethrum growers know it all too well, as do the tea growers. In order to ensure a rising standard of income for this country, which is soundly based, it will be our policy to go in for industrialisation. The way we intend to go about it was indicated by the Minister for finance and economic planning. Our first step is to encourage the production locally in Kenya, in East Africa, of goods which we have, up to now, we have been importing,

goods which could easily be manufactured or made locally. These import-saving industries will be the first type of industries we shall go for. Here, Mr. Speaker, I am glad to say that since this government took over there has been a remarkable display of confidence by the industrialists in this country in the future of East Africa. They have come in large numbers and put forward their plans to produce locally what, up to now, we have been importing. I will not go into details about this, because many of them are still being negotiated. Each one of them will be announced.

Mr. Speaker Sir, it is indeed disgraceful for a country such as Kenya which, as I said earlier, could grow everything, to continue to spend millions of pounds importing foodstuffs. The very first step that we must take if we want to industrialise is to encourage the growth secondary industries in our food processing. In this respect, we took the first step in our Budget; we raised the duties on imported foodstuffs, and we shall not hesitate to raise these duties even further, or even to go out of our way to impose quotas and direct fiscal restrictions, so that the food processing industries in this country can be supported by the East African market. It is a great pity when you walk into big banquets in the country and for your pudding you are given tinned, imported strawberries. Those of you who know the

Highlands of Kenya know that we grow the best strawberries in the world, and Mr. Speaker Sir, we are not bragging. These strawberries were served at a banquet given by the queen of England, and everybody put order in: they wanted to know where the strawberries came from. We have such high class strawberries, and indeed we have two enterprising farmers in the highlands who air freight their strawberries to the London Market, and they are getting one example, we could give hundreds of others, pineapples, dairy produce, all these. I am, only giving this one because it came to my notice very recently. If that is the position, then it is obvious to this government that we must protect the local food processing industries. It is a well known principle in any economic development planning that the first thing you have to go is to be self sufficient in food production so that you are not wasting your limited resources buying food from other people. If, in our development, we face problems of adverse balance of payments, we shall only have ourselves to blame if we have not so planned it that our limited foreign exchange earnings are not wasted buying food which could be grown here easily.

Mr. Speaker, I said earlier on that it is the intention of the government to go into industry and to be integrated with private companies. In this direction, the government has already announced plans to set up Finance Development Corporation, and an agricultural finance corporation has being announced. Indeed, the bill setting it up will come before this House this week or next week. The idea of these corporations is to the government a little flexible machinery for going into joint ventures with other big business people. This will help us to get the experience, the knowledge, the knowhow, of people who are working in various industries in other counties. We shall be able to produce these things ourselves. We shall say more on these corporations when the bills comes up

We know Mr. Speaker that people in this House have raised the question of tourism, and they have asked what the government is doing about it as this is a real gold mine. I am glad to say to this House that the government intends that the tourist industry should become a major industry in the country. We are encouraged that some of the most experienced people running tourist services in parts of Europe, America and so on, whenever they have been to East Africa have always remarked that we have the potential here to compete almost with anywhere in the world. On this line, Mr. Speaker we shall go, we shall indeed do more than plan for Kenya. We shall go out of our in the various talks we are having now with the east African governments to make sure that this industry, which, like so many other large scale industries, can only be economically and efficiently run on an East African basis, is run on an East African basis, and that Kenya will continue to get a fair share of the earnings from tourists. This will be an industry where we shall benefit very much, because it is one of the industries which we need. Mr.

Speaker Sir. I want to finish off by talking of one thing about which Hon. Members' speak too much, but nothing; that is, those schemes which are normally called self-help schemes. In the government planning-- as the Hon. Members' will see when the plan is presented to this house -- we have laid great emphasis on self-help schemes, schemes where villages, people in a given locality get together and decide to work with their own hands to build for themselves a facility which they require. It has been shown, Mr. Speaker, in other countries of Africa—in Egypt, in Guinea, in Ghana, next door to us in Tanganyika—that in a poor territory such as ours (poor not because it lacks potential but poor because the potential is not yet exploited) self-help schemes, where the ordinary people themselves work with their own hands, have two great advantages and both are going to be exploited by the government.

One great advantage is that it gives the ordinary man the opportunity to participate, to feel that he is making his own contribution to the national development of this country. Mr. Speaker, you will have heard the motion which was announced this afternoon by the Hon. Prime Minister about the national fund that we shall set up and to which every person, however poor, will have a chance to contribute what he can, a fund which will be used for national development. We want to go further. We want to take these self help schemes to the villages; we have so many villages here. Mr. Speaker, which are isolated, people have to walk on foot to get to the main road. There is nothing at all in the world to stop them getting together and organizing the building of a one or two mile road which would connect them with the main road. It requires very little capital. Mr. Speaker; indeed, it has been done. What perhaps more, Mr. Speaker, it is in the African tradition, it is not something new, it is not the socialism which we are being asked to borrow from some country. It is a living African custom for people to get together and help themselves. Indeed, this is true practice in many villages. We want to revive it and develop it. In a village they may, for instance, need a dispensary, and there is nothing in the world to stop them getting together, making the bricks they need and the government will provide them with a plumber to help them. But they can build it themselves, they will be proud of it. It is already being done; in fact, we should pay tribute to those many officers of the community development who are encouraging the continuation of this thing, but what we are saying, as a government, is that we should make it a national movement for people to help themselves. We are laying plans for this, but I have one appeal to make.

When these plans are made, we are going to stress, as was stressed in guinea and Egypt, that the Hon. Members of this house shall give the lead. Mr. Speaker Sir, in Egypt it was made a condition that if an Hon. Members wanted a project developed in his own constituency he must give the lead. In other words, Mr. Speaker, he was prepared to devote a day or two days in the week when he took off his tie and his shoes and took part in the work with everybody else and worked hard. That way, we shall be giving the leadership that our own people expect from this house.

So, Mr. Speaker, I do hope that the hon.members, when these plans are announced by the government, will come forward and give the leadership that they required to do.

I was going to say two or three things on un employment but it has already been announced by the Minister for labour and social services that the government, immediately it took office, went to work to draw up plans for the relief of unemployment and that these short term plans for the relief of unemployment will be never be resolved in the long run by short term relief measures; it will never be resolved. The way unemployment is resolved in any country is to make sure that you maintain a high level of Investment, so that the ordinary individual businesses continue to take more and more and more people into their businesses. It is the only continuing basis of ensuring a high level of employment, to that, Mr. Speaker, in our own plans we have no illusions at all. We need the short term relief measures, because we cannot, as a government, tolerate the idea of thousands and thousands of people going hungry while the plans are being laid, or while we are doing what we can to revive the confidence and

the level of Investment in our economy, but we are convinced that those short term measures are really short term, they will help us over the period of six months or one year. However, in the long run, we have to encourage Investment in this country, we have to organise those unemployed people to go into the self help projects which I have just talked about, and them, in that way, and we shall have laid the firm continuing basis for a high level of employment.

Mr. Speaker Sir, as I said, it was not my intention to go into the real details of the development estimates because we shall have plenty of opportunity to speak about them, but it might be interesting to members to know that this government will be receptive to any proposals which they bring from their constituencies from their regions, their districts, their village. All we ask of the hon.members is that when they bring these programmes they will be prepared to discuss them with us and they will be prepared to be told by the government that the way we see their programme fitting into the national development programme is that and that, and that they in turn will not think that the government is trying to neglect any particular area. Mr. speaker, I would like to remind the hon.members that, all the plans we are laying for development now will, by and large, have to be financed from other countries, and borrowed resources, money borrowed from other countries, and in borrowing the man who lends you money these days has a say as to the projects into which the money goes; not that he tells you it must go into so and so but he insists that he must be paid in a given period of time, and if you have put your money, then you will find yourself unable to repay the people who lent you the money. In which case, Mr. Speaker, nobody else will lend you any more money and then you will be really high and dry, and no government wants to be in that position.

So, if the Hon.members find that some projects they are really interested in are put on priority two, or priority three by the government planning, it is not that the government is uninterested in a given area or a given district, it is that the government has to plan always bearing in mind that the money they are using is borrowed money. We know all too well the very old saying that you cannot have your cake and eat it, and that is a very important thing for the hon.members to keep in their minds.

Thank you Mr. Speaker

The Parliamentary Secretary for Natural Resources (Mr. Njiiri) seconded

(Question proposed)

Mr. Alexander: Mr. Speaker Sir, we have just listened to the clearest exposition of government economic policy that we have ever heard. We have heard it in clear, sound, wise and sensible terms, and I am bound to congratulate the member who is wearing his Uganda tie. The only thing I would ask is that before Kenya has taken full wisdom he should export none of it to Uganda; we need it all for the moment. So impressed am I by his speech, Mr. speaker that I believe it is one—and I am glad the minster for information, broadcasting and tourism is here—which should be reprinted and circulated over the world to all the chambers of commerce and to all the government commercial bodies throughout the entire universe. If the Minister for Information is not prepared to do this, I am certainly prepared, in my own limited ways, to duplicate it at my own expense and send it to my industrial and business friends around the world.

It is heartening to hear at least a clarification of this term “African Socialism”. I am glad the Parliamentary Secretary has switched this to an expression in terms of our belief in a mixed economy. This, I believe, alone amongst all the other words he used, will help considerably to allay the fears of the investors from abroad, because there are degrees of socialism and the final degree, of course, is complete state

enterprise in everything. Therefore, we are wise to keep away from this word "Socialism", because it has much a variety of meanings, and to state clearly to the world exactly what type of economy it is that we are going to adopt, and that is what the parliamentary secretary has done today.

Mr. Pandya: Mr. Speaker Sir, on a point of order, may I propose that the mover be called upon to reply?

The Speaker (Mr. Slade): Yes, I will allow that question now.

(The question was put and carried)

Motion on Development Estimates, July 26, 1963

Mr. Kibaki: Mr. Speaker, I do not intend to answer every question which has been raised particularly as so many of them have already been answered by the various Ministers and again as we shall have the opportunity during the discussions each head for the Ministers to give the answers they have to various points. However, there are certain points which have relevance to development planning in general and therefore to development planning in general and, therefore, I will deal with those points only.

Mr. Speaker Sir, I was asked by the Hon. Specially Elected Member, Mr. Alexander, what we were doing to ensure the development fund would be distributed between various regions fairly. Mr. Speaker the position is quite clear in the constitution, that the co-ordination of plans throughout the country, the financing, particularly including external borrowing is the exclusive responsibility of the central government. What we have done, to ensure that the regions do have a say in what plans we are drawing up, is to propose the setting up of a regional development consultative council. This council will have the Minister for Finance and economic planning as the chairman, being assisted by the secretary to the treasury, and we intend to have a representative from each region. As I explained, Mr. Speaker, we hope that the regions will appoint the chairman of their financial development committees to be on this Kenya committee, because in that way we shall be able to have the benefit of knowing at an early stage what it is that they are planning, so that we can co-ordinate. Secondly, Mr. Speaker, in the day to day working there will no doubt be the usual contact at the official level between civil difficulties which come up will be resolved.

Mr. Speaker Sir, the same Hon. Members asked what we were going to do to solve the problem of the £10 million which is being spent in this country by Her Majesty's forces which, as everybody knows, we have already decided, with the agreement of Her Majesty's government, will quit Kenya upon independence. Mr. Speaker, this is a problem which is very much in our minds. We realize that this amount of money will no longer be spent here, but, as the Hon. Members himself knows, there is always a price for what convictions you have. We are convinced that it would be wrong for an independent Kenya to have a foreign military base on its soil, that is our political conviction and, just as in the case of boycotting South African goods, we realise there will be a price to pay for these political decisions, but we accept the price; we have to. Mr Speaker it would be impossible for us to separate the two things: indeed, it was the English themselves who said that every cloud has a silver lining, and apparently what the Hon. Members seems to want us to do is to dispel the cloud which we do not want but to keep the lining. I do not think that is going to be possible at all. I believe we shall have to find ways and means of dealing with the economic effect of the removal of the British Military bases. Indeed, this is not, Mr. Speaker, a unique position. During a war there are always new industries which come up and they benefit from the demand for goods during the war, but when the war has ended you do not hear people argue that the war

should have lasted longer in order that the industries should not have suffered. We have always accepted that it is a good thing the war should end and decided that we should then face the consequences. This is the same attitude we have here. Of course, I agree with his anxiety; indeed, in the government we are conscious of the fact that this will be an additional reason why we must work even harder to replace that demand with a new demand.

Mr. Speaker, the same Hon. Members raised the question of subsidiary companies in this country which overprice the imports they get from the parent companies overseas and, to that extent, inflate our import bill or alternatively, the same sort of goods are underpriced and in that way compete against our local producers. This is a serious problem, particularly as it could lead to balance of payments difficulties. I can assure the hon.members that the treasury will go into every detail of any information it can get on this problem, and if the Hon. Members would care to give us one or two examples outside this house, we will no doubt follow them up and find out what is going on. Indeed we can assure him that the commissioner for income Tax etc will be very, very pleased to have these examples mentioned to him.

Mr. Speaker, the same Hon. Members—you may think I am dealing with too many problems of this Hon. Members, but I do get the impression that he has done some homework and he came out with serious suggestions—made the point that Kenya could benefit from following what has been done in Northern Ireland and other countries in giving tax holidays, as they are called: that is, allowing a period of years when an industry is not taxed or providing factory space free or excusing the companies from paying rates for a period of time. Mr. Speaker, we have examined all these inducements to greater Investments and I can assure the Hon. Members we shall continue to examine what further inducements we can give, but for the moment we are convinced that we would be more effective locally giving what we have already given in the Budget: that is, Investment allowance. Hon. Members will recall that in the budget speech the minister for finance announced that we have raised investment allowance from ten per cent. A twenty percent initial investment allowance from ten percent to twenty percent. A twenty percent initial investment allowance is worth more to the investor than three years tax holiday, in which case we think it is much more effective. This has not ruled out other inducements it is merely that we have decided on this one for the time being, but we shall continue to have our minds open and we are always open to suggestions.

Mr. Speaker, I want to deal with two or three other points raised by other members. I will not bother to answer each member individually because very many of them raised similar problems and I shall deal with the problems afterwards. There is the basic one repeated by every member in this house, that the distribution of industries should be so organized, so directed, that the concentration around Nairobi and Mombasa is reduced. There is nothing that we want to do more, both in our ministry and in the ministry of commerce and industry. We wish that it were possible for us to tell an investor exactly where to go. An investor comes to this country; he goes round and the last person he speaks to is the government; he first talks to business colleagues in this country, he goes round and sees for himself what is available and by the time he comes to see the government he has a rough idea where he would like to be located.

Mr. Speaker, it is not always possible but of course, we try—indeed it is the basic aspect of our government planning – to provide – the basic services; water, transport and everything else in all these new small towns up-country. To that extent, we hope they will become attractive to the investor and we shall, of course continue to our policy of suggesting places which would be more suitable for development. We may succeed occasionally; we may get what we want. However, I would like the hon.members to realise that it is not always possible for us to tell the investors where to go. Indeed, if as a government, you have an investor has come out to make a profit, he decides that mombasa and nowhere else because that is where it is suitable, then we have to be sufficiently realistic to see that the investor has come out to make

a profit, he decides that mombasa is the place where he can make a profit and therefore it is wrong for us to tell him to go to Nakuru. Our choice is whether he sets up in Mombasa or does not set up in Kenya at all. It that is the choice, Mr. Speaker, I know the hon.members will support the government on those few cases where we allow the man to set up where he wants although we wanted him elsewhere.

What I do hope will happen is that with the general development in agriculture that is taking place everywhere—this is what guides the investors—the purchasing power of the people will be much more evenly distributed. More than it is now; today it is concentrated around the towns. With the development of better communication the cost of transport will be reduced. With the development of cheaper power, electricity—which we hope will come in our six-year development plan—all these towns will be connected and will therefore have basics services we hope that my hon. friends from kakamega, kisumu, bungoma, and malindi will have some industries moved to their towns.

An Hon. Member: Where is this place, Malindi?

Mr. Kibaki: The Hon. Member does not quite know where Malindi is but this is a very important town. This is one of those places which is going to be very significant in the development of the tourist industry, which we are going to encourage in our six-year development, and that they will not continue their misguided policies of asking for autonomy when they are closing dispensaries for lack of money.

Mr. Speaker Sir, I want to go on to another point which was raised by every Hon. Members. That is, the role of the African in the economy. Almost every member has asked the government what we are doing to ensure that the African takes his place in the development of this country. Now, I can assure them the in our planning no other problem is bigger or looms larger in our minds than this problem. This is because of two things; one is that we realize that no country can develop on such a narrow base as that on which our economy is based today. Our economy today is based on the investment, the skill and the knowhow of a very tiny proportion of our population. The fact that this tiny proportion of our population happens to be immigrant, Mr. Speaker, it's not important in itself, the problem would be the same even if that proportion was indigenus. Of course, this problem will become less relevant when we have passed the Kenya Citizenship Bill and everyone has become a citizen of this country. Mr. Speaker Sir, what we want to do is to expand that base. In other words, we want more training for the Africans; more help in business and agriculture so that a larger proportion of our population can make their contribution to the investment, to the employment, to the skill and to all these aspects of our economy. Without this we know that we shall never be able to develop.

There is an addition reason. If we expect to raise the social services of this country we must first raise the incomes of the bulk of the population. Then and only then, will there be more money available from taxation and other sources for social services. However, let me give a warning here. Too many people in this country – and here I hope Hon. Members will get rid of this idea of wealthy people—have got used to asking the government to do one thing and another for them. All too often when there is a problem anywhere everybody asks what the government is going to do for them and what is the government doing about the situation. Mr. Speaker, it is time there was change, and this government will not be afraid to go to any place and tell the people that the government is going to do nothing for them and they can organise and do it for themselves.

Mr. Speaker Sir, unless the hon.members are going to co-operate with the government in this attitude of mind, they are raising false hopes in the minds of the people. The fact of our situation is that the present Government at least for the next five to ten years will not have anything like the amount of money that we require to expand our social services which people require in this country. We will not

have the resources and it will be necessary during that period of time for us to go out of our way to encourage our people to do these things for themselves.

It is in this connection that I am very encouraged by the Hon. Members, the deputy leader of the opposition in the schemes he is developing in his own part of the world. This is something that the other members should copy. If the Hon. Members will restudy the development estimates, which some of them do not seem to have studied, they will see that we have provided money, larger amount of money for loans to farmers—including African farmers – for loans to African businesses, for loans to local government and for loans to various other agencies. Indeed, this is one of the significant aspects of these development estimates. If a given local government or a given African farmer is not helping himself the small loan he gets from the government will not be significant and it will not be helpful to him. We would like for instance to extend the course that are not given to farmers to equip them to become better farmers, but if a farmer persists in his traditional way of thinking that it is worth having sixty head of cattle even if they only give him two pints of milk, then it is very difficult and it is going to be impossible to develop the farms. It is the duty of the Hon. members in this house to work with the government in explaining the development and the changes that have to be made before the various investments can become useful.

Mr. Speaker sir, there is another point which was raised by three of four hon.members and that is to do with the redistribution of income. Some members said that the difference between the levels of income in this country is very great. That we have a handful of people living very well, driving large cars, and living in huge houses and having a very high standard of living, when the ordinary person is at a very low level. This is, of course true, everybody sees it every day. What we ask these members is not merely to come into this house to repeat these things because I do not see what we add to the facts. These members merely come to the house and keep us here to listen to the same thing being repeated time and again. We know these things. In fact, many of these members have lived with these problems and, in fact, many of us represent constituencies where we see these problems every day.

The contribution we ask of the members here is not that they should come and repeat these facts to us which we hear every day. It is that they should come here and suggest what we can do about it as a government, and in fact we are open to those suggestions.

Let me add another point, just in case some people are misguided enough to think that a redistribution through taxation or other means of the income in this country could solve the problems, Mr. Speaker sir, it could not. The proportion of the rich in this country is so infinitesimal, so small, that if the hon. members will do the exercise, as I have done it time and again, they will see that even if you tax the rich 100% -- that is, in other words, the whole of their income – and distribute it to the poor, it would make hardly any difference to their standards of living today. The people you would tax are very few relative to the total population and the absolute poverty of this country. So although we are going to make sure that the differences in incomes are not so great, we are determined – indeed, this is in the Kanu Manifesto – which we want a socialist Kenya, but we know that the way to develop is not merely to distribute what exists. It is to encourage the people to increase the national cake, and then there will be enough to have one room, if he is lucky enough to have one room, and there are others employed by the government or by other agencies earning Sh5,000 a month. The difference is too great: earns fifty times more than the other. No society wants to encourage this sort of situation, but what I am appealing for from the hon. members is that they should stop building up false hopes and saying that by distributing that man's Sh5,000 you are going to solve the problem of a low standard of living. You will not do so, because there are far too few people earning sh. 5000. We will do what we can, but that is not the way in which the solution lies. The solution lies in those poor people being organised, being given the means to work harder to raise the standards of living of this country.

Mr. Speaker Sir, we have been challenged, particularly by Members of the Opposition, to show what we are going to do about the drier parts of this country, parts which have been classified as being of low potential, parts which the hon. Deputy Leader of the Opposition chose to call the neglected, he can hardly accuse us of having neglected them. We as a government are only six weeks old, but we are determined that development shall be distributed. In other words, every communal group, every tribe, wherever they live, will be able to benefit from our development programmes. But there are two things which the Hon. Members can do to us. One is to change the attitude of mind of the pastoral tribes towards their stock. If they do not, then we do not have the basic conditions for development. If the Samburu, the Maasai, the turkana continue to believe that having 1000 heads of cattle which give you no milk at all, one of which dies every day—that is completely useless—we can have no development. It is for us to go out of our way to explain to the Maasai, the samburu, that they will be better off having a smaller herd of cattle, they will have enough to eat, the cattle will be worth more when they come to be sold, and they will get a little more milk for their children. We realize it is a gigantic problem to change a person's traditional way of thinking, but it has been done. Indeed, in some parts like the central region it is being done; in some parts such as Nyanza region, they are starting to do it now and they are reducing their stock. Quite a lot has been done, but Mr. Speaker that is where we shall need everybody's co-operation, so that we can induce these people to stop their nomadic life so that they have enclosure. We have been asked time and again here to provide boreholes, but I ask you how many boreholes you would have to provide the turkana country when people move from one spot to another every day? It would be impossible operation; indeed, it would not be even economic. However, if they are willing—and this applies particularly to Maasai country which is fertile if irrigated—we can provide boreholes. Indeed, this will be done, and there are already estimates for it. In our next development plan we shall lay aside enough resources for water development in these dry places. But unless the people become less nomadic and settle and unless we have enclosure of the land, then we cannot develop it. We shall go out of our way to encourage them to do this. Of course, it will do no harm at all to have the Maasai and Turkana cultivating a little. That might be very useful; they could grow some of the food-stuffs they need for themselves.

Mr. Speaker Sir, the final point which has been raised by every Member is about the development of communication. No doubt, you will have a speech later on this by the minister for communications, but I want to stress two things. One is that all the points raised by the members about the value of communications in opening up new areas of development are fully appreciated by the government and by the planning department. We shall include them in our development programme. But let us face it: we cannot build all the roads we require in this country. We may be able to build some main roads, some roads connecting important centres. The feeder roads which go into villages, as I said in my speech the other day, will have to be built by the people themselves, so here again the self help schemes come in. however, if the roads are to be maintained to a high standard, we shall have to call on the members of the various local government authorities to maintain the roads. It has been known that when roads were built and handed over to local governments have chosen to spend the money allocated to them for maintaining

The roads on something else or they have chosen to invest it, and not to spend it at all. Mr. Speaker sir, this is the sort of thinking which has to change. We have to get our local authorities to realise that roads are important and that if you do not maintain them at the standard they have when they are finished it will be far more expensive to rebuild them when they have become very bad. Here again, the Hon. Members' duty is quite clear: they must convince their local authorities and their majimbo authorities that they must maintain these roads. Of course, I foresee one difficulty, Mr. Speaker Sir, because the regional authorities do not have enough resources to build these roads, and not having the authority to borrow money to build those roads, they will find themselves in great difficulties, but what I am hoping,

Mr. Speaker Sir, is that when we do have the final conference on the Constitution those members of the opposition who are interested in economic development will bring their full weight to bear on the opinions of the opposition so that they can allow us to make these little minor adjustments to the Constitution which allow our central planning to have full effect in all the areas, otherwise if the present restrictive provisions of the Constitution continue we shall find that some of our plans may be executed and I am afraid to say that the sufferers will probably be the Hon. Members themselves because they will find that their own areas have not developed at all.

Mr. Speaker Sir, once again I would thank everybody who has participated in this debate and I only hope that when we finish this debate we will not forget what we have said but will get down to action and carry it out.

Thank you, Mr. Speaker. I beg to move.

IN COMMITTEE

[The Chairman (Mr. De Souza) took the chair]

DEVELOPMENT ESTIMATES

Mr. Alexander: Mr. Chairman, Sir, on a point of order, before we start, and to make procedure easier, and clearer, we have the development estimates as originally provided and we have the addenda which show how adjustments have been made between the Ministries. I do not know which way you propose to take them. In fact it might be as well to ignore this bit of paper and use this one

The Chairman (Mr. De Souza): I think what we will do is taking the specific subheads as they are the addenda under the particular heads as they appear in the original Development Estimates. That would make sure that there is no gap as it were and that we have the right heads as we go along.

Mr. Kibaki: Mr. Speaker Sir, I beg to move that a sum not exceeding £7,071,015 be issued from the Consolidated Fund to complete the sum necessary to meet expenditure during the year ending 30th June, 1964, in respect of Development Estimates.

SETTING UP OF KENYA NATIONAL FUND (1963)

MOTION:

“That this house gives full support to the establishment of a Kenya National Fund by contributions from the people of Kenya to celebrate their independence and agree that the fund shall be dedicated to such national purposes as may hereafter be determined”

Mr. Kibaki: Mr. Speaker Sir, I think we are all very grateful on this side of the House to the Hon. Leader of the Opposition for supporting the idea and the scheme for setting up a Kenya National Fund. Let me set his fears and worry and those of the Hon. Member for Buret at rest. We are not interested in the national fund as a way of increasing taxation at all, far from it. It will be through free contribution by the citizens of this country. Indeed, the Hon. Prime Minister (Jomo Kenyatta) did make it quite clear that it will be raised by free contributions from the people in this country, as a result of their happiness that

Kenya has attained independence. It will be used on projects which are useful to them. In other words, it is the usual African custom. During the harvest you celebrate, you have a grand time, everyone enjoys it. However, as everybody knows the celebrations go on for a week, sometimes two weeks, and sometimes in Malindi for a month.

Mr. Ngala: Why Malindi?

(Mr. Kibaki): I know Malindi very well. The African custom is to lay aside something for the future, and that is the spirit in which this national fund has been set up. At that time when we are all celebrating the achievement of independence, after a long struggle, we want to lay aside something we can use for the national development. The fund will be raised by voluntary contributions by Kenyans. Of course, the hope of the whole House, of everybody is that everyone will respond. They hope this is a fund which is truly their own, which is administered fairly, and we hope everybody will contribute generously. It is not taxation: no set amount has been stated as to what each individual should contribute.

Indeed, Mr. Speaker, the Hon. Members for buret should be aware of the idea behind this, I see him wearing on his coat lapel the symbol of youth helps youth. That was a voluntary contribution, and if he has supported that he should realise that it is in that spirit that we are starting the national fund, so that people can make a contribution which will be useful to this country. Therefore, there is no question of this being a form of taxation, either direct or indirect. It is not that at all. It is a free, voluntary contribution.

Now, Mr. Speaker, the other point raised by the hon. Leader of the opposition concerns the uses of this fund. It has been made quite clear that we shall spend some of this money on building a national assembly, the extension to this House. We all realize that we need a new House: we are far too squashed where we are; we hope to build with this money a national assembly worthy of the dignity of a new sovereign Kenya. That is going to be built. The hon. leader of the opposition can behave a chance to look at the plans, as I am told that have been completed. This is one for the money.

Another use of the fund will be with regard to self help schemes. The idea of self help schemes as we explained the other day is quite simple. People in a given locality get together and decide what they need in that area: one of the ways of getting a little of the capital they need to carry out the self help project will be from this fund. The trustees of the fund itself will have the right to scrutinize each application for help, and they will be able to say that this one is a national one and qualifies for help whereas that one does not qualify. From that point of view, it will operate like any other fund which is under a board of trustees. There is no difference. The trustees will have both powers. Therefore, Mr. Speaker, the fear raised by hon. leader of opposition that this money could be used to help some regions and not others is utterly unfounded. Here is an occasion for once when we can all now think as Kenyans, because the Government has gone out of its way to suggest that the fund trustees should not only be the two speakers of the national assembly but also the presidents of the regions. These respected gentlemen, sitting together, will be able to decide what projects are truly in the national interest. It is the hope that they will be free from these little pressures which the hon. Leader of the opposition was fearing, and indeed since he will be one of the trustees, I see no reason whatever for him to have this fear that the money will not be put to good use.

Now, Sir, these trustees are going to have an executive officer because everybody realizes that they are very busy men. In fact, they are so busy they have no time to rest; they seem to spend all their time going on train from the region to Nairobi and back to the region. So that they will need somebody who can sit in their office, sift applications from the various organisations, present them with an agenda for their

meetings and write the minutes of their meetings. That will be the executive officer. So, Mr. Speaker Sir, I think we can clear the three points which seem to be worrying our friends: one, that the fund will be by voluntary contributions; two, that the self help schemes and the building of the national assembly will be decided by the trustees freely and without pressure from anyone; three, that----

An Hon. Member: How about free education?

Mr. Kibaki: Mr. Speaker, this flogging of free education which seems to have entered some members' minds will not come into the scope of the national fund; free education will be provided by the Government from the general development funds which we shall be able to raise in this country.

Therefore, Mr. Speaker, I think we have answered the questions which have worried the Hon. Members. What we really need from this House is for a spirit to go out to the country that we want to help ourselves, and it is for each member in this House to go to his constituency and encourage the people to contribute to this fund. Here is one channel whereby the people of Kenya can show that they are ready to save some money, to lay it aside and to put it to good use for the help of themselves and their children. Here is an opportunity. Mr. Speaker, for us to show that upon the attainment of independence we are going to begin to stand on our own feet and not to continue the old game of going round from capital to capital of the world, cap in hand, begging. Mr. Speaker, here is the chance for us to imbue our own people with that spirit of helping themselves, that spirit of laying aside a little money. However poor a man is- that poor worker who earns Sh. 100 or Sh. 70 - if he going to lay aside Sh. 5 for this fund he will have made a beginning towards a better life for this country and indeed, for this children. It is in that spirit, Mr. Speaker that we ask Hon. Members of this House to go out to their constituencies with no reservations whatever, freely, knowing that this will be a fund which will be used for true, national projects.

So, Mr. Speaker, Sir, I hope that everybody will support this, not merely with reservations but wholeheartedly, and will go out of his way to explain it to his constituents we are not going to use any of this money for financing the Independence Celebrations. We have already made provision for more than £400,000 for the celebrations of independence and this money has been set aside. Indeed, the work on the stadium has been put in hand.

I would however, like to explain that any expenditures other than the national assembly would all of them (inaudible).....

Mr. Shikuku: The motion here reads: "that this house gives full support to the establishment of a Kenya National Fund by contributions from the people of Kenya to celebrate their independence and agree that the fund shall be dedicated to such national purposes as may hereafter be determined". If Mr. Speaker, we have got the funds let us keep them and say how we are going to spend this money, or at least a part of it, on educational schemes. Here, under this clause we could at any time determine how we are going to spend this money, or at least a part of it, on educational schemes. Here, under this clause we could at any time determine how we are going to spend the money and say that we are going to use some of it on free education. However, I am glad that the parliamentary secretary to the treasury has made it clear that the money will not be used for the independence celebrations.

With these few remarks I hope the Government will take their responsibilities seriously to make sure that this fund will not be used by the people administering the fund.

The Minister for Agriculture and Animal Husbandry (Mr. McKenzie): Mr. Speaker, I gather that the Hon. Member is speaking from great experience and knowledge over the matter of funds disappearing.

I would very much like to request him to rest assured that it is not the intention of the Government to spend this money uselessly and without just cause. As regards the point of the trustees if the Hon. Member carefully reads the relevant part of the motion he will see that the trustees of the fund will include the speakers of both houses of the national assembly and the president of each region, and also that the government will provide an executive officer to assist the trustees. Hence it is obvious that the money is in their hands and not in the hands of the Government.

Mr. Speaker, Sir I refer to the two points raised by the Specially Elected Member, the Hon. Mr. Alexander. The first of these was to ask the Trustees to set aside part of the funds as a revolving fund. Government is very sympathetic to this particular matter and as a Government we will certainly look into it.

Secondly, he referred to tax exemptions for commercial concerns and these are also being taken into account before any money is given to the fund. Here, again, Government is very sympathetic and will not hesitate to examine this particular point.

The last point is that we trust that the large agricultural concerns and the large co-operatives as well as the commercial concerns will take this opportunity of putting their hands very deep into their pockets in order.

The Minister for Justice and Constitutional Affairs (Mr. Mboya): Mr. Speaker. Sir. I beg to move that the Mover be now asked to reply.

(Question proposed)

(The question was put and carried)

The Prime Minister (Mr. Kenyatta): I do not think I need to take up much time in replying because I think the Motion itself is self-explanatory. If Hon. Members on the opposite side read the Motion carefully they will understand what it means. It simply means that we are asking for the creation of a national fund. The word "national" is, I think, well known and if there is anybody in this House who does not know the exact meaning he should consult the dictionary. Mr. Speaker, some of the speakers rambled at length about the true implication of the Motion and this gives me the idea that they did not listen to my speech on the Motion. The fund is going to be utilized purely for national business. That, as we have stated here, includes a National Assembly building. The Leader of the Opposition asked what kind of National Assembly. I think that either he was joking or his memory was very-short because we spent many hours explaining the National Assembly's plans which, Mr. Speaker, you were responsible for producing. Therefore, I do not think that he can now come to this House and ask us to explain all about the National Assembly.

Presumably, he wanted to make it appear that he knows nothing about the National Assembly building and he also mentioned something about a Senate House. There is no such thing. We stated that the building which was going to be put up was to house the National Assembly.

Mr. Speaker, Sir. when I say that the leader of the Opposition appeared to be worried that we were going to use this fund for ordinary educational purposes, I mean to imply that he did not understand the Motion at all. What I said is that some part of the fund may be used for providing scholarships to mark the independence celebrations.

Another point which he raised was the matter of enjoyment in the country during the celebrations. I am sure that you have already learnt that the money to be spent on the independence celebrations

has already been voted. If there were any allocation of money from this fund to be spent I think I can assure him that this will be spent without any discrimination. I would like to remind the Leader of the Opposition that he himself and his colleagues, regionalists might well be thankful that we have seen fit to include them in the administration of this fund and we do not doubt their sincerity in executing their duties as Trustees. We have no fear that this money will be ill-used. There are responsible people - you Mr. Speaker included - to administer this fund and I think we can rest assured that this fund will be properly spent. I do not think I have many things to explain because Mr. Towett, the Hon. Member for something or other.

Mr. Shikuku: On a point of order. Is it in order. Mr. Speaker, for the Prime Minister to refer to the hon. Member as representing something or other?

The Speaker (Mr. Slade): If he has forgotten the name of his constituency, he should be excused.

The Prime Minister (Mr. Kenyatta): Mr. Speaker, some of these places are so remote and we do not hear much about them and we can therefore perhaps refer to them as something or other. We now know that his constituency is Buret.

The Member for Buret covered some ground on the subject of fear and I do not know whether his philosophical mind will accept that he might have unnecessary fear in his mind. He can real assured that we have no ulterior motive.... I have nothing further to add to the answer that I have already given, I do, however call upon the Kenya nation to wake up and help itself. Thank you.

Mr. Ngala: On a point of explanation, Mr. Speaker, I think that the Government was under the impression that the Opposition totally opposed this Motion, but, I said, when I spoke, that I was waiting for an explanation and having had a full explanation from the Prime Minister, the Opposition supports the Motion.

Mr. Towett: Mr, Speaker, may I exclude myself from that ?

(The question was put and carried)

MOTION

MINIMUM WAGES, REGULATIONS FOR REGIONS

14TH NOVEMBER 1963

Minister for Labour and Social Services (Mr. Ngala Mwendwa): I am quite sure that the Leader of the Opposition will be surprised to hear that this Motion is out of date because the Government has already moved further. Last month during our meeting with the employees—The meeting was between the Government and the employers and the employees - we agreed that the Government would make a national wage policy which will include, Mr. Speaker, provision for the minimum wages for rural areas. The wheels have been set in motion and that is why I say that this Motion is out of date. This is also one reason why I say I have no quarrel with the Motion. The Government will shortly announce, and I am going to appoint a committee which will go into all the details, that it intends to look into the question of minimum wages and I am sure the Leader of the Opposition will be pleased to hear that all the areas

he has mentioned will be covered. To this end, I intend to amend this Motion so that it will come in line with the Government's policy. My amendment is that all words after "That this House" be deleted and that there be inserted in place thereof the following words: —

This House notes with gratitude the Government's intention to formulate and introduce a national wages policy which will include provision for a minimum wage in rural areas.

That Mr. Speaker, is an amendment which, I am quite sure, nobody in this House will have any quarrel with. With your permission, I would like to read the amendment once more: "That this House notes with gratitude the Government's intention to formulate and introduce a national wages policy which will include provision for a minimum wage in rural areas. As I said before, Mr. Speaker, I am in The process of appointing a committee which will go into all the details in connexion with this question.

Mr. Speaker, I beg to move.

The Speaker (Mr. Slade): Mr. Kibaki, if you want to second this amendment and speak, you will have to speak now.

The Parliamentary Secretary to the Treasury (Mr. Kibaki): I would like to speak, Sir. I have only a few words to add because this is a self-explanatory amendment which as the mover has said, does really strengthen the intention which the Leader of the Opposition must have had in mind when he brought forward the motion. The motion seeks a piece meal solution to a national problem and I do hope that he we'll see that what we are trying to do is not to negate his intention but rather to explain that the problem of wages cannot be seen as an isolated problem. The problem of the level of wages is an aspect of this whole question of the income policy which is now before our Government. To that extent it is important that it is viewed as a national problem: it is important that we see the level of wages in the rural areas as being related to the level of incomes of other people employed in other types of occupations and also to the level of incomes available to people who are not employed for a wage.

It therefore, Mr. Speaker, that we accept the amendment. I would like to stress that even in towns like Nairobi, where a worker has a minimum wage guarantee of Sh. 115; it is still not solution at all to his troubles because that worker has to pay 20 cts to travel from Makadara to work, and 30 cts. back. That means in a month he will have spent more than Sh. 18 on his travelling alone. He quite often has to pay Sh. 70 for small place in which to live, and often the price of the things he buys, milk, for instance, costs about 30 cts. If he wants to buy a pint of milk per day, which costs 90cts, he will spend sh. 27 of his sh.115 purely on milk for his child. So we in the Government see the whole problem as one. The problem of providing for the worker wherever he is in whatever occupation a standard of living. It is a matter of the standard of living that is available to the worker. It is not a question of one little aspect of a minimum wage because you may give a fellow a minimum wage but if the price of all these things that he buys, including loans and rent for his House, transport, and so on. If these things continue to be as high as they are surely your minimum wage has no real meaning to the worker. Therefore, we are saying- that is the Government - that we need a national outlook an over-all national outlook on the problem of wages. Therefore, we need to establish a wage policy for this whole economy and this, by the way should include the Hon. Members of this House, they are not exempt from this general policy. I should hope that if the problem ever did arise, the Hon. Members in this House would not let themselves down by voting increased salaries for themselves.

Now, Mr. Speaker, Sir, I want to stress this point because it is the one aspect which, if the mover of the motion accepts, he will also accept the amendment.

I want to move on to add other aspect which has not been touched on at all, that is that what will really help the rural workers is for us to raise the level of productivity of the rural worker in the long run. It is quite wrong for the leader of the opposition to pretend there is any other way whereby you can increase the income, the wage available to the worker in the rural area. What really we ought to be aiming to do if we want to change the whole economic situation is to give the rural worker greater training, more capital which he can work with. Then that man will be more productive, and the whole economy will be in a position to pay him a greater return than is now at all possible. Of course I entirely agree with him when he says that in this country we have some employers who believe in the old myth of a low wage economy, who still believe that the way to make quick money is to pay the workers a very low wage. This is absolutely mistaken, and I am happy to say that some of the better employers have already begun to raise, not only the wages they are paying their employees but also the other terms, the conditions of employment. They are providing Houses, gardens for the children, and other such facilities. This will be the direction in which we can make the worker better off, so that if a worker is getting a certain level of income from his wage, we provide with a free education for his child and he has medical services available to him, then the income will be more meaningful: it will carry him further. However, if from the minimum wages, which we are being asked to raise, the worker is expected to pay all his social services, for the medical of his wife and children, or housing, and all these other things, then even if you pay that worker in the present economy of Kenya Sh200 a month, it will not be enough. I do not believe that the Hon. Members is suggesting that the wage be raised to that level, and still hope to deal with the problem of unemployment.

Mr. Speaker, Sir, I want to stress that particular aspect of it, because that is the way the Government sees it. We have started a programme of economic development planning, and we see the whole problem of income policy as a large issue. We have started with this one aspect of a national wages policy; we will move on to deal with the whole problem of profits and rents. We have started: the committee has actually been appointed.

Now, the question is that the Government has made its decision, and therefore the hon. the leader of the opposition should be content that in a couple of days he will have the names of the people. So I would like to appeal to the House to see the problem as one large problem facing the whole country that they must work and work for at least nine hours a day. It is no use our pretending and deceiving ourselves that we can build a nation or that we can pay ourselves a high wage when plenty of these people go to work for one hour and then sleep under the mango tree. This will never solve the problem.

Mr. Speaker Sir, I have just had the opportunity of spending seven weeks travelling in the socialist countries of eastern Europe, and one of the most striking things in those countries is how everybody, every single person –child, man and woman—including politicians work hard and therefore, the return to the whole economy is visible. In this country, if we really want to help our people, this is the drive that we must have ---hard work and greater hard work---then there will be more available.

Mr. Ngala (Leader of Opposition): Food first.

Mr. Kibaki: The Hon. Leader of the Opposition wants food first. I believe that he still has the mentality with which people used to sit under the coconut tree and expect the coconut to fall. Mr. Speaker, times have changed, the rural workers, for whom he is pressing this matter, expect more than one coconut a day; they expect, in fact, to have good clothes, to live in a good house, to educate their children and to have two or three meals a day. You cannot obtain that by anything else. So, Mr. Speaker Sir, the Government is prepared to push to have a minimum wage as a starting point. If we really to raise the standard of living of the people we must get them to work, and to work hard. Then only will there be

enough for them to eat more, as the mover wants them to do, have better education, better medical services and perhaps a car.

Thank you, Mr. Speaker.

MOTION

EXTENSION OF LIFE OF THE RENT RESTRICTION ORDINANCE

November 15, 1963

The Parliamentary Secretary for Health and Housing (Mr. Argwings-Kodhek): Mr. Speaker. Sir, I beg to move the following Motion: That this House resolves that the Rent Restriction Ordinance (Cap. 296) shall remain in force until 31st December, 1966.

This Ordinance, Sir, will expire as it exists at the moment on 31st December next unless the House extends its life by passing this Motion. The Ordinance applies throughout Kenya but relates only to certain dwelling houses. It does not apply to houses, for instance, for which the standard rent is £30 or more or to houses on which construction was begun after 28th December, 1954. The Ordinance empowers the courts, among other things, to investigate complaints from tenants or landlords, to fix rents and control the eviction of tenants. The Ordinance replaced previous rent control legislation and was the result of recommendations made by a committee appointed in 1959 by the then Minister for Commerce and Industry. When the Ordinance was passed through the Legislative Council the Government said that its policy was the progressive decontrol of rent and the Ordinance was accordingly given a life of only two years subject to renewal by resolution of this House. Unfortunately, the housing situation has never since been improved to the extent that rent restriction can be lifted. The life of the Ordinance has been extended each year since 1961. A year ago, when considering whether to extend the life of this Ordinance, the Government appointed a committee of enquiry to look into the whole question of rent restriction. The report of the committee is now being printed and will be published in due course.

However, Sir, it is necessary to refer to one of its main recommendations which is that rent restriction of dwelling houses will continue to be necessary for some time to come. The report recommends that the life of the Rent Restriction Ordinance should therefore be extended for another three years at least and that the question should then be reviewed again. Mr. Speaker. Sir, the Commission in their Report accept the general principle that the object of rent control—ling should be on the one hand to safeguard tenants from eviction and from abnormally high rents exacted by reason of a housing shortage, and on the other hand to permit landlords to receive a reasonable rent return on their investments. Mr. Speaker. Sir, the Government agrees with this view and that the life of the Rent Restriction Ordinance should be continued for three years. We are examining the other recommendations of the Committee to see whether the Ordinance should be amended in the light of the Committee's views to make it more effective.

In the meantime, Sir, it is essential that the Ordinance should continue in being and accordingly, I beg to move.

Thank you.

Mr. Kibaki: Mr. Speaker, I do not intend to say much on this but as a member of one of the parties in Nairobi, we are very conscious of what my hon. friend here has said.

It is well known in Nairobi at the moment that Africans who are coming to the centre of the town for business are being charged Sh. 350, Sh. 500, for one small room, about eight feet by ten feet. The old dukas which used to be on River Road have been chopped up into little rooms. The previous owners who traded there now live upstairs, and the ground floor is divided into tiny rooms for each of which from Sh. 350 to Sh. 500 is collected – from the Africans who are struggling themselves in the business world of Nairobi. Mr. Speaker Sir, this is an important point, not merely because it is flagrant exploitation of these particular individuals but also because it impedes the building of that spirit which the prime Minister has talked about so much. We want to create in this town, particularly, as the capital of our nation, the spirit where is not that racial antagonism, there is not that feeling that one class of people, merely because they happen to be better off economically than others, are exploiting those who are less well off.

However much we politicians in this House and outside this House may speak, it is these concrete things which happen to the ordinary person which really matter. There is no point in my speaking every day at Shauri Moyo at public meetings that we want to have friendship, racial harmony, and all the other wonderful ideas to which I subscribe and to which I know every other member in this House subscribes. Therefore, Sir, I hope my friend, the parliamentary secretary for health and housing, will also issue a similar warning. We should warn these so called landlords that this form of exploitation should stop. If it does not stop, we are going to have the same antagonism as before. Mr. Speaker, let me add that it is not a question of race. If the landlords in this case were African, the antagonism would be exactly the same. It is not a question of race; it is a question of a group which is economically better off exploiting those who are not so well off. Mr. Speaker Sir, what I would like the ministry of health and housing to evolve, and I know they should be thinking about this, is a policy for rents which keeps them at a level which has general relevance to the other prices in our economy. As it is now, we have this free capitalist system where the ordinary person charged anything. It is disgraceful that, for instance, in one estate in Nairobi, Nairobi West, where I had the misfortune to live for a year and a half, the few Africans who are now, we pretend, being paid more because they are working in clerical jobs—they receive between Sh. 500 and Sh. 600 a month – are charged Sh. 300, Sh. 350 or Sh. 400 rent for a flat which has one bedroom and one sitting room. They have to pay this because everyone knows of the acute shortage of housing in Nairobi. A man is struggling to achieve a decent standard of living; he cannot find accommodation in other places where there is City Council housing, so he has to go to Nairobi West, or a similar estate to that, where the Houses are owned by private capitalists. These people will charge any rent they like, and the man has no remedy. This, I think, is the true significance of what my learned friend here, who is himself a lawyer, has expressed, that a man has absolutely no remedy; he is at the mercy of the landlord, and because of the acute housing shortage he has to pay. It is disgraceful that more than seventy-five per cent of a man's earnings should go to pay rent. How, then, can he meet all his other expenses?

Therefore, I would like to suggest to my friend here that he issues a stern warning to the people who own these Houses. That is not enough: I think he should explore the possibility of having an inspectorate. I remember, Mr. Speaker, many years ago, when I was a little boy, we used to be cheated by people in the dukas because they used defective weighing machines and you would get half a pound when you were expecting to get a pound. I remember that even the imperialist Government in those days instituted an inspectorate of weights and measures. Here is a case, not only for a warning but for my friend to inaugurate an inspectorate, and I am sure my friend, knowing Nairobi as well as he does, would make a very good general director of the department or inspectorate. With those few words, Mr. Speaker, I very strongly support this motion.

THE INTERNATIONAL DEVELOPMENT ASSOCIATION BILL

15th November, 1963

The Minister for Finance and Economic Planning (Mr. James Gichuru): Mr Deputy speaker Sir, Sir, I do not think I have anything to add to what I said on Wednesday in introducing The Bretton Woods Agreements Bill. I therefore beg to move that the International Development Association Bill be read a Second Time.

The Parliamentary Secretary for Health and Housing (Mr. Argwings-Kodhek) seconded.

(Question proposed)

Mr. Kibaki: Mr. Deputy Speaker Sir, I have really nothing to add because this is consequential on the Bills we have already passed, which we have covered, but I think I should take the opportunity—it is a great pity the Leader of the Opposition is not here—to clear a confusion in his own mind which he is trying to get through to the country. The confusion is that there is in any way neglect for certain areas in the development plans of the Government. That is absolutely false, Mr. Deputy Speaker. The Government views the whole country as one, and we in our planning have no intention whatever - indeed we would be failing in our duty if we had any such intention- to neglect any part of this country. His confusion over the so called high potential and low potential areas should be cleared in this manner: if the high potential was devised in relation to certain development factors, such as having good rainfall, having land which could grow the then outstanding cash crops, coffee, tea, pyrethrum among others. We know in our planning that even the areas which are dry as of now can be rendered areas which are dry as of now can be rendered areas of high potential by irrigation, by providing water and by all the other known means of making these areas productive. Therefore, the definition of high potential areas is not as a static one. It depends on what Investment you have put into that particular part of the soil. Indeed, Mr. Deputy Speaker, only the other day I was surprised to see that Egypt, for instance, they have reclaimed square miles of desert irrigation, and land which only five years ago would have been classified as the lowest potential because they have very irrigation, they have good soil, they are planting the best crops you can think of and they are getting money out of it.

So in our planning we have ideas to develop all parts of this country. Indeed, the hon. leader of the opposition should know that as of now we have missions surveying the potential for irrigation in the Tana River Basin. We have another mission surveying the irrigation potential of the dry Turkana and Samburu areas, so we have plans going ahead for the development of these areas. Right now, Mr. Deputy Speaker, one of the best products you could put on the market is meat, it is in great demand. Another product is sisal; right now it has a very great value. These drier parts of the country could, if properly organised produce such products. What we require in this House and from everybody in the country is to encourage those people in the dry parts of this country to work hard to cooperate with the Government in the schemes. For instance, in producing a better stock of cattle, to cooperate with the Government in programmes of land consolidation and to cooperate above all with the Government in working harder whenever programmes, as I said yesterday. I wanted to stress that point for the benefit of the leader of the opposition and the country at large.

Equally important, Mr. Deputy Speaker is the question of the borrowing terms, and this has relation to the bill we are now debating. I do not think we want to deceive ourselves that we are in a position to dictate even to a local bank as to the terms on which they will lend us money. They know on what terms they are willing to lend and as a borrower we are in the worst position to tell them the terms. International agencies have been operating for a long time, and it is wrong for anybody here to try and

believe that Kenya is going to be in a position to dictate the terms of borrowing. The best we can expect to do is to cooperate with the rest of the nations in the world in trying to liberalize the terms on which credit is available to all the under developed countries, not merely Kenya alone, and of course, you will realize, Mr. Deputy Speaker, we will not be in a position to exert that pressure unless we are members. Mr. Deputy Speaker, I think everybody agrees that we should become members.

The Minister for Finance and Economic Planning (Mr. Gichuru): Mr. Deputy Speaker, with these very important remarks made on the whole issue, I beg to move.

(The question was put and carried)

THE EXTERNAL LOANS (GENERAL) BILL, 1963

26th November, 1963

Mr. Kibaki: Mr. Speaker Sir, I beg to move the second reading of the External Loans (General) Bill, 1963.

This Bill, Mr. Speaker, is a prerequisite to the financing of the first phase, the first part, of the Government's development plan which will begin in July, 1964. We need the financial powers which are to be granted by this Bill to enable the Government to go ahead with the negotiations which are necessary before we can raise such funds, and even more important to go ahead with the signing of the document and any other instruments which may be necessary for the raising of those loans. We announced earlier on in the year that we intended to have a six year development plan starting in July 1964 and ending in 1970. For the first phase of that development plan we need to start negotiating finances almost right away and it is important for us to have the authority of the House to negotiate and sign for those funds.

The Bill authorises the Government to borrow outside Kenya a total of £40 million, Sh. 800 million up to 30th June, 1967, for the purposes of development projects approved by the legislature through the development estimates. I do want to stress this point before the Hon. Members charge the Government with anything. That in approving this Bill the Parliament will not be giving away powers of annual financial control. Indeed, the Government will have to obtain Parliament's approval of annual estimates in order to spend moneys raised under the terms of this Bill, and even further, In section 5 of this Bill, members will note, the Minister for Finance is required to report to parliament the terms of this Bill, and even further, in section 5 of this Bill, members will note, the Minister for Finance is required to report to parliament the terms and conditions of all loans negotiated under this Ordinance. There are, therefore, ample provisions in this bill for full Parliamentary control of both the Government borrowing and Government is spending. We very much appreciate this parliamentary procedure and, as a Government, we are committed to supporting these democratic procedure and we do not want in any way to tamper with them. Parliament continues to have ample time every year and each time there is a loan to discuss the terms and the conditions on which the money is approved. Above all, the moneys can only be spent on such projects which have already been approved by this Parliament.

Now, this is the first time Mr. Speaker that the House is being asked to approve a general as opposed to a specific loans ordinance for external borrowing. They already exists, as many Hon. Members know, a general ordinance which enables the Government to borrow money locally, but for external borrowing this is the first time we are introducing such provision. The reason is that with the coming of independence, the reason is that with the coming of independence, the Government would like to have

a much more flexible approach to external borrowing. Up to now, plenty of the external borrowing has been done with the help of United Kingdom Government. One of the beauties of independence will be that we shall have to face the cold economic winds which every other independent nation has to face, but I know the Hon. Members of this House would not want to think that that is a terrifying experience at all. In fact, many of us welcome the opportunity to stand up in the international community and to have a separate international identity for our country, our new nation, Kenya. However, this does mean that in seeking to borrow, we shall be on our own, and that therefore we need to have an attitude towards borrowing which is flexible so that we can go to the East, to the west, to the north if there is such a new bloc to the south. If there does come one, or even to the centre.

Mr. Speaker, this is a serious matter, because quite often when there is an offer for a loan, we want to clinch it at that moment and to sign for it. It would be unduly cumbersome if, every time there was such an offer for a loan, we had had to come to this House for specific Bill to be passed. It is for that reason, to have that flexibility, which we want to have the provisions which this Bill grants to the Government. I hope that the Hon Members will see that particular side of the question.

Mr. Speaker, I want to stress one important point. I mentioned the figure of £40 million which is Sh. 800 million for the benefit of the people who, earlier on, seemed to be slow in understanding. I want to stress that we have not yet raised the £40 million. What the Bill does is to give us the power to raise funds up to that sum, £40 million, for the purposes of development projects. We very much hope that we shall be able to raise that sum; indeed we might be lucky, we might be able to raise more. However, I do want to stress that we have not been able to raise it, but we are hopeful that with respect to the British Government, very soon we shall be able to finalise the financial settlement with them satisfactorily for both sides. We very much hope that our approaches to various international agencies will also be successful. I did want to stress that point, just in case members get the wrong idea, that we have that money already.

I want to draw the attention of members to Section 7 of the Bill, which provides that nothing in this ordinance shall apply to any money borrowed in a number of other loan ordinances which are specified in that section. These are ordinance which were passed by the House earlier on, in the last few years, providing authority to borrow in the United States, from the international Bank, in Germany, in Britain, and from other sources. This specific ordinance—there are six of them – will continue to apply. Indeed, it should be noted that under the loans ordinance which authorizes us to borrow from the United States an amount of £6million, this amount still remains to be negotiated, and therefore, we are very keen that that particular ordinance should continue to apply. The specific ordinances which have already been passed will continue to apply, but we want this general ordinance which will allow us more flexibility in our negotiations.

I will anticipate one point, Mr. Speaker, which is bound to come from the opposition – it always does come—that the money which the Government borrows should be spent fairly, on all parts of the country. We want to assure everybody in this country that the policy of this Government is to have development in every single square yard of this country. We have no intention whatsoever of concentrating development in certain regions or in certain districts. Indeed, in the planning which we are doing now, we have projects which will come up in this House in due course for the development of all parts of the country; including those parts which some people call the low potential areas. We do not believe that merely because a region is dry, development should not take place.

The Speaker (Mr. Slade): I do not think that we can discuss, in this debate, what precise development will be undertaken, in view of the provision in the Bill that the development estimates before expenditure, will come before this House.

Mr. Kibaki: Mr. Speaker, I am grateful to you to you for that assurance, but I did want to mention it, because Hon. Members always do. With that assurance, Mr. Speaker, I will not proceed along those lines, but I would like to recommend to the House that they pass this Bill. Give the Government freedom to negotiate the various loans, particularly Mr. Speaker, as we are very keen that we start hard work after independence, and we want to waste no time with the procedural matters such as the passing of Bills. With these few words, I believe that everybody in this House will see that this is a necessary foundation for any of our financial activities, and that they will not be unduly difficult in supporting this Bill.

Mr. Speaker: Mr. Kibaki, I understand that you are not likely to be here when the debate is resumed, in which case you may want to nominate somebody to reply in your place. You can either do it now or by writing to me before you take your leave.

Mr. Kibaki: I would prefer, Mr. Speaker to write to you. My reason for going away is Government business and I have to leave tomorrow morning and that is why I will give it to you in writing.

THE WIDOWS' AND ORPHANS' PENSIONS (AMENDMENT) BILL

July 31, 1963

The Parliamentary Secretary for Finance and Economic Planning (Mr. Okelo-Odongo): Mr. Speaker. I beg to move the Widows' and Orphans' Pensions (Amendment) Bill be now read a Second Time.

The Bill makes three amendments to the principal Ordinance as follows: (a) the replacement of the existing definition of the public service in the Ordinance by a new definition which defines more clearly what service is to be regarded as public service; (b) the exclusion from the scope of the Ordinance of officers appointed in future on agreement terms; and (c) the inclusion of the overseas addition and personal inducement allowance as part of the emoluments on which contributions to widows and orphans' pension schemes should be determined.

Mr. Speaker, Sir, I beg to move.

Mr. De Souza: Seconded.

The Parliamentary Secretary for Finance and Economic Planning (Mr. Okelo-Odongo): The Governor has signified his consent to this Bill. It has been the policy of the Government in the past to consider an increase on pensions each time there has been upwards revision of salaries for serving officers. Increases on pensions were first agreed in 1945 and became operative on 1st January, 1944. Such increases are considered after any upward adjustment is made to the salaries paid to serving officers by way of either a cost-of living allowance or a general revision of salaries. The grant of increases at present paid to pensioners was made in 1956. That is the date from which serving officers' salaries were consolidated by including the cost-of-living allowance which was payable at that time. The Flemming Salaries Commission recommended a revision of salaries for serving officers ranging from increases of 7 per cent to 30 per cent. These increases were accepted by Government and took effect from 1st April, 1960.

In view of the precedents to which I have referred and representations made to Government by the Pensioners' Association, Government has given careful consideration to possible increases in pensions. Having regard to Government's financial position, a limit of relief to pensioners has been agreed and

increases will be awarded with effect from 1st July, 1962, on the basis of the conditions set out in clause 6 of this Bill.

Mr. Speaker, Sir, I beg to move.

Mr. Agar: Mr. Speaker, Sir, when I read this amending Bill, I could not understand it all very clearly. I have two unfair aspects to point out. One concerns whether this concession is not going to cost us more. We are crying out for money for development. Secondly, it is true that as we go through the transition period when most of the Government servants who are to have pensions are colonial civil servants and will be leaving, will the Government not incur much more expenditure through these people leaving the country? They will be paying for those who are not going to continue to help us and this will drain us of our money and it will go to over-seas countries. I would like to have more information with regard to this Bill and how that is going to be handled. Is it going to cost the Government more? How is it that the Government brings this Bill at this time, when we know that it is going to rob us of the money in this country? We shall be paying our money to those who are not serving Kenya any more.

Mr. Jahazi: Mr. Speaker. Sir. I am not quite happy about this Bill. The idea behind the Hemming Report was that expatriates should be remembered by the British Government and be given a golden handshake on retirement. They knew that Uhuru was fast coming to this country and that an African Government would not feel so kindly disposed towards them. The British Government contributed a very large sum towards these awards. I would therefore like to know how much the British Government is prepared to contribute in making up part of this £29,000. Until we know where we stand I do not think we should contribute anything towards this idea which was mainly suggested in order to help expatriates. The present Government had nothing to do with that; it was the idea of the British Government and if they want to compensate the pensions of their people, they must do it themselves. It is not fair to expect this Government to contribute to any plans made by the British Government to help their own kith and kin.

The Parliamentary Secretary to the Treasury (Mr. Kibaki): Before we get too emotionally involved in the House, I would like Members to think seriously of the words that they are uttering here. Mr. Speaker, the same people who are being very emotional about what responsibilities are ours and which are British, are the people who have been demanding that they want independence tomorrow. The responsibilities of independence have got to be faced and it is no use indulging in "ifs" as the hon. Member who has just spoken is doing,

We all know, that if Britain did not colonize Kenya that we would not have had to fight for independence; we know that if somebody had had foresight and built a large National Assembly before, we would not have had to spend money extending it now; we know that if the Hon. Member had not been born he would not have spoken in this House; we know all these "if" so. Mr. Speaker, but let us be honourable Members and not indulge in emotions. I agree with the Hon. Member that it these funds had been funded in the way which he suggested the pension scheme would have been self-financing. That we all know. But that is not the issue. The question is that we are going to be independent and we have to face the responsibility and we have to inherit the mistakes of the previous Government: this is the hard part. You cannot say that when a new Government comes into power and the old one made a given mistake, you cannot say that because it was the mistake of the previous Government you are not responsible. The question involved here is very simple. I can explain it in two sentences. It is an accepted principle, of which this House will approve, that people who are pension-able have to be looked after by the Government to make sure that they do not become destitute. The Government has accepted the responsibility of paying the pensions, there is no question of paying or not paying the pensions.

An hon. Member: I want to get from you, Mr Speaker, on a point of order, whether it is obligatory for this House to pay for a commitment which is repugnant to them?

The Speaker (Mr. Slade) I have told you already what constitutes a point of order and what does not. That is not a point of order.

The Parliamentary Secretary to the Treasury (Mr. Kibaki): If a country gets independence, it has to accept the responsibilities that accompany it. In this case, the principle of the payment of pen Minis to the people who have served this country has been accepted. I agree with the Member who has just spoken that if this had been organized properly in the past we would not have to pay this increase. It is a fact that in every country, from time to time, there is review of the payments to keep in line with the changing standard of living, with the increase in that cost of living and, above all, to make sure that a man who serves in a given capacity does not sink to an incredibly low standard of living because there has been an increase in prices and because other people around him who are now serving are earning a higher wage. The occasion for this commitment was that, some two or three years ago, there was a Commission, the Fleming Commission, which revised the salaries. The Commission decided that from the 1st April, 1960 the salaries would be revised and there would be increases in them ranging from 7 and half per cent to 30 per cent. Consequent on the increase in salaries, it was clear that the people who in many cases— have not had their pensions reviewed in a very long time, were now going to be placed in a position whereby they were going to be at a tremendous disadvantage.

In view of the changing circumstances, changing cost of living and all those other factors, it was therefore thought, and quite rightly, that there should be a review of what was paid to these people. The question does not arise whether these people are Asian, European or African, The answer is simple. If any Hon. Member here was a civil servant, when he retired he would be the first to demand that the pension he received from the Government was in proportion to the changing standard and cost of living. He would be the first to demand, because he would be placed in the position where his standard of living would be declining when everybody else's would be going up. A destitute position. That position is intolerable, Mr. Speaker. What I am trying to express is that hon. Members have to face up to the fact that the British Government paying pensions is quite distinct from the question of compensation. These are not the same, Mr. Speaker. They are separate issues.

On the question of compensation for loss of career, an arrangement has been arrived at between ourselves and the British Government indeed, this arrangement was made by the previous Government—and one of the leaders of that Government is here now talking about pension. This arrangement is an entirely separate issue from that of pensions. Pensions are payable by the Government to people who have served that Government, It is a well-known fact that Governments do not die, they change and new Governments come in to inherit the responsibilities. These Members

An Hon. Member: On a point of order. Is it in order for the Member to refer to other Members merely as "Members"?

The Speaker (Mr Slade); Strictly speaking it is not correct. "Hon Member", please, Mr. Kibaki.

The Parliamentary Secretary to the Treasury (Mr. Kibaki): These “Hon. Members” What I am trying to say is that if a company changes hands, you would not refuse to pay salaries to the people who served that company before you look it over. It is an accepted principle of etiquette in dealing with other human beings in all walks of life. What we are talking about here has nothing to do with the extraneous matters that have been raised about the Government being unable to do anything. This is part of our responsibility and I would ask the Hon. Members to face the challenge of being independent. Do not talk as if you do not want to be independent.

CHAPTER 3

MINISTER FOR COMMERCE AND INDUSTRY**Question No. 338****CONTROL OF THE NATIONAL ECONOMY**

Mr. Omar asked the Minister for commerce and Industry whether he would tell the House the percentages of our national economy controlled by the African community, the European Community and the Asian respectively.

The Minister for Commerce and Industry (Mr. Kibaki): Mr. Speaker, Sir, again, this is an exercise which has proved very difficult to us. The statistics maintained in this country are not kept in these category heads which have been asked. We are endeavouring to see if we can arrive at even tentative figures. I would be glad to circulate them to him.

Mr. Omar: Arising from that reply, Mr. speaker, can the minister give an assurance in the House that he will start keeping the statistics of these things so that in future we can know them?

Mr. Kibaki: Mr. Speaker, Sir, the short answer is no. It is futile for us in this nation to try and keep figures of development projects, companies and other income-earning units in racial terms. It is absolutely futile.

Mr. Oduya: Mr. Speaker, Sir, will the Minister, therefore, tell the House what other methods the government is using in satisfying the country whether the Africans are moving forward to control the economy; what percentage originally held by Europeans and Indians is now moving over to the Africans? How does he get to know this if he says it is difficult now to get these figures done? We are interested.

Mr. Kibaki: Mr. speaker, sir, we are now keeping information in the Statistics Division of the Ministry of Economic Planning and Development, according to the categories of the type of occupation that people derive their income from. These are the meaningful categories in terms of planning. The kind of categories we are being asked to keep our statics have no relevance to any exercise either in development or planning, or even in any form of politics, other than those of the Hon. Member.

Mr. Okelo-Odongo: Mr. speaker, sir, would the Minister agree with me that it is the policy of the Government and also of the plan that as much as possible of the economy should be controlled by Africans? If this is so, how is he going to know that they are achieving this aim, when they do not keep the necessary statistics?

Mr. Kibaki: Mr. Speaker, Sir, the policy is not at all an issue. The question is, in order to carry out that policy, in what form should the statistics be kept? We are now, as I have just explained, Mr. speaker, keeping statistics to show us the occupations, the people engaged in those occupations and the incomes they derive. We will, therefore, be able to know the proportion of the national income is changing hands and, above all, Mr. speaker, we will be able to know the rate of increase of the gross national product.

VOTE 24- MINISTRY OF COMMERCE AND INDUSTRY***That Mr. Speaker do now leave the Chair***

The Speaker (Mr. Slade): Hon. members will recall that Tuesday when this order was called the Minister was here to move that Mr. Speaker leave the chair, nor to move the appropriate resolution in committee after the house had moved into committee. No doubts, Mr. Kibaki will now give his explanation to the House and subject to a satisfactory explanation to the House; and, subject to a satisfactory explanation, I imagine that, although we had technically moved into Committee, the house would like to revert to a motion that Mr. Speaker do now leave the chair, to give the Minister a chance of opening a policy debate. With the leave of the House, we will do that, after hearing what Mr. Kibaki has to say.

The Minister of Commerce and Industry (Mr Kibaki): Mr. Speaker Sir, it is a very unfortunate position that developed. What did happen, Sir, is that there was a long list of members waiting to speak on the education until the close of the House.

Hon. Members will recall that this was the week when we had quite a number of engagements in connexion with the show, and I did therefore, Mr. Speaker accept a number of engagements to open various stands and generally to encourage those our people who exhibit at the show. I did go there, genuinely believing that the house would continue on education until the following day.

Mr. Speaker Sir, I would be pleased if the House would want to debate the Ministry of Commerce and Industry and could go back to a general statement on policy.

Mr. Speaker (Mr. Slade): As I said earlier, the House had already gone into Committee, but had not proceeded to any business in that Committee because no motion was moved. So, with the leave of the house, we will now forget that and allow Mr. Kibaki to move that Mr. Speaker do now leave the chair.

Mr. Omweri: On a point of order, Mr. Speaker now that the Minister has given a reason for his absence, would you allow him to tell us where his two assistant ministers were, because they did not refer to that.

The Speaker (Mr. Slade): Order! Order! It was not a case of the Minister wishing to delegate to anyone. He made it quite clear. It was simply a case of miscalculation as to when this Vote would come on. He was ready to come himself as soon as it came. He and his Assistant Ministers in the Ministry believed that there was no need to stand by that day.

I think Hon. Members will accept this perfectly genuine apology, in the hope that it will not occur again.

(The leave of the House was given)

The Minister for Commerce and industry (Mr. Kibaki): Mr. Speaker Sir, I am grateful that the House wants to debate the issue. Therefore, Sir, I beg to move that Mr. Speaker do now leave that chair. This is to enable me to make a short statement on Vote 24, Ministry of Commerce and Industry.

Mr Speaker, Sir, before going on I would like to mention a few things about the years that we have gone through since independence. Since independence, there was immediately a noticeable resurgence of commerce and industry activity, and this gathered even greater moments in the year 1965. This hon.

Members will remember it despite the very serious setbacks, such as diseases, drought, fall in prices in our major exports, factors which otherwise, Mr Speaker, would have been expected to reduce the level of income and the level of economic activity. However, as I said, despite those hard economic conditions, our economy picked up the activity in the industrial and the commercial sector gained even greater momentum. I, personally ---- and I know this is the view of of many Members---place plenty of the reasons for the activity on the fact that since independence, this nation of ours has established a political stability and an efficient administration which has in the eyes of our own local investors, in our eyes of our own businessmen, and in the eyes of foreign investors and other people interested in promoting development here, come to establish Kenya. Mr. speaker, as the soundest investment prospect in the whole of Africa. Mr. speaker. This is an image of Kenya which we are all very proud of and which, although it cannot be measured in quantitative terms of money, is the most important background factor to the development that has taken place in the last year.

I want to mention too, that indicators which we use to assess the progress of development in commerce and industry show that 1965 was a very good year. Thus, for instance. Mr. Speaker, we had 427 companies registers during that year. There was a small decrease in the amount of capital that went to these companies primarily. Sir, because a very good number were small companies owned by the local people and whose scale of capital was to that extent limited. This is not stated with any regret. Indeed, it is a healthy sign of what we want to encourage here, that the Africans should themselves take a much greater part in the development of commerce and industry in this country.

In 1965, Mr. Speaker, 108, or 25 percent of the new companies registered were wholly African owned and 54 percent of the new businesses which were registered were African. I will refer to this aspect later on but it is important that once more we are now getting Africans into business whereas for a very long time there was business whereas for a very long time there was a tendency to assume that the occupation of the African was in Agriculture or in being employed to work for somebody else. Now, with the new enthusiasm of independent, we have Africans who have come forward to establish their own business and the Government, as I shall mention in a minute, is determined to give them every assistance to succeed.

It is also perhaps a happy thought to mention that during that year the number of companies which went into bankruptcy or liquidation was only seven, compared to twenty eight the year before. This does indicate, Mr. Speaker, that there was healthy activity in commerce and industry and that companies generally did well. There is no doubt that this is most important aspect when we want to encourage more companies to start, because no one is going to enter business where others are vacating and leaving.

There are very many factors which influence this pick up and acceleration in our commercial and industrial development. One of the more important ones, Mr. Speaker is the fact that we were able to continue on a healthy line in our external trade. Thus during this period which is under review, a very high level of export which was £47, 000,000 in 1964 was maintained despite the fact that - as I said earlier on - Our own export earning which we used to finance imports, did go down. export went up and last year, Sir, were £89,000,000, and this is the highest recorded import figure - let me add this, Mr. Speaker, that it is wrong for those people who go round saying that merely because we import more than we export, that we are therefore by that sheer fact, living beyond our means. This is a very antiquated economic thinking which seems to have sunk in some people's mind and which ought to be nailed once and for all. Sir, for a nation like ours, it is natural that we have an adverse balance of payments because this is the development period when, of necessity, we must import the capital equipment, the capital plant that we need in order to establish the base for further development in this nation. Thus, so long as we are not merely importing consumer goods, which are consumed and finished without trace, so long

as we continue the trend wherein the larger proportion of our imports is for capital equipment, then we need not be worried. This is not to say, Sir, that we do not want to add to our ability to purchase. Indeed, we want to add to our ability to purchase. Indeed, we want to, and the whole of our development programme is geared to make sure that we are able to finance from our own pockets those imports which are needed for development for the consumption of our people in this country. To do this, it has been our policy to continue to diversify things:

One, sir, and the sources of what we import in this country. Before independence there was- maybe, naturally in view of the history of the last seventy years- a certain concentration regarding the sources of the imports that came into the nation. It is natural that after independence, our policy of not being entirely dependent on one source of imports that came into the nation. It is natural that after independence, our policy of not being entirely dependent on one source of imports should now begin to show results. If you look at the roads, at the shops, industrial area here, you will. Mr. Speaker, see the results of two years of this policy, that now our imports, whether of cars, whether of any other imports, are now from very many sources. It is our intention that policy of diversification should continue.

It is also our policy, Mr. Speaker, to continue to diversify the markets to which we sell our exports, because we believe it is entirely unhealthy, particularly for an agricultural nation like ours, to continue to depend on one or two markets for exports of this country, because then we are too dependent on fluctuations, changes that take place in those other countries. Mr. speaker, therefore, that policy of diversifying the sources of our supply, the markets for our production, will continue, and we believe it is a policy that should lead to greater stability.

Sir, there are other indicators which Hon. Members may want to note, which again indicate that Kenya is set on the path to greater prosperity if only all of us will roll up our sleeves and work harder. Thus, Sir, the gross domestic product of this nation rose to £287.6 million last year's compared with 1963. This was £30 million more in that period of one and a half years. Sir, it is a significant increase.

If you look at the total wages paid to the workers of this nation, it was £8 million more than what it was in 1964. The total was £113.7 million. If you look at another indicator i.e. freight handled at our main port of entry and of the export, that is, Mombasa, you will see that the amount of freight handled there went up by 300, 000 tons in 1965 compared to 1964. Now, this is a very big increase. It shows that both export and import were going up, and it shows also, Mr. Speaker, the very vital need for Mombasa to be developed and to be able to handle a greater tonnage as our development goes on.

If you look at Nairobi Airport for instance, the numbers of people going through were during last year about 70, 000 people more than in 1964.

If you look at the amount of private buildings in towns which is another indicator, Mr. Speaker, which we use for economic and industrial activity, in Nairobi alone the amount exceeded £2 million. This was higher than it was even in 1961 when there was a very large boom of construction here.

Hon. Members themselves will have noted the increase in the number of private motor vehicles, Lorries, and buses that are being brought into operation in the country. This is an indication, Mr. Deputy Speaker about a certain measure of prosperity, about a certain measure of larger incomes falling into the hands of people. In fact only last night, a friend of mine was remarking that people who previously used to buy scooters are now buying second hand cars. There is, Mr. Deputy Speaker an indicator there for this development which is taking place.

Mr. Deputy Speaker Sir, I would like to mention one other factor which affected our performance last year. That is the frictions which did develop within the east African common market and which did lead to Tanzania restricting certain imports from Kenya to their market. It is true that in the case of two or three industries they were very badly hit, and they had to diversify to produce different products, or we had to embark on an export drive to find alternative markets.

Mr. Deputy Speaker Sir, in spite of these setbacks we are once more going back to stability, in that many of these industries have adjusted, are able to export even more than they used to do, and perhaps, most significant for the member here, the level of consumption of our own people in Kenya is going up, and it will go even further. Let me hasten to add, Mr. Deputy Speaker, Sir, that in the case of these frictions within the common market, we have already had the Philips' Commission, whose report has been submitted to the government, and which this has been considered by those Governments, and which we hope will be finalized within the next few months.

Mr. Deputy speaker, it is important that we put to our people that they must not be entirely dependent on the internal market. Every nation, Mr. Deputy Speaker, that has been able to develop, has depended for its development on export. Indeed, one nation in western Europe, immediately after the war used to have a slogan which is not too true for Kenya, that they must export or die. It's not an exaggeration, it is the truth, that unless we are able to export we can hope to raise the level of incomes to the extent that we want to do.

I did mention, Mr. Deputy Speaker, that the resurgence of confidence of greater work in this nation was very significant in 1964/65. Perhaps if I mention, Mr. Deputy Speaker, just a few of the Industrial projects that have taken place during that period, it might give a rough indication of what I mean by this development. I will give only a few examples which I have taken at random merely to give a rough idea. You will have noted, for instance, that during 1965, industries such as Nakuru Industries have put in greater capacity. They have also come into production of new goods, indeed we are now having what is called Italian style rugs produces by that particular company. If you look at the container industries, like the Metal Box Company, recently, they have opened new extensions making tubes used for toothpaste, and rubber solutions. They are manufacturing all these things locally, and some of them from local raw materials.

You can also look at the Packaging and Printing Corporation which has carried out very large extensions. Mr. Speaker Sir. I do not want to bother the Members here with details of all this, but I know they will have themselves, in going round, noticed these industries which have put plenty of money. In view of time I need not list them Mr. Deputy Speaker.

During this period, let me mention those new industries that were started. You have the Kisumu Cotton Mills, the Kenya Taitex Mills at Thika; the large Colgate-Palmolive industry in Nairobi; you have the Sisal Twine and Rope Factory in Nairobi again; you had the electric and wire factories, two of them, that is the East African Cables Limited and the Modern electric Company which were started, again, during last year. We had the extension of the singer Sewing Machine Company factory; we had rubber soling factory started by the Metal Containers; we had, as you well know, recently in Mombasa

CHAPTER 4

MINISTER FOR FINANCE AND ECONOMIC PLANNING

Question No 71

Assesment of Income Tax

Mr. Muturia, on behalf of Mr. Nyaga, asked the Minister for Finance and Economic Planning whether the present system of assessment of income tax is based on the rising cost of living (food, clothing etc)

Minister for Finance and Economic Planning (Mr Kibaki): Mr. Speaker, I beg to reply. Mr Speaker, Sir, the hon. Member for Embu North should know perfectly well, the basis of the assessment of income tax. If he does not know then it may be that he does not pay income tax.

Mr Muturia: Mr. Speaker, Sir, since the Hon. Member wanted to know how the income tax is assessed could the Minister tell him how this is done.

Mr Kibaki: Mr. Speaker, Sir, I have said quite seriously that the member ought to know how this is done. It is only a few months ago that the member himself passed the Income Tax Bill in this House which defines taxable income. If he is asking this kind of question it leads me to believe quite firmly that he is not paying income tax and I hope the Commissioner for Income Tax will look into his position.

Mr Nthenge: Mr Speaker, Sir, could the Minister tell the House what, if any, effects the recent taxation on consumer goods has on this income tax law?

Mr Kibaki: Mr Speaker, Sir, the hon. Member for Iveti South specialises in mixed up questions. These two things are utterly unrelated.

Mr Nthenge: On a point of order, Mr Speaker, Sir, do you think the Minister is right in saying that these two taxes are not connected yet the payers are the same people. I pay my income tax and still pay my purchase tax, and we pay this to the same body, that is the Kenya Government. How come that these two taxes are not connected. Is the Minister right in what he is saying?

Mr Kibaki: Mr Speaker Sir, I am perfectly right. All of us pay numerous taxes but they are not the same.

Mr Nthenge: I know.

Mr Kibaki: Since the Hon. Member knows this I do not see why he should ask this question.

INTERNATIONAL DEVELOPMENT ASSOCIATION BILL

The Minister for Finance and Economic Planning (Mr. Gichuru): Mr. Deputy Speaker, Sir, I do not think [have anything to add to what I said on Wednesday in introducing the Bretton Woods Agreements Bill. I therefore beg to move that the International Development Association Bill be read a Second Time.

The Parliamentary Secretary for Health and Housing (Mr. Argwings-Kodhek): Seconded.

(Question proposed)

(Mr. Kibaki): Mr. Deputy Speaker Sir, I have really nothing to add because this is consequential on the Bills we have already passed, which we have covered, but I think I should take the opportunity—it is a great pity the Leader of the Opposition is not here - to clear a confusion in his own mind which he is trying to get through to the country. The confusion is that there is in any way neglect for certain areas in the development plans of the Government. “That is absolutely false, Mr Deputy Speaker. The Government views the whole country as one, and we in our planning have no intention whatever—indeed we would be failing in our duty if we had any such intention—to neglect any part of this country. His confusion over the so-called high-potential and low-potential areas should be cleared in this manner: if the high potential area was devised in relation to certain development factors, such as having good rainfall, having land which could grow the then outstanding cash crops, coffee, tea, pyrethrum, et cetera. We know in our planning that even the areas which are dry as of now can be rendered areas of high potential by irrigation, by providing water and by all the other known means of making these areas productive. Therefore, the definition of high-potential areas is not as a static one. It depends on what investment you have to put into that particular part of the soil. Indeed, Mr Deputy Speaker, only the other day I was surprised to see that in Egypt, for instance, They have reclaimed square miles of desert by irrigation, and land which only five years ago would have been classified as the lowest potential, being a desert, is now of very high potential because they have very good irrigation, they have good soil. They are planting the best crops you can think of, and they are getting money out of it.

So in our planning we have ideas to develop all parts of this country. Indeed, the Hon. Leader of the Opposition should know that as of now we have missions surveying the potential for irrigation in the Tana River Basin. We have another mission surveying the irrigation potential of the dry Turkana and Samburu areas, so we have plans going ahead for the development of these areas. Right now, Mr. Deputy Speaker, one of the best products you could put on the market is meat, it is in great demand. Another product is sisal; right now it has a very great value. These drier parts of the country could, if properly organized, produce such products.

What we require in this House and from everybody in the country is to encourage those people in the dry parts of this country to work hard, to co-operate with the Government in the schemes, for instance, in producing a barter stock of cattle, to co-operate with the Government in programmes of land consolidation and to co-operate above all with the Government in working harder whenever we have these programmes, as I said yesterday. I wanted to stress that point for the benefit of the Leader of the Opposition and the country at large.

Equally important, Mr. Deputy Speaker, is the question of the borrowing terms, and this has relation to the Bill we are now debating. I do not think we want to deceive ourselves that we are in a position to dictate even to a local bank as to the terms on which they will lend us money. They know on what terms they are willing to lend and as a borrower we are in the worst position to tell them the terms. international agencies have been operating for a long time, and it is wrong for anybody here to try and believe that Kenya is going to be in a position to dictate the terms of borrowing. The best we can expect to do is to co-operate with the rest of the nations in the world in trying to liberalize the terms on which credit is available to all the under-developed countries, not merely Kenya alone, and of course, you will realize, Mr. Deputy Speaker, we will not be in a position to exert that pressure unless we are members. Mr. Deputy Speaker, I think everybody agrees that we should become Member.

The Minister for Finance and Economic Planning (Mr. Gichuru): Mr. Deputy Speaker, with these very important remarks made on the whole issue I beg to move.

3rd July, 1970

Budget Speech

Minister for Finance (Mr. Kibaki): Mr. Speaker, Sir, I am grateful to the very many members who have made very important contributions to the debate on the budget. Many members have very detailed recommendations on how we should have constructed the budget. Others have made very detailed recommendations on what should now be done by Government. I want to assure them that we have noted all these and where in fact it is possible we will be guided by the wisdom that has come through in the debate in which members have participated in the last seven days.

For today, Sir, I will make a point of replying to what I thought were the prevailing points raised by many members and reemphasised by others, because if I was to reply to each request, particularly those relating to specific Constituencies, then it would be very difficult indeed and would take up too much time of this House. However, there are certain central points that have been raised by every member who has spoken in this House.

One prevailing question – if my friends at the back of me would be more silent, Mr. Speaker, as they are consulting on their weekend engagements – and a very central point which has come right through the whole debate has been a subject of what every member has called tribalism and that there is a need to take action to eradicate tribalism. However, what is distressing to me Mr Speaker, is through the speeches which were made here everyone seemed to be seeking somebody else to accuse of tribalism. Everyone who spoke pretended he was not guilty himself, but somebody else somewhere practices tribalism. Now Mr. Speaker, I want to say quite frankly that if we have this attitude of mind, we are never likely to find a solution for the simple reason that in my own thinking, tribalism is only promoted by people who are in positions: people in Parliament, in Government, people who are in position in various establishments in the private sector or in the public sector, and people who are in position to make decisions about the future of the ordinary man and woman in the country.

Mr. Speaker, I am quite clear in my mind that the interests, the basic interest of the ordinary worker, the ordinary peasant farmer from whatever tribe – I am convinced – are identical.

If you go to Bahati on any day and see women carrying babies queuing in front of those overcrowded dispensaries, you cannot possibly think that there is tribalism in the queue. The same for the people we saw queuing at the stadium in search of jobs. You cannot possibly see that there is any tribalism practices there. The interest of those workers, the interest of the ordinary farmer who is trying to get a better price for his produce, whether its milk, cattle, vegetable, coffee, tea or anything else is identical with that of any other peasant farmer in the country.

Hon. Members: Hear, Hear

Minister for Finance (Mr. Kibaki): I am quite clear in my own mind about these Mr. Speaker, I am quite clear too, Mr Speaker, that when workers form a trade union in a given industry to promote the welfare of workers in the industry, again their interests is identical and it is quite identical. If we want to search tribalism you will find that it is practiced by the people who are in position because they are short sighted, believe they can exploit the obvious sentiment, tribal affinity, for their personal promotion of political status in the future. This is where the source is Mr. Speaker, I would have thought all of us being politicians, would have recognised that this is where the disease is originating. Let us at least make a diagnosis, a correct diagnosis, even if we do not have a moral courage to get a cure for it. A correct

diagnosis is what I have just said, Mr Speaker, can help this. I am quite sure in my own mind. Therefore, Mr Speaker, instead of members of this House all of us , pretending, whenever they speak, that they are angels and they are some other devils somewhere promoting tribalism, I would like to suggest ---

An Hon. Member: May I interrupt, Sir?

Minister for Finance (Mr Kibaki): Mr Speaker, when hon Members spoke they said that they would speak their mind. I am sure that they would also expect the Minister for Finance to speak his mind.

Mr Speaker that is my view on that particular subject. I am sure too that some of the suggestions made by members in this House that inquiries - whenever there is a major complaint in a given section or department - should be carried out and done publicly, are very healthy ones. I am sure that this is something which we as Government would offer take seriously.

There has been, throughout the debate, Mr. Speaker, another, theme which I want to mention. It has been mentioned that we should have what has been called "a balance in the development of all areas". Mr. Speaker, it has always been suggested - and I have listened to all the suggestions- that the government must do this and do the other and do the third thing, in order to bring about that balance.

Now, Mr. Speaker, I accept that we, as the Government, particularly people whom Mzee has chosen for positions, have a duty, we have a responsibility to ensure that the resources available to Kenya are utilised in such a way as to promote rapid development of all parts of Kenya. In this Budget, Mr. Speaker, and in the last year's Budget, and in the new Development Plan, there is deliberate effort- If I might mention just a few things, Mr. Speaker, in the field of education, for instance, is a well known fact that in those sparsely populated areas, where the population is not yet fully settled, we have made efforts to build what are called boarding schools even at primary level.

An Hon. Member: Where are these?

The Minister for Finance (Mr. Kibaki): It is also, Mr. Speaker, true, despite whatever my friend at the back is shouting, that in those same areas, over the last three years and the new Plan, it has been agreed that anyone who goes through Standard VII will, in fact, go to a secondary school, whereas, in most other Kenya districts, only 10 percent of the children get a place in secondary schools. Mr. Speaker, more recently, in February of this year, when we borrowed nearly £2.5 Million for water development out of the projects which are being financed, at least 30 of them, more than a third, are, Mr. Speaker, in those so called dry parts of Kenya.

Hon. Members: Where?

They are - Mr. Speaker, I never speak without facts because, Sir, I do not believe in general slogans, because slogans go out in smoke and die. However, hard facts, Mr, Speaker, will persist beyond the immediate emotion. Mr. Speaker, the fact is that I can lay paper on the Table, to show which objects will be financed from that loan, and one will see that there is a concentration in the North- Eastern Province and the North parts of Eastern Province of Kenya, and that Mr. speaker, it is true.

Mr. Mutiso: It is not true.

The Minister for Finance (Mr Kibaki): What is the point of the Member for Yatta pretending he does not know? If he does not know, the only way to find out the facts.

However, Mr. Speaker, I am mentioning that there is deliberate effort on the part of the Government, to recognize that we as Kenyans should promote a programme of development which will bring Kenyans at least to a certain minimum standard of living, and not to have different areas growing at such disparities. This, I accept, Mr. Speaker.

Mr. Kitonga: You have forgotten Kitui!

Minister for Finance (Mr Kibaki): Now, one friend of mine says we have forgotten Kitui.

Mr Kitonga: Kitui East!

Minister for Finance (Mr Kibaki): Mr. Speaker, he is not worried about Kitui now. He now says we have forgotten Kitui East. Now, Mr Speaker, as I said earlier on, it is not possible to deal with everybody's home area, because that is a different matter.

What I am saying Mr. Speaker, then, if one looks – I want to be quite frank – at the present allocation, there is a £10 million for instance on roads, to open up rural areas, upgrade various trunk roads. Again, Mr Speaker, the distribution of expenditure, in my view – and anybody who wants to bring it here, I mean can honestly challenge it, I do not mind if facts are challenged – will show that there is an effort by the Government to build roads in those parts which have not had good roads and have not been linked to the main commercial centres. Baringo, Turkana and all these places are included. Now Mr Speaker, despite our making these efforts, I can note that various members for obvious political reasons made it a point of attacking some districts that they are having all the development, all the tarmac roads. Now Mr Speaker, if you challenge the member for Yatta to say which new tarmac has been built in Kiambu since independence, he will not be able to point out the road that has been built in Kiambu. Those roads for the benefit of the Members for Iveti South who does not seem to know any history, were in fact tarmacked by the Colonial Government for the simple reason that these parts we are talking about were what was called settled areas and the pattern of expenditure in the colonial period was, as you will see if you travel around Kenya, was to build roads which lead to the settled areas. This is why you can have a little strip from Kericho to Sotik and stop there, and it does not go on to Kisii. That is why you can have a little strip which runs from here to Limuru and does not go to the Hon. Member for Lari's Constituency. That is why we have all kind of all these things. This is obvious. That is why we used to have a little section just going to near Machakos and they did not bother about the rest of the section.

Now Mr. Speaker, we are therefore, as leaders, called upon to tell this country the truth honestly, because there is no point – in fact, we are serving nobody's interest in pretending and above all in raising false hopes. We are serving no one. I said I agreed that the Government has a responsibility and that we have a responsibility as a Parliament to apportion the money which comes from Public funds so that it is allocated fairly. I agree entirely. If there is any criticism on that kind of thing, I will be with those who raise the criticism. However, equally, let us tell the Kenyans the truth. The truth about development is that it has three sides to it. It is not merely a question of what the Government will do for me, what government will do for my Constituency, what Government will do for what many people talked about, my people, and what Government will do for so-and-so. That is only one side of development. There are three sides to development if we are really want to be honest with Kenyans. One is the Government itself, which allocates the public funds, Secondly, it is the individual and community initiative in the local area itself. If we are going to deceive anyone, at least let us not deceive ourselves. There is that individual initiative.

Yesterday, Mr. Speaker, I was looking, because this has become a problem, at the distribution of dispensaries that have been built through communal effort in the whole of Kenya. I checked on the

distribution as per district of the number of dispensaries that have been built by community self-help effort. You will see there what I mean by individual and community effort. In many districts, there are many dispensaries built and in some districts there are hardly any; there are two, three four and five.

An Hon. Member: Those people are poor.

The Minister for Finance (Mr. Kibaki): I know that a gentleman is shouting that those people are poor. The worst mistake we can make for those people are poor. The worst mistake we can for those people is to induce a negative attitude of mind, "Because I am poor I can do nothing for myself, and must, therefore, expect salvation form heaven or from somewhere else."

Mr. Speaker, Sir, as leaders, we are called upon t tell the people that individual initiative will, in fact, be one of the central forces of development in this country. I am sure, Mr. Speaker, sir, that when each one of us thinks hard he will find that it is so, and we have the responsibility. I agree, if Government is not doing is part, let it be castigated, but equally, let us accept as people that there is that other arm of development which is the individual and the communal effort.

Mr. Speaker Sir, we are going to have a problem in this Parliament and let us not pretend because it is coming in a year's time. What are we going to do with harambee schools and harambee dispensaries? Members have said there, all of them, that Government must take them over. But, Mr. Speaker, have we stopped to think about the budgetary consequences of what has just been suggested, and above all, have we stopped to think about the distribution of the self-help schemes which we say must all be taken over by Government? Mr. speaker, sir, we have to be honest with Kenyans. Mr. Speaker, Sir, we have to be honest with Kenyans. Mr. Speaker, Sir, there are 600 schools which were built on a self-help basis. Now, when everyone is asking the Minister for education to take them over, we have stopped to look at the distribution of the 600 schools and their whereabouts per district and how many there are in each district?

An Hon. Member: That is lack of planning

The Minister for Finance (Mr Kibaki): Mr. Speaker, Sir, there is no point in the Hon. Member talking about lack of central planning because self-help does not have to be planned.

Mr. Speaker, Sir, Members are still looking for a scapegoat and I am trying to lead them to face these hard existing facts. Mr. Speaker Sir, we have 600 secondary schools and we are being urged to take them over. It is a result of what I said was the second arm of development, communal effort and it is the duty of the Government but, Mr Speaker, Sir, if the Hon. Member for Kwale says it is the duty of Government and if Kwale has only two schools out of the 600, we take the two and take 20 schools from another district which has 20----

An hon Member: No, we should take them equally.

The Minister for Finance (Mr Kibaki): Mr Speaker Sir, why not? Mr Speaker, Sir, I think I have made the point that there is a problem coming and there is no point in not facing it squarely.

Mr. Speaker Sir, we have the third arm of development which is leadership. Leadership is not merely what speeches we make but is, Mr. Speaker, that we have to direct people in our areas to positive endeavours. As it is today, in my view there is too much talking in Kenya, too much political talking. We are still suffering from that pre-independence disease of agitation. I am sure that the more I go to

public meetings and the more I listen to the speeches that we are all making, the more I feel that we are still searching for somebody else somewhere who is going to lift this load of problems off our shoulders and also, the more I feel we are refusing to tell the ordinary man that development will be come by his personal will and effort. Let us honestly tell him so. Let us fight here in this Parliament as to how the K£100,000,000 is to be allocated, by all means, let us do so but it is only K£ 100,000.00. The development of this country cannot be generated by the allocation of K£ 100,000.00. We accept that the greater part of development will be by the individual effort, by the will each person to raise his standard of living. So, Mr, Speaker, there is need for this leadership.

Mr. Speaker, Sir, I want to suggest that this is what we ought to do. We are, I believe, I am quite convinced, talking much too much in the meetings we have in various places hoping that will provide us with a solution. It will not, really. I am sure t will not.

Mr. Speaker Sir, there is a theme running through the many points that were made Hon. Members regarding graduated personal tax. Mr. Speaker, sir, I want to make some points very clear. There has been a proposal by, I think the Hon. Member for Eldoret South, that graduated personal tax should be abolished. There were other proposals that there should be greater relief, all of which, Mr. Speaker, I think are very good and reasonable proposals. My difficulty is this, now, in these estimates, as hon. Members will see we expect to receive just about £4,000,000 from graduated personal tax. Now, Mr. Speaker, Sir, in a Budget such as ours, to be able to replace the £4 million from other sources is at the moment not practical. There are two reasons behind this and I have to be frank, Mr. Speaker Sir. The first reason is that a very tiny proportion of Kenyans are paying what is called income tax. This proportion is hardly 1 percent. Of that 1 percent, more than half are the people who are abused in this House as being expatriates and foreigners. However, Mr. Speaker, it is a hard fact and one had better speak out about it. This is because a time has come for s to see what is obvious. Now, Mr. Speaker, if we get the support of this house, what we intend to do in order to remedy that problem s this: We intend with the co-operation of this House, that of the administration, that everyone in the country and the Department of Income Tax, to go out of our way to extend the effort to get people who today are rich but who are evading the payment of income tax.

Mr. Speaker Sir, we have in this country many Africans --We must avoid always talking about foreigners because the Member for Makueni is fond of saying that the foreigners should be taxed. Mr. Speaker Sir, we cannot always live on the basis of the foreigners. what kind of independence was that member talking about when he spoke a little bit on the budget? Mr. Speaker, we must search for self reliance. We have in this country Africans in commerce, in industry and agriculture who are earning very good wages, very good salaries, very good profits or making very good income in agriculture. However, Mr. Speaker, we still have to reach them and bring them and bring them into the income tax net. We should do this so that they may pay because the whole system of taxation surely, if we want to reduce taxation on the poor, then all the rich must be paying tax. We cannot do otherwise. Mr. Speaker, Sir, I am pleased, to hear that the Members agree with this proposal. I say I am very pleased because I do hope, therefore, that in about three months time, the number of questions on this matter will be not as many as might otherwise have been because I have been assured of that cooperation when we go out of our way to reach those who have higher income.

The second thing, Mr Speaker, that we have to deal with, before we can abolish graduated personal tax, is to review and to restructure our indirect tax system so that we can get much better returns from the indirect tax system than we are getting at the moment. This is an exercise which I promised this House that I am undertaking with all effort and we will be able to see the results fairly soon, as soon as I can make it. However, I am sure that this is an exercise that we must undertake so that we can find a way of raising £4 million which we now raise from graduated personal tax, otherwise any abrupt section to

abolish the graduated personal tax will merely lead to our being unable to finance certain services, and nobody wants to do that.

However, on graduated personal tax I have two other points, Mr Speaker, which I would like to emphasize. The first point is that Members have made very valid points here which we have taken up with the assistance of the Minister of State in the President's office on the assessment of graduated personal tax. Mr Speaker Sir, it is our intention that the District Commissioners who now undertake the reviews or appeals on assessment will be assisted, as soon as we have these people trained, by some people who understand the basis of assessment. It will be that the assessment should be done on income. For instance, if my friend from Kajiado South has 1,000 head of cattle, he is not assessed on 1,000 head of cattle but on the income he is likely to get: (a) From the sale of cattle (b) from the sale of milk. Now, Mr Speaker, sir, we want to have a basis, therefore, of assessment. It will assist us in moving away from what is purely a poll tax to a system which is based on the income the person is getting. I agree that the assessment in some parts of Kenya has been carried out in some very high-handed ways. I agree, too, that we are going to remedy this and, in fact as I said, we are getting all the co-operation from the people who are in charge of the administration. However, I want to say, Mr. Speaker, that we have one serious and genuine problem. Our own people whom we are trying to assess, naturally, keep no record of what income there is, particularly, the farmers. Many of them, Mr. Speaker, if you are ask them, they will be unwilling to admit that a cow produced over the last six months so many gallons of milk. They are bound to say, "It was only a little milk for the children bwana nothing remained for taking to various places." Mr. Speaker, we know of friends of ours who, having delivered their produce to various marketing bodies, still are unwilling to accept that this was an income because, according to them, it was all going into the payment of so -and -so and so many other things; but it is income to him. Therefore, Mr. Speaker, we have difficulties in assessment and we are going to try and see what we can do about them.

There is a point which has been made about loans, Mr. Speaker, loans for trade, loans for farmers. I want to dwell on this point because it is an important one, it is one that I believe is serious and should be taken seriously. Now, with the loans of Industrial and Commercial Development Corporation, in the present Estimates, we have slightly more than doubled the loans available for that one department within one Ministry. Mr. Speaker, it is as much as was within our means. However, we have also arranged that because we shall be able to raise loans (as I said in my speech) locally, then part of these loans will be made available to the Industrial and Commercial Development Corporation so that means as their disposal will be, in fact, increased almost 300 percent to what they used to have.

However, we need to do two other things and we need the help of these hon. Members. For the people who are taking over businesses vacated by foreigners, we must all of us agree that we should place emphasis on giving loans for stock, for goods, but not giving loans for people to buy huge buildings. This is because the moment we lay emphasis on the purchase of buildings, the little money we have, even if it is £3 million or £4 million, it is quickly finished because this is a very expensive undertaking. Whereas, Mr. Speaker, if we finance trade stock, so that people get loans only for stock, then we can lend many more and then our money can turn over and come back to us more quickly., and it will be the responsibility of the chap who is trading to purchase that building when he has made money, so that loans can come back to the central kitty and be spread to other people. Therefore, I do hope that we shall get the support which we require from this House.

On the question of loans to the farmers, Mr. Speaker, this is a serious problem. It is a problem where I am impressed we will have to double up the loans that the farmers get. Now, what we have done is that currently, as Members have heard, there is a study going on, on how we can channel some of the money Government borrows locally at a slightly lower rate of interest to the farming community. Mr. Speaker, we

have not arrived at how much the subsidy, subsidy, I want to emphasise, there will have to be loans given to farmers. This is because I am impressed by the fact today that most farmers do not earn enough to be able to repay and service a loan which is costing 8 percent interest. Mr. speaker, if that is true and we want to be able to lend the farmers at, say 3 or 4 percent so that they can, naturally, be able to meet the cost, then we must equally agree that these big commercial loans, the differences is a subsidy t farming and is a subsidy that will come from the general revenue which we shall be dealing with in this Parliament. It is, therefore, a reduction in the payment for some other service. Therefore, Mr. Speaker, if we accept that we must assist farmers let us accept that there will be a reduction in some other form of expenditure somewhere. That is the only point I want to make because we are all agreed that the exercise should be speeded up, it is begin done. I want to say even before the report is finished, that is something we shall have t come back to the House for and we will expect help.

Now, Mr. speaker, thorough out these discussions, I have been very disappointed by one point, that Mr. speaker, on a number of occasions we have had people whom the President of the Republic of Kenya, in his great wisdom, has appointed to positions of responsibility. Yet, Mr. Speaker, we see the same gentlemen stand in this House and say he Government should do.

An Hon. Member: Tell us who they are.

The Minister for Finance (Mr. Kibaki): However, Mr. Speaker, it is not my prerogative to question what Ministers or Assistant Ministers may do. There is a boss who can do that. Nevertheless, Mr. speaker, as a member of this House, I could not help feeling a little bit frustrated that people who have been given responsibility-----

An Hon. Member: By who?

The Minister for Finance (Mr Kibaki): -----by the President should stand in this House to say what the Government should do. Mr. Speaker, surely, I know we have the moral courage to accept that we have been given a duty to do by the President and we do it, or Mr. Speaker, we have not that moral courage and we just say so, and go cultivate potatoes. How can we have a country where I am the Minister for finance and I come here to say what Government should do? Mr. Speaker Sir, how can this be so? If we are going to lead Kenya at all, clearly we cannot have three faces, we cannot. We either have one face or we should hide the one we have.

Hon. Member: Hear! Hear! You should put your electors first.

The Minister for Finance (Mr Kibaki): Mr Speaker Sir, if I say my electors first -

An Hon. Member: Do you have electors?

The Minister for Finance (Mr Kibaki): Yes, Mr. Speaker, I have my electors. We were there yesterday doing a self-help scheme. However, if I say “my electors first”, have we stopped to think what this means? We have been given national responsibility and I say “my electors first”, then, what does this mean for Kenya if I have been given this responsibility, Mr. Speaker? Above all, Mr Speaker, they are part and parcel of Kenya. Let us see them as part and parcel of a bigger thing and let us not sacrifice the national outlook because we want for the moment to be in the headlines. I must speak, Mr. Speaker, because we have a responsibility. I must say that it looked to me that at least four or five of my friends spoke, and I do not want to dwell the points but it frustrated me. Mr. Speaker Sir, we must be able to say that if we have not been able to achieve something in Government, there is absolutely nothing to be ashamed of in saying we

have not achieved this, but we have tried to do so. However, let us not pretend that there is somebody else other than ourselves who will take action, because that is simple and cheap politics.

Mr. Speaker Sir, I was castigated by two members, or I think they were about four. I was being attacked because we have increased taxes on cosmetics. One gentleman congratulated me but for the wrong reasons. Mr Speaker, we have not increased tax on cosmetics for any of the reasons raised by the Members. Our reasons are very simple. The import duties on luxury goods, such as cars, such as whisky, such as jewellery and such as expensive clothing, the tax has been going up on these items since 1964. However, for cosmetics, somehow or rather, there was an oversight. They have not been brought into this increase that has been there since 1964. We, therefore, Mr Speaker Sir, thought that it is only equity to bring these luxury items in line with other luxury items to the level of duty so that they will pay the same level of duty as other luxury items that are imported into this country.

An Hon. Member: And it is not necessary.

The Minister for Finance (Mr. Kibaki): And, therefore, Mr. Speaker, we, in the Treasury, are guided purely by that basic principle of equity in taxation. We make no judgement whatever unlike the Member for Kajiado North. We make no judgement as to whether women should use, Mr. Speaker, or should not use cosmetics. Mr Speaker Sir, these are not matters on which the Treasury can have the wisdom to make a right judgement. This is because, Mr. Speaker, if you find, as we find in some many places, any people, particularly parliaments or governments which waste their time thinking what women should wear or what they should not wear, or what they should put on their lips or their noses, or what they should not put, I believe this is the most futile exercise anyone could waste his time on. Women, Mr Speaker, are very important. They are the most important beings in this created world. But Mr Speaker, they should be left entirely alone to make their own judgements as to what will make them look more beautiful or what will not make them beautiful.

An Hon Member: It is time for men.

The Minister for Finance (Mr. Kibaki): Mr. Speaker Sir, if we must pass judgement, let us not pretend that as legislators we can pass any agreed judgement because in this House, as we are 170 members, Mr. Speaker, every fellow has his own idea of what is beautiful, each one of the 170. Moreover, each one of the 170 Members has his own idea of what is beautiful and therefore Mr Speaker, sir, it is not possible to legislate on what is beautiful. It is because Mr. Speaker, as the famous wise man called Shakespeare did say, "Beauty is in fact, in the eye of the beholder".

An Hon. Member: what is your choice?

The Minister for Finance (Mr. Kibaki): Now, my own choice, Mr Speaker Sir, is a matter for me alone.

Mr. Speaker, Sir, there is a very important point that has been made by about six Members and that is regarding development in various towns and an argument that rural areas are lagging behind when towns are developing.

Mr. Mutiso: In industries.

The Minister for Finance (Mr. Kibaki): Industries, that is what I mean. Now, Mr. Speaker Sir, I want to make one point which, maybe, is not palatable to many people, but is true. We have in this country towns which we must accept have become national problems. We have to isolate, we have to deal with them, We

have towns, starting from Mombasa in the Coast coming to Nairobi here, Nakuru, Kisumu, Eldoret, Kitale and possibly Thika; these towns have-----

An Hon. Member : And Nyeri

The Minister for Finance (Mr. Kibaki): No, I am not going to include towns which I do not think should be included. I am saying, towns where, because of the inflow of population, there are certain social problems, problems of health, problems of housing and problems of what Phillip Ochieng' calls "Urban Crisis". I hope the Members read series of articles in the Daily Nation and the Sunday Nation, on the urban crisis- the influx of people to these urban centres - particularly these seven I have mentioned in Kenya. This is a national problem and is a very serious one, to see how we can allocate our resources to that problem and, at the same time, allocate adequate resources to the problem of improving the rural areas so that the problem of improving the rural area is earning enough income and, therefore, does not really have to think that is only in a town he can get a decent income.

All I am saying, Mr. Speaker Sir, is that if we recognize that in those central towns of this country we have now a national problem, then we shall, all of us will be thinking on the same lines. Then, I will agree with the members that, in fact, one of the ways and I am saying it is only one of the ways- of dealing with these problems of development, lack of adjustment in the population distribution s, in fact, what the minister for Commerce and Industry and the Minister for Economic {Planning and Development have told us s being done already. That is, to promote development of industries in the rural towns.

Now, I mention the smaller towns because, again, Mr. Speaker, I do not want to pretend in this house that it is going to be possible to have industries in every constituency. It will not be possible. Mr. Speaker, Sir, I am talking about the rural towns, the smaller towns which are today smaller towns up-country. For example, well, Machakos is one of the bigger ones; but like Kitui for instance, or Bungoma, Karbanet, or places like that. Now, Mr. Speaker Sir, it is going to be possible for us to have rural industries in those kind of centres. However, let us not pretend that in the present planning period, we are going to have industries of any size in the smaller centres, than that. This is because certain basic services have not yet been laid and the cost of laying them will take us a good part of the next three years.

Mr. G. G. Kariuki: Why?

The Minister for Finance (Mr. Kibaki): The Member for Laikipia West who is asking "Why?" in fact, knows why. There is a housing development scheme in his own area where people cannot even now occupy those houses because the sewerage has not been done. The cost of sewerage is beyond the means f the urban council and, therefore, for lack of good planning it has now been held up. Now, this is not--- I ma not saying it is only one problem, but it is typical of the kind of capital costs we are going to have to incur in various towns before we an have what we want. this is something which we should keep in mind.

Mr. Speaker Sir, I mentioned in my speech that we will appoint a working party to deal with the costs to farmers. We will announce the names when we have finalized this working party next week. Mr. Speaker, this working party will look at the price of machinery, fertilizers, diesel, the system of taxing items utilized by farmers and we will announce the details of it to the Members next week. I hope we can have one or two members of this house to serve on the committee. Therefore Mr. speaker, I will expect that the Members will take the opportunity to put their views to that committee so that we can all see how to help the farmer whom we all want to help.

Now, Mr. Speaker, there is the point that has been made by some members about the misuse of any public funds and one or two members mentioned certain cases that they knew. Now, I said, sometime earlier this year in this House, that I am going to make the fullest use of the Public Accounts Committee here, together with the support of this House, because this one of those things we can eradicate and we must do so. There is absolutely no reason why anyone in any position should be able to misuse any public funds. If they do so, we should be able to surcharge them, bring them to court and do everything possible. I am sure that this House will continue to support us in this and I welcome very much the remarks made by the various Members in this House.

However, while I welcome that, I could not help thinking that the Member for Tinderet and one to five other Members were quite wrong to pretend that the members of the Civil Service in this country are making themselves what he called 'tin kings'.

Mr. Speaker, I want to make two points on this issue because this is a very important matter. We are legislators; we have been elected to legislate, lay down the law and the policy. Mr. Speaker, then we are the other arm of this country's Government: the administration. We have the Legislators should be the last people to weaken or demoralise that arm of the Government which we expect to carry out all the resolutions we pass here because we must know that - and I want to make this point very clear - we are not dealing with a machine. Mr. Speaker, we are not dealing with a machine which we can hammer this way and that way and remove two or three nuts and replace them, we are dealing with human beings with the normal intelligence, with the normal emotions and with the normal human frailties. Mr. Speaker, I say this because we come to this House regularly and then here, with all the great privilege that we have to abuse anybody on this earth and heaven, we abuse all and sundry and yet we, the same legislators, expect to go back to the district and expect that fellow whom we have been abusing here - whether he is a chief or a district commissioner or a district officer - will say "well it does not really matter what the Member said in parliament, I have a duty to-----".

Mr. Migire: On a point of order, Mr. Speaker Sir, is the minister in order to mislead the House that when Members of parliament point out the mistakes of the civil servants, they are abusing the civil servants when they are pointing their mistakes? Is he in order to mislead the House?

The Speaker (Mr. Mati): No, the Minister did not say that if members criticise civil servants then they are abusing them. However, it is common knowledge that remarks have been made in this House and I had to ask Members to withdraw such remarks and that means they were definitely offensive. I think that is what the Minister means.

The Minister for Finance (Mr. Kibaki): Mr Speaker Sir, do not let the Member for Mbita misunderstand me. I am not saying that civil service is beyond criticism or that it should not be criticised. I am not saying that at all. In fact, as I just said a minute earlier, I want the cooperation of this House in tracing anyone who misuses public funds. However, if one is going to stand here and say, "The District Commissioner in my place is making himself a little tin god we should show him, he should be dismissed or sacked, it should be the other one."

All I am saying is that - Mr. Speaker, if the Member for Yatta was called by another Member in this House little tin god, you would see how he would react. Mr. Speaker, I am saying that if we expect these people who are human beings to work with us, to cooperate with us, Sir, we must also give cooperation. If we do not give co-operation, we will not receive it. Let us not deceive ourselves. Above all, Mr. Speaker - and I know this is not acceptable to one or two gentlemen - we as politicians have pretended much too much that we must be given respect as a right. Mr. Speaker, respect is given when it is earned. If we

politicians want respect from public servants , let us accept that we need each other because they need us as legislators and we need them because what we legislate must be implemented. If we start from that point, we shall, then be able to arrive at a position of cooperation. All I am saying, Mr Speaker, is that the rate of development within any place that I have checked on this continent is in fact, influenced by how dedicated the civil service. This is a fact and there is no point in my not saying it when I know it is true.

Mr. Speaker, I will make that point because in my view our role as legislators and that of the administrators need not conflict because when we have passed a law we leave it to the administration, to the police, to carry it out. It is not our function as legislators to pretend that we can give directions as to what they should do or not do. If we want to do that, we must pass a law here, but even having passed it , there is a whole hierarchy of administration who should carry it out.

There is another point which has been made in this House and it is not for me to say anything. It was said by the Member for Kitale West that the Government is top heavy and it should be pruned. Well, Mr. Speaker, that is not for me to comment on for the reason that the structure of the Government is not really the responsibility of the Minister for Finance. His remarks, then, must have gone to the right quarters. Mr. Speaker, I want ---

An Hon. Member: They went to the President's Office

The Minister for Finance (Mr. Kibaki): Mr. Speaker, what I want to end by saying is that in the preparation of these Estimates, all of us always have a lot of headaches, a lot of problems and expend a lot of effort to see what can be done. We welcome the proposal of Members, but let me put this challenge to all of us including myself: we will always have annual estimates; we will always have Supplementary Estimates. Now Mr. Speaker, any member in this House who believes he has suggestions as to some better ways of taxing the Kenyans, as to some better ways of administering the taxes that we have now, I welcome them and I will wait for these proposals to be put to me and I will discuss them individually with any Member who has those proposals. This is because, Mr. Speaker, I take the view that this country cannot be led by people who want to pretend that merely because they have become ministers, they have therefore, suddenly become very knowledgeable and they have suddenly become the people who know everything. This is a pretence which we must drop. If we are going to develop in this country, all the people in positions of leadership must have enough humility to accept that there are areas in their own field of duty where they could benefit from advice of other Kenyans. That is why I want to end with that invitation to Members in this House. Let them put what proposals they believe they have to us in the Treasury and we will discuss them with them and see what we can adopt from the ideas they have.

Mr. Speaker, I am very grateful to Members and I beg to move.

(Question put and agreed to)

MOTION

SESSIONAL PAPER NO. 5 OF 1974: NDEGWA COMMISSION REPORT

(The Minister for Finance and economic planning (Mr. Kibaki) on May, 1974)

The Minister for Finance and Economic planning (Mr. Kibaki): Mr. Speaker, sir, when the House adjourned yesterday, I had just had two minutes replying to the motion "that this House notes the Sessional Paper No.5 of 1974". I had said, and would like to say it again, that there is nothing wrong in

the executive arm of the Government of this Republic to review from time to time the salary scales, the terms of remuneration, of the 100,000 civil servants that are employed in this country. Only earlier on this year there was a review between the government and the trade union representing the civil servants on the wages and salaries of those below £1200 per year. Increments of more than 25 percent were agreed in many of these grades. That the review, apparently, is not regarded as having been wrong by any of the hon. Members who have spoken; but the review which was attached to this general report is being said to have been done wrongly. I have to correct that impression and say that it is not right to make that allegation of assertion. Every Government, as any employer everywhere in the world, has a right or duty to review the terms of employment for those it employs from time to time. I want to say that every propriety was followed.

Mr. Seroney: On a point of order, Mr. Speaker. Sir The hon. Member says that he hopes my point of order is genuine; but he will have to judge it himself. If you remember, Mr. Speaker, Sir, we had to judge it himself. If you remember, Mr. Speaker, Sir we had a similar argument as that advanced by the minister over the question of gratuity paid the Minister over the question of gratuity paid to the Ministers in the last Parliament. It was then ruled by the Chair that where a large sum of money is involved the Government cannot just go ahead and spend it without the express approval of the House. Has the position changed or is that still ruling the House?

Mr. Speaker: There was no reference to gratuity here. The point here is that the civil servants had their salaries increased. Hon. Kibaki's argument is that this it is normal practice and it requires no reference to Parliament.

Mr. Seroney: Mr. Speaker. Sir, the argument of the Government was that the terms and conditions of service of Ministers was the prerogative of the executive arm and, therefore the terms and conditions of service of the Ministers was the prerogative arm and, therefore, the terms do not have to be brought to this House. I remember that the house did not agree with that particular ruling. Is it not the same argument that the executive arm can incur a large public expenditure without coming to this House to seek its approval?

The Minister for Finance and Economic Planning (Mr. Kibaki): Mr. Speaker. Sir, the hon. Member is trying to have a chance to make two speeches. He spoke and we heard him. What is important is this: the distinction is well known to the hon. Member for Tinderet because he is among those who are well versed with our Constitution and Standing Orders. The position is that we are not talking about sums of money. Every year the normal increments of salaries of civil servants who amount to about 100,000 people is more than £5 million. Therefore, when we come to talk about large sums, we must know that these increments are reviewed from time to time between Directorate of Personnel and the trade union representing the civil servants. It is not subject to approval through specific Motion in this Parliament.

Mr. Karunagaru: On a point of order, Mr. Speaker. Sir. Arising from the statement which the Minister has just made, is he forgetting that we are specifically dealing with the Ndegwa Commission Report and not the annual review of the salaries of civil servants? This is not a valid point in this argument, Mr. Speaker. Sir.

Mr. Speaker: He is dealing with one aspect of the report. He did not say that the report contains only salaries but he was dealing with that particular aspect of the report.

Mr. Nthenge: on a point of order, Mr. Speaker. Sir, Could we get guidance from the Chair regarding this matter. We are now being informed by the Minister for finance an Economic planning that the normal

yearly increments of salaries to civil servants is a common thing which should be undertaken by the Government. But is not true that when the Government feels that big, extraordinary increments are going to be effected the proposals must be brought to this House for approval?

Mr. Speaker: Yes, but Mr. Kibaki's argument is that there was nothing extraordinary about what happened. I think what is happening now is that we are no more less debating the same issue in the form of questions or points of order. Obviously, it was indicated by the Members that they were against the report and that is why they cut short the debate from four days to one day. So, there can be no ground for agreement, as far as I can see, for those members who even opposed the Motion in what the Minister who moved the motion is trying to say in his reply.

The Minister for Finance and Economic Planning (Mr. Kibaki): Mr. Speaker. Sir, I would like to continue and hope that I will get back to my minutes which were "eaten up" by those points of order.

Mr. Speaker, Sir, what is very important is that if we had a salary review alone and that that review was then incorporated in the normal annual increments of salaries, this would not have been a subject of any question in this parliament as to the propriety of it. This is because a review was done at the beginning of this year and it involved a similar amount of money, £ million. This review has been agreed to as being proper and has been agreed to by this Parliament in our supplementary budgets. This is all part of the procedure and responsibility of governing. That is all I am saying is that is one aspect of the report but the report which is being made to look as if it was only a salary review is a review of the whole structure of the Civil Service. All aspects of the Civil Service are incorporated in this report. This include the policy-making procedures, the processes of training, promotion, the powers of the Public Service commission and the powers of the various bodies of the Civil Service. Therefore, Mr. Speaker, Sir, I am sure in saying that it is wrong, to stand up here and pretend to tell the rest of the world and Kenya that the report is only about the salary review of the super scale civil servants. That is not true, Mr. Speaker, Sir, You can see how very bitter the truth is about this report. Truth has begun to hurt, but it will still remain the truth. The nature of this report is that it is a review of the whole of our Civil Service structure and it is wrong to make it that out that because I or somebody else or an Hon. Member does not agree with one paragraph in the report, therefore, the whole report is bad and must be rejected. It is not even logical to say this because we owe it to ourselves, including the hon. Member for Lurambi North who is moving from corner to corner, to be logical and say that it is not possible in a body of this size for each one of us to agree with the twelve chapters in this report. This does not mean that we do not need a review or an updating of our Civil Service procedures. We do, Mr. Speaker, Sir. Therefore, I say quiet seriously that personally I am convinced that this report is most worthwhile document, one that has the most fundamental recommendations, on that must not be rejected merely because someone does not agree with one paragraph of it.

Hon. Members: No! No!

The Minister for Finance and Economic Planning (Mr. Kibaki) Mr. Speaker, Sir, there were in the speeches made yesterday and the day before were very many comments and opposition -----

The Minister for Works (Mr. Nyamweya) : on a point of order, Mr. Speaker, Sir. Are you satisfied that we are hearing what the Minister for finance and Economic Planning is saying in the course of these running commentaries from the hon. Members? Can we not hear the minister in silence?

Mr. Speaker: Order! Order! I think hon. Members will gain nothing by shouting. I hope hon. Members will just listen to what the minister is saying because they are not bound to agree with what he is saying;

but at least they should allow others the opportunity of hearing what he is saying and then they can decide what to do when we come to vote.

Mr. Mutunga: on a point of order, Mr. Speaker. Sir I think perhaps you will forgive my ignorance in seeking your guidance on this matter and I raised a Motion on the same subject but, unfortunately, I was not here to hear what the Minister for Finance really wants from us. I am not blaming anybody but I just want to ask the minister for finance really wants from us. I am not blaming anybody but I just want to ask the minister for Finance and Economic Planning whether he wants us to approve the report as it is on he wants us to do something else.

Mr. Speaker: Surely, you know what the motion is about, Mr Mutunga.

The Minister for Finance and Economic Planning (Mr. Kibaki) Mr. Speaker, Sir, I am grateful for your request to the House to give us a hearing because if we are truly democratic we must give others a chance to speak and be listened to in silence. Yesterday we all listened quietly to as hon. Members spoke, but we are proclaiming that we want freedom of democracy but when it comes to challenge of it we have not got the patience or will to give unto others what we demand of ourselves. Personally, Mr. speaker Sir, I say that we are refusing to recognize a fact in our society. Here we are being told that there should be a special rule about the civil servants because there should be a special rule about the civil servants because they are in a position of power. That is what we are told yesterday by some hon. Members. Because they are in a position to award contracts, to influence matters of trade, to influence affairs of this nation, therefore it was said that they should be regulated and directed in a certain manner. I agree with this. But I do not agree with the other side to it. When it was suggested here by the Member of Kandara that if we demand that there will be a code conduct, this should apply all positions in all people in position of power there was apparent dissatisfaction. This includes Parliamentarians, Assistance Ministers, Ministers and everybody else.

Mr. Speaker, Sir, are we now to pretend here that some junior or senior civil servants have more influence in terms of what is to be done in this nation than the Members of Parliament, Assistance Ministers and Ministers? We are pretending. If I may repeat the words used, he said: "we are being asked to sanctify hypocrisy",

Mr. Wabuge: On a point of order, Mr. Speaker, Sir, I am seeking your ruling here because when we spoke on this Motion we did not denounce the civil servants as a whole, but only talked about the super- scale officers whom the report has favoured. The Hon Members were complaining that the lower- scale officers did not benefit from this report at all. Could the minister confine himself to super-scale officers and not to talk on the whole Civil Service?

The Minister for Finance and Economic Planning (Mr. Kibaki) Mr. Speaker, Sir, we spoke about all civil servants. There is no point in Members saying "no". I was sitting in the is House through the whole debate from the moment I moved it to the end. When the Hon. Member for Kisumu Rural spoke in this House, he talked about the Provincial Administration. That means a lot. He said they are not able to carry out the Development Plan. I was sitting right here and I do not know whether the hon. Member had gone for tea at the time. Mr. Speaker, Sir, if we are honest with ourselves. Let us have a code of conduct for all persons who are in positions of power including the hon. Member of Lurambi, who is campaigning now, so that we are all guided by the same code of conduct.

The Assistant Minister for Foreign Affairs (Mr. Nabwera): On a point of order, Mr. Speaker, Sir, Did I hear the minister referring to the Member of Lurambi North? What is wrong with the member for Lurambi North.

The Minister for Finance and Economic Planning (Mr. Kibaki) Mr. Speaker, Sir, all I am saying is that we must have moral courage to face up to the challenge which this nation presents us today. The challenge is that we, as leaders, are called upon to give an example! What we are prepared to do is to find a scape goat, some black devil, and that black devil happens to be our own brother. It only happened that you came to Parliament and he went to the Civil Service. Therefore, by that mere fact, accident of history, he is a devil and we are angels! Nothing could be more ridiculous.

Mr. Speaker: there is too much shouting, order! What is your point of order, Mr. Nthenge?

Mr. Nthenge: on a point of order, Mr. Speaker, Sir, Is the minister in order to put words in our mouths which we did not use at all? He is saying that we are angels and the civil servants are devils. Is he really in order?

Mr. Speaker: No. Some of these things are not as literal as they sound. You must use some commonsense to know the comparison. Obviously he does not mean that Members here look like angels, neither does he mean that civil servants, obviously you are trying to say, to that extent, that you dislike what you are doing. Similarly, when you say you are fighting for the interests of the lowly paid people, obviously you are saying that you are playing the good part of the game. Therefore, you could easily be said to be thinking that you are an angel and the other man is a devil. That is just a way of saying things.

The Minister for Finance and Economic Planning (Mr. Kibaki) Mr. Speaker, Sir, I will say that the role of political leadership which we proclaim that we have and which we are very jealous to protect that nobody else must have it, that role of political leadership, today in Kenya, is that we should be honest with ourselves. If we are honest with ourselves we shall admit that this nation is in need of a strong party with a strong code of behavior for all persons and not only for civil Servants. Therefore, for us to try and say that this report, like the hon. Member for Embakasi said, promotes corruption, nepotism and the like, is a fallacy. Mr. Speaker, Sir, can we, in all seriousness, expect any-one to take us seriously if we say that the 100,000 people on whom this nation depends for the execution of policies passed by this parliament are corrupt, useless and that they spend their time running around in cars and use Government vehicles to go to night clubs and the like? Why do we not insist-----

Mr. Nthenge: on a point of order-----

Mr. Speaker: No. Mr. Nthenge. I think these interruptions are taking us nowhere. You do not have to agree with what the Minister is saying. You are just trying to disagree with him.

The Minister for Finance and Economic Planning (Mr. Kibaki) Mr. Speaker, Sir, all I am trying to say is that the role of leadership is that we have to have the moral courage to say, for example "Mr. Kibaki has done this or that is wrong, and that we want to put him right". We have to have the moral courage to say so. We cannot continue to claim the right to lead if we hide behind the cloud and blame a certain section of our community and say they are evil. I am sure that this could not be the role of leadership. I want to say here that we cannot afford to demoralize the one force of 100,000 civil servants on whom we have been depending for the last ten years for the implementation of our development Plans. This is a fact well known even beyond Kenya, that we have implemented our development programs effectively over a period of ten years. How can we be told then that during all that period of time we have had a corrupt and useless Civil Service, not efficient and not doing its job but only going round in big cars? That's not true, and cannot be true.

Mr. Nthenge: On a point of order Mr. Speaker, Sir, is it not accepted in this House that one will not use wrong information for his argument? The other day you ruled that if hon. Mwamzandi's Motion was based on wrong information, it should not be debated. Similarly, the Minister of Finance and Economic Planning is using words which were not used by even a single Back-Bencher during the debate on this motion.

Mr. Speaker: if hon. Members do not want me to hear what Mr. Nthenge is saying, then it is so very well that I will just sit down and not bother myself. I cannot hear what he is trying to say because of unnecessary shouts in the House. You do not need to cheer Mr. Nthenge so much! He is trying to make a point and he wants me to hear.

Mr. Nthenge: Mr. Speaker, Sir, the point I was trying to make is that there was not a single hon. Member blamed in the whole Civil Service of 100,000 people and the minister is now basing his argument on that. All they said, those who has a chance to speak, was on the super-scale officers and they sympathized with the bulk of the Civil Service which was not considered along the super-scale officers. Is the Minister, therefore, in order?

Mr. Speaker: That might be what you said, personally, Mr. Nthenge, but obviously, there were other hon. Members who, for instance, referred to huge sections of the Civil Service like the Provincial Administration. If you refer to the provincial administration, for instance, you are not referring to the super-scale officers alone, you include every member of that section even the most junior officers. Your argument, Mr. Nthenge, might hold water in your case, but it cannot be true of every other hon. Member who spoke.

Hon. Members: Point of order, Mr. Speaker Sir—

Mr. Speaker: I thought you ought to allow Mr. Kibaki to conclude his speech.

Mr. Murgor: On a point of order, Mr. Speaker, sir.

Do you not really think it is absolutely unfair for hon. Members to criticise the civil servants en masse while we know that the category of the civil servants occasionally referred to by hon. Members of this House are not the agricultural officers or veterinary officers but the officers in the provincial administration? Why should hon. Members not be specific in their criticisms and say that some offices in the provincial administration are bad? Why do we have to condemn the entire Civil service while we know that the majority of the civil servants are not bad? Is it right, Mr. speaker?

Mr. Speaker: I am sorry, Mr. Murgor, you are addressing your question to the wrong quarters! It is not for me to say why hon. Members chose to be so general if they mean what they are saying now. I cannot reply to that question, really. However, the Minister is talking about the Civil service as a whole because that is the way hon. Members spoke. They did not confine themselves to the provincial administration but talked about the Civil service as a whole. Even Mr. Nthenge, who is talking about the super-scale officers, did not specify that he was only referring to the super-scale officers in the public administration.

Hon. Members: On a point of order, Mr. Speaker!

Mr. Speaker: No! No! No more points of orders. We shall have to listen to Mr. Kibaki now. Order! If there is any more interruptions, I will have to get rid of whoever interrupts. Would you please allow Mr. Kibaki five more minutes to wind up?

The Minister for Finance and Economic Planning (Mr. Kibaki): Mr. Speaker, Sir, I am grateful for those five extra minutes. Mr. Speaker, sir it now appears that we are no longer opposing the whole report and that those who are opposing it are only against some specific points. Therefore, Mr. speaker, as I said earlier on, the role of leadership is to correct those few mistakes but not to condemn, wholesale, the entire Civil Service which is comprised of some very good people who are genuine wananchi of Kenya. Let us not pretend about this distinction which was created by many hon. Members between wananchi and the civil servants. What, in the good name of heavens, do think civil servants are? They are true and genuine Kenyans who will not be scared just because a fellow brother of theirs who happens to be a Member of Parliament condemns them. Therefore, Mr. Speaker, Sir, why should we condemn them? Why should we not seek the more difficult role of putting right specific wrongs? Why should you condemn your brother when you know you must continue to live with him? He is not like the expatriate whom you can campaign against to get Africanized or Kenyanized. There is no place we are going to send these brothers of ours and, therefore, let us have a code of behavior which applies to all. Let us not pretend that we should be immune of those kinds of rules. We should, in fact, be the first people to be subject to rules of conduct of behaviour. We know that we, as the political Arm of this Government have been using the influence we have in the field of employment. It is true that we regard it as our constituent duty to go round assisting people to be employed in preference to others. This is true, Mr. Speaker, but why do we not speak about it here? Why do we always see a certain district officer or any other junior officer who wrote a small introductory letter to somebody? Mr. Speaker, why should we have certain rules for some people and not for others? How can we pretend, Mr. Speaker, Sir, that an Under Secretary in a certain Ministry has more influence than a Minister, an Assistant Minister or even a Member of Parliament? This is not true!

Therefore, Mr. Speaker, Sir, I would like to say that if we are honest, if we are straight, if we are true to ourselves, let us demand an organised code of behaviour for all of us.

Finally Mr. Speaker, Sir, I would like to say one thing, that we have been told about the misuse of cars. Mr. Speaker, we can, as a house, demand a change without a change or a withdrawal of these facilities. However, Sir, we are right to say that because there is one facility given to a certain civil servant who is misusing it then the entire report which details the manner in which we should run our Civil service should be rejected in total. That is wrong! Mr. Speaker, I believe that the Civil Service of this nation has serves us very well. I believe seriously that the Republic of Kenya owes to the Civil Service of this Country a very great measure of success we have achieved in the last 10 years. We know that some of the young men were promoted in the [process of Africanization into most unfamiliar jobs, but they took the jobs seriously. As we speak here, Mr Speaker, there are hundreds of thousands of Civil ~servants who work for long hours, much more that is done in the private sector, in order to serve this nation efficiently. However, here we are, Mr. Speaker, condemning these people! How can we claim to lead this country when we want to demoralize all these people? We cannot say we are leading this country if we are going to continue to do this. If we are leaders of this country, we should not demoralize the laws which we depend on. We go along, Mr. speaker, and implement free education in the country, and hon. Members here say we need more teachers, we need more development officers—I am always approached and asked when I am going to appoint a development officer in every district—and yet these are the same people who are said to be corrupt, useless and misusers of public funds and so on. Mr. Speaker, sir we must be honest enough to be specific in our criticisms.

Finally, Mr. Speaker, I would like to appeal to my hon. Friends here: this Motion says that we “note” this report – Mr. Speaker, I would like to appeal to my hon. Friends here; this Motion says that we note this report – and then deal with two points which have been raised by hon. Members here about the misuse of cars and remuneration for super-scale offices. We can deal with these two points separately but we should not condemn the whole report. Mr. speaker, we should try to do to others as we would like them to do with us.

(Question put and the House divided)

Mr. Speaker: Order, order.

Draw the Bars and lock the door.

Before we proceed, my I appeal to bon. Members, in spite of all this excitement, to conduct themselves with dignity.

CHAPTER 5

THE VICE-PRESIDENT AND MINISTER FOR FINANCE**Motion: Thanks for Presidential Address (March 1980)**

The Vice-President and Minister for Finance (Mr. Kibaki): Mr. Speaker Sir, I beg to move the following Motion-

That the thanks of this House be recorded for the exposition of public policy contained in His Excellency's President's address from the Chair on 4th March 1980.

Mr. Speaker, sir, at the beginning of each session of Parliament, we normally have a motion of this nature to express our thanks for the guidance that we get from His Excellency the President from his Presidential speech. It has always been a very good beginning and very good guidance to the future. I would like to say that on this particular occasion, so soon after our general elections, we have very much more to be grateful for than merely opening the Parliament. We have to be grateful to the President for the manner in which he guaranteed a free, fair and open election, where every citizen of this country felt free and easy to cast his or her vote for the candidate that he or she wanted.

(applause)

We owe our president our gratitude because he guaranteed the observance of the law in a very firm and strict manner. This is very important because, as we all know, if the citizens of any country are going to be satisfied with an election, they must feel that it has been fair, and that if they wanted to oppose a particular candidate they had an opportunity to do so, and that if they lost, they lost in a fair game.

It is true Mr. Speaker, that you might still have some individual cases where these matters are questioned. We have courts to look into such matters, but it is not for us here, in Parliament to say this or that about individual cases. Our courts will sort that out. All we know is that the nation came through that period satisfied and very happy with the job which was done. The consequence of that job is that we are all here. I think we are all grateful to them for having given us this responsibility, under the President, to serve this nation.

Mr. Speaker, Sir, last year we were sworn in, and those who missed the occasion were sworn in yesterday and this afternoon. We swore to bear true allegiance and loyalty to the President. We did so for the reason that all of us do feel in our hearts, and we have chosen to bear that allegiance and loyalty to the President because we have chosen him ourselves. Nobody else chose him for us, but we chose him ourselves as a people. Above all, we chose him unanimously unopposed. For that reason, our loyalty and allegiance to him is the greatest guarantee of continued democracy.

I also believe that we have another reason for continuing with that allegiance and loyalty; that is, he himself guarantees open government. It is all well for us to say how much we value democracy. However, democracy has meaning, not just because it is proclaimed but it depends on how it is practiced. What really matters to the ordinary person is whether the freedoms which are spelled out

in that document called Constitution can in practical terms be enjoyed. So, it is the practice rather than the theory or declaration that really matters.

We, in this country, have been very fortunate. Since the President took over the leadership of this country he has conducted very open democracy and Government in a receptive manner. Above all, the Government has been accessible to the ordinary citizen of this country. This is the greatest fortune that we have got from God. We have seen this in many countries, particularly in this Continent called Africa, how those who assume the top positions become totally inaccessible. In fact, some of them go as far as wanting their photographs hung in churches; others assume new names, others go as far as wanting to have the responsibility of appointing archbishops and undertake even bigger responsibilities. They even go ahead and constitute little groups which, at the head of the so-called parties, become supreme bodies and dictate what may be done, what people may eat and wear, and how they may live and even greet each other. We in Kenya, have been spared this terrible interference of the freedom of the individual by having a leader who is himself a Christian and, therefore, has the greatest face in the importance of the individual person. All democrats who truly say that they are democratic must show that they have face in the value – the truth worth – of the Individual citizen. There is no point in talking about the nation. It is true that our nation has 16 million people, but if you do not value the individual, there cannot be another thing called the nation which we are sometimes told is more important than the individual, and that the individuals do not matter. On that road, we shall be going down towards hell. We have been spared because our leader believes in the value of each individual. For that reason, what he tells us everyday is of value to us. Above all, as I have already said, he accessible to every citizen to listen for himself what they have to say. That is the greatest manifestation of his belief in democratic principles.

The Parliament, being the supreme law making institution that will guarantee the rights of the individual and practice of democracy, is called upon at all times to imitate the behaviour and deportment from the president of our nation. After all, we are all followers of Nyayo. We cannot be true followers if we do not do as Nyayo himself does. There is no other way.

(Applause)

I would like to say that in order to become true followers of Nyayo, we must follow what he has said in his speech to us, that we reject all manner of petty political, tribal or social groupings. This is so because although we all come from different parts of Kenya, the problems of Othaya Constituency are exactly the same as those of Butere Constituency. This is so because the people in these two places are farmers. They are looking for the same kind of assistance and ways of going forward. Therefore, we should all unite and become one. So, if we take the President's advice seriously and consider elections as having ended because they ended – There is no point in anybody continuing to cry about how they have gone. There is no point in trying to be sleepless about how you would have liked the elections to go. It was not in anybody's power to decide how they should have gone. Why, then, should somebody waste his time? It was in the power of the ordinary citizen of Kenya to decide how the elections should go, and they decided.

Why, then, do we still have some people, including – I dare say—a few members, who still dream how they would have liked the composition of Parliament to be? These people, even today, still do group together to look for scapegoat for the way the elections went, which they did not want.

The Minister for Agriculture (Mr. Osogo): shame on them!

The Vice President and Minister for Finance (Mr. Kibaki): They should be ashamed, as the hon. Member for Busia South says. In fact, some of them have the audacity to bring some of us, including myself, into this dirty talk that they have. Mr. Speaker, you know me as well as those Hon. Members who have been in politics for a long time know me. I have been in this game since I left Makerere in 1960. Even from the time when there were so many groupings during the fight for independence, I never joined any groupings, and I will never do so because I consider myself to be adequately equipped to understand that groupings over petty personalities is a waste of time, and it is an insult to the intelligence of any decent person. Therefore, personally, I reject totally some of these dirty talks going on.

(Applause)

As you know, Mr. Speaker, I had the good fortune of being elected unopposed by the people of Othaya, and I am very grateful for that. I also had the good fortune of being given these other responsibilities by the President of this country, whom we shall all serve loyally and faithfully and without being deflected by any if the petty talks by people of tiny minds.

I would like to say, therefore, that we take seriously the advice given in a fatherly way by the President. The elections are over and we should now concentrate on the big tasks of building the nation and continuing the rate of progress that Kenya has enjoyed all these years,

We have been fortunate in having a President who himself focused on the future. It is not that he did not have people who opposed him before. No! You all know it is not so. However, once he was given the true responsibility, what did he say? He said that history is history, and God will judge those people who opposed him and that their conscience will remain with them. We must follow what the President said. As for now, let us look into the future. This is the greatest fortune that we can have. I say so because in Africa today, the greatest problem that there is, and the reason why we have 6 million refugees today, people living away from home, is that people who become leaders do not take their responsibility to the public seriously. They waste their time trying to fight all those who opposed them before, and then try to eliminate all those who are against them.

(Applause)

Those people who run away from their home for their safety. That behaviour is of individuals who have no faith in democracy. Above all, that is the behaviour of individuals who have no faith in God. However, we have a President who has shown by action that we have to move forward. This is not another mark of moral courage. Let us not make this sound very simple: there are not very many people who have the moral courage to forgive those who are fighting them very seriously. There are only a few individuals with that kind of central courage. Among those few is our President.

(Applause)

We are very fortunate, Mr. Speaker. Let us follow Nyayo and we shall make progress. Mr. Speaker, Sir, the President has said that we shall be friendly with our neighbours, and we shall be friendly with our neighbours because they are our neighbours, not just because you or I or anybody else in Kenya has chosen, but because that is how God willed it. Uganda, Somalia, Tanzania, Sudan and Ethiopia are our neighbours. They will always be our neighbours. Therefore, the best thing to do is to promote friendship and good social understanding. This is so because however worried or fearful you may be of your neighbours, you cannot amend geography. You cannot amend geography and wish that fellow

moved further away from you. That is not possible. We move very many amendments in this House but one amendment which nobody can move in this house is geographical relationship between us and our neighbours. That is permanent.

So, we want to continue to be friendly. They in turn, must realize that we shall not take kindly to the kind of petty politics which a section of Uganda is conducting against us. We cannot have that. On the other hand we are helping Uganda in every way possible, through communications, assistance with their transportations, donations, and loans and in every other way. We harboured Uganda freely, and we still do so even today because Kenyans and Ugandans are the same people. The people who are against are against Kenya are only a small section, not all the people. It is only a handful of people who are scared and who are looking for a scapegoat. For that reason, they keep on talking about Kenya. Some of them wrote in their press two days ago that Kenya wants to invade Uganda. What for? We are not people of that kind. We just want to help Ugandans settle down and resume development. Instead of taking it that way, they are looking for ways of promoting fictitious things called scientific socialism. Good luck to them! However I do not think they can get good luck on that road.

Mr. Speaker Sir, as you know, I lived in Uganda for so long that I feel very specially friendly to them, and I keep on praying for them that they will see the road to democratic socialism, like in Kenya. African programmes as the way to go forward, and that they do not allow themselves to be diverted to some other fictitious routes.

Mr. Speaker Sir, I know that this Parliament would want me to mention the people of Zimbabwe good luck in their new Government.

(Applause)

We welcome the Zimbabwe, as they will now call themselves to the community of nations. We welcome them because we know they have fought like Kenyans did for their freedom, and that they will therefore learn to value it, and that they will not allow themselves to be diverted to some fictitious theories, but they will walk the hard earth and concentrate on agricultural development, some industrial development proper education et cetera. It is not for us to say how they will go, but we want them to know that they have friends in Kenya as they knew during the struggle.

Mr. Speaker, while on that note, let me say that we congratulate the British government, together with the commonwealth observers, for the manner in which the election was conducted.

(Applause)

It was the most difficult environment in which to operate that election, and for those who were sitting far away taking the luxury of abusing those who had to endure the difficulties. I would say that it is extremely mean to behave that way. One should welcome an effort when you see it, even if it is an effort of someone whom you do not like. We happen to be friendly with Britain, but that is not why I am saying so: I am saying so because facts are facts, and in a very difficult situation like that one, the election has been very well conducted, the will of the people has been allowed freedom to express itself; it has proclaimed Mugabe as the leader and he in turn has shown reconciliation. He has brought Joshua Nkomo with him, and he even wants to keep all those others who used to fight against them. There is a great man also and we welcome him.

(Applause)

Mr. Speaker, we in this country are going to go through some problems. The economic situation is difficult. I do not want to participate the debate on a Sessional Paper that, as the President said, will be tabled before this Parliament, but I want to say finally, let us follow Nyayo in that debate about economic problems. By following Nyayo, I mean let us be willing, however difficult it is, to tell the Kenyans the whole economic truth because that is what our President has been able to do. He does not go round hiding the truth from the people; he has told them the whole truth. If we have a problem, let us say it is, and let us say how we are trying to deal with it, but not to try and hide behind it; not to try and blame it on some other person. Let us, in a united manner, face the future, and if we do it that way, I am quite sure we are going to succeed. But in order to success, let me say, particularly to the new Members who have joined us, that the way to acquire respect is to stand on your own as an independent Elected Member who has a mind of his own.

(Applause)

The idea that you have been elected by 100,000 or 150,000 people--- some Members like the Member for Nyeri Constituency has been elected by 270,000 people. Now, if you have been elected by so many people like that and then you come to Parliament to join some petty little groupings, and to be advised by some other equally elected Member as to how to group and whom to oppose, and which motion is good and which is not good, then how can you have respect in the rest of the world? However, I hope that nobody is going to behave that way. I know that we shall all of us be Hon. Members as the President wished us to be, and I am sure we shall succeed.

I beg to move.

Budget Debate, 2 July 1980

The Vice-President and Minister for Finance (Kibaki): Mr. Speaker when we adjourned this morning I had begun to reply to the debate and, in fact, I had covered a lot of the points that have been raised by the hon Members during the debate. We adjourned when I was in the middle of explaining our position on this programme of Africanization. Mr. Speaker, you will recall that I did say that on this matter of Africanization, we have had a very precise and clear statement by the President of the Republic of Kenya on Madaraka day. He did explain that we will proceed with the programme of Africanization in a deliberate manner, but he also did explain that there are categories of manpower that we do not have in Kenya, and that we shall import them. As I said this morning, there is no shame in importing those category of manpower, and we will continue to do so.

What I did say this morning Mr. Speaker is that the responsibility of the Government of Kenya, or any government of any nation anywhere, is first priority to go to the citizens.

(Applause)

I was at the point of explaining that in pursuit of that policy of giving priority to citizens, there is no politics about it since it is purely the democratic responsibility of every nation, everywhere in the world in Europe, in America, in Asia and other places. So it is not really a matter for us to quarrel over. The only issue left is to get the assistance of everyone in identifying jobs which truly require imported manpower, because they are not many in terms of number. They are not very man, but we should identify them, and once we have identified those we know by that exclusion, the rest should be

all Kenyans. So, it is better to work that way, because those which require imported manpower that are few, and therefore much easier to be identified. And the responsibility for that identification is of the Government. I do not think one wants to go round beating about the bush asking whose responsibility it is: it is Government responsibility. And, indeed, we ask those others who have obvious interests in this matter, such as trade unions and of course hon. Members, to make their points by being precise about the particular category of job they are talking about, because then, we can all be together.

When somebody stands up and wants to heap a lot of abuse on all expatriates, all foreigners, it is a bit petty because there is no foreigner or expatriate who is here illegally, or if there is one, he should be reported to the police so that we can repatriate him. Those who are here are known by us as Government, and they must be sure that we are going to change when we have somebody who can take that responsibility. In that kind of work, we will do very well if we do not abuse anyone. Particularly, Mr. Speaker, I was saying this morning, and I want to repeat it, that we as a Government, in our agreement with the various Governments of the world, are seeking certain categories of manpower for certain specific jobs. So, we invite them, and having invited them to Kenya, for us then to abuse them will make us look petty. It is terrible to do that because it is we who invited them, and we are actually employing them and paying them.

So, any Kenyan who feels that a particular job should not be occupied by an expatriate, it is not for him first to abuse the expatriate, it is for him to use his democratic right of making representations to his properly elected government which will listen to him, and if the request is genuine and proper it shall be acted on, and if not, he shall be told so. That is the nature of our system.

(Applause)

I think it is a matter on which we can afford to take a reasonably grown-up attitude and not just to make it a petty subject for every other day. I think on this one we are all agreed.

Now, on a separate point which was raised – I do not believe we are asked to do anything at all about newspapers. I think the hon. Members spoke about them. I read the Hansard and there are about five or six members who spoke about them. My only comment is that newspapers in developing nations like Kenya are just like the rest of other developing institutions. There is no reason why you should take them as a special institution. They are like all other institutions which are developing; some falling down, some succumbing to all sorts of difficulties and other things, including all the problems we are dealing with about Magendo and corruption, and everything else. They are subject to the same environment like all other institutions. So, one should not expect too much purity and holiness in the world of newspapers because they are run by human beings who are subject to the same influences like the rest of us in the country. It is only that when they write editorials and about other stolen documents, they like to pretend that they are holier than the rest of us. That is the nature of newspapers.

(Applause)

I never myself worry about them. I believe our best position as a Parliament is not to worry too much about newspapers; leave them to enjoy their freedom like everybody else in the country. When they do any mischief towards you, you have to resort to the courts, and I know the Attorney-General will support you in this matter. So, I think this is not an issue over which we should ask the Government to do anything. And, of course, for anyone who is enterprising and wants to start a newspaper, he is free to do so; there is no monopoly; the door is wide open. So, personally I do not think there is a big

problem there. But it is we who have too high expectation of newspapers, because we have believed their propaganda, or that they are special, that they know better. They do not.

(Applause)

There is nothing special about becoming an editor or even chairman of a newspaper organization. There is absolutely nothing special about. In fact we are all human beings, and we are all subject to promoting our own personal interests by devious routes. This goes on all the time.

Mr. Speaker, all I am pleading for is that we do not treat any particular institution, whether of newspapers, the Voice of Kenya or anything as very special. It was given headline the other time that I blasted the Voice of Kenya; I never blasted the Voice of Kenya, I merely said that, we have a problem with the co-operative societies, which I spoke about in the morning, they had not risen to the expectation of Kenyans when Kenyans invested their tax money in that institution. That is all I said, Mr Speaker. Equally with the other news group, there is nothing to blast anyone about, it is purely that when they want to play it holy, they must know that we also know enough about whom they work for and whose interests they are promoting.

(Applause)

An Hon. Member: Very good. *Toboa.*

The Vice-President and Minister for Finance (Kibaki): There is nothing to be disclosed. For instance, I am a Minister in the Government – you cannot expect me to promote any other interests of the Government which employs me. This is natural. I am not saying that it is sinful. I am not pretending to be holier than anybody. It is fairly that this is the only truth.

Mr. Speaker Sir, there is a question which has been raised by two Members about the offices of the Government, which place the picture of His Excellency the President in peculiar corners. This, of course, is wrong. Secondly, we know the positions at which the pictures of the President should be placed, and there can be no confusion about what picture to place where. I do not see how any such confusion can arise. We had our first President, Mzee Jomo Kenyatta, who ruled us until God called him. We now have our second President who is now ruling us. So, the protocol is very straightforward and there is no confusion in this matter. You put up the picture of the President and you place it in the right place in all offices. There is no confusion at all and I do not know why anybody said there is confusion. If anybody is confused, it is only that he has not really woken up to the realities of life, may be. However, it cannot be that anybody is confused. In fact, there is no ---

An Hon. Member: How many pictures should be displayed?

The Vice-President and Minister for Finance (Mr Kibaki): Only one. Therefore there is no confusion and I do not see why anybody could have that confusion. Anyway, if there are places like that, I know that our Ministry in charge of administration will actually write a little circular to all offices and clarify the matter very precisely and very clearly.

Mr. Speaker Sir, I have covered most of the items that have been mentioned here and with your own permission, I would like to take the opportunity to repeat what I did say in the Budget speech regarding protection of industries because I have received a lot of memoranda and also a lot of memoranda has come to Dr. Waiyaki, the Minister for Industries. I think some of our manufacturers

have misunderstood the speech and since this speech has now been printed and is now available, they should look at it. We have said very precisely that we have to move onto a position where we want to encourage industries in Kenya to use raw materials when they are available in Kenya and to promote local industries when these industries are producing goods as good as the imported ones.

Mr Speaker Sir, we have not said anywhere, and it is not our intention, and certainly, it is not so in the printed Bill, except for one or two typographical errors which we are going to correct- It is not our intention to make the operation of any of our industries less profitable than it was before. I am saying this because we would then be cutting our own nose to spite our face which we normally do not do as Kenyans. We are very realistic people. What we are saying, and that I repeat it, and I gave many examples during the budget speech - - take for example furniture, which is my favourite item because everything about it is wholly local. There is no big reason for anybody to say that he is a big trader, he imports furniture and distributes it and that, therefore, he is going to go out of business and insists that he can only survive by marketing imported furniture because we have put a very high tariff on it. There is no reason why he cannot buy locally-made furniture and market it because we are exporting furniture and the quality is very good and we have some of the best woods. This is a typical example.

One other thing which is worrying some of the manufacturers is that they think that by our removing the refund on some of the raw materials, they are, therefore going to lose. There will be some manufacturers who will lose because they were using loophole to get a refund which is bigger than they are actually entitled to. In other words, through this experience we have learned, for instance, that to make a thousand shirts you will use X length of satin material. This is our business to learn from experience. Therefore, if a manufacturer has been able to claim, for a thousand shirts - of course, in these new rules, where the shirt manufacturer himself, from whom we shall collect tax and who will, therefore, have to fill in a form making a declaration about how many shirts he has made, since there will be two times when we check from the person who makes the satin material and the fellow who makes the shirts themselves, anybody who has been fiddling about claiming more than he has, in fact, passed through, he is going to lose. There is no point in their writing very emotional letters that this is going to get them out of business and so on. We are only closing a little loophole. In other words, we are removing the temptation and, therefore, we are doing good for them because temptation is no good. Mr Speaker Sir, you know that some of the businessmen believe what Oscar wilde once said, that the only way to solve the problem of temptation is to yield to it at once. However, if you yield to temptation-we do not want to encourage anybody to yield to temptation. So that is all what we have done.

Now Mr. Speaker, I will also go further and say that if there is an industry which in fact is going to be forced to use local materials which are not of the quality similar to what they are using before as a result of these recent measures announced, then will allow them to import. Of course, I said a long time ago, for instance, that motor manufacturing companies, to whom I am very grateful, are already taking parts made by industries in Kenya. They have said that where the local manufacturer of parts does not make to the quality approved by our Standards Bureau, and as good as the imported ones, then we must allow that manufacturer to import. I am saying this because there is no other way by which we are going to bring the parts manufacturer to the standard we want him to come to except to say that, "if you do not rise to this standard, your merchandise is gone. We are going to allow importation". This is what we have been doing. Therefore, anyone who really is a manufacturer and is being put in a position where he has to use inferior quality material, then he should bring very practical complaints to the Ministry of Industry, and I know that Government will definitely take action.

Mr. Speaker, Sir, I beg to move.

Question put and agreed.

“Members who have been in politics for a long time know me. I have been in this game since I left Makerere in 1960. Even from that time when there were so many groupings during the fight for independence, I never joined any groupings, and I will never do so because I consider myself to be adequately equipped to understand that groupings over petty personalities is a waste of time, and it is an insult to the intelligence of any decent person.

(Hansard, 6th March, 1980 pp. 22)

CHAPTER 6

LEADER OF OFFICIAL OPPOSITION**April 27, 1994****KIBAKI ON GOLDENBERG SCANDAL**

Mr. Kibaki: Mr. Deputy Speaker Sir, I am grateful for this opportunity to say a few words on this Motion. Mr Deputy Speaker, Sir, the Speaker did rule before that the debate on the amendment of the Motion can be continued simultaneously. When we speak on these matters, therefore, we speak on the whole report.

Mr. Deputy Speaker Sir, I am afraid that something very sad is happening in this House. The sad matter is that an issue that is very serious and which is taken as such by Kenyans very seriously is being turned into a party matter. In which way, can the question of misuse of public money be partisan? It cannot be. It is quite clear in my mind that the Report of the PAC originates from the report of the Controller and Auditor-General (CAG). In that report of the CAG, which is phrased in very precise English, is that an illegality was committed and things not authorised by Parliament were done. The report is a public document and as MPs, surely the minimum that we can do is not to try and bury the report of the CAG which we have all read. As a minimum, I would have expected that the first sentence of the PAC would be something to the effect that, "we have investigated the matter and so do we or do we not agree with the report of CAG?"

Mr. Deputy Speaker Sir, the main body of that report of the PAC agrees with the report of the CAG. We have all read that report and that is the conclusion arrived at by all the members of the PAC. It was unanimously agreed that the provision of the law that governs compensation was breached. It was breached because Kamlesh Pattni and his Goldenberg International was paid more than was authorised by law so it was paid illegally. I am merely quoting the report ---

Mr. Ndotto: On a point of order Mr. Deputy Speaker Sir, Is it in order for Hon. Kibaki to give the impression that the 35 per cent payment was paid under Export Compensation Act.

Mr. Kibaki: Mr. Deputy Speaker, Sir, you and I must have pity on some Hon. Members who feel bound to do certain things. We are not saying such things. We are reasonably intelligent to know that this amount of money paid was paid in two lump-sums and under different provisions and I am coming to that shortly. It is part of my argument and there is no reason to interrupt me at this point. We know that compensation was paid under that Act, but it was paid illegally because there was no evidence of any exportation. The statement that there was no proof that there was any gold or diamonds exportation is a statement in the CAG's report which has not been disapproved in the evidence given in the report of PAC. The Statement that the 20 per cent that was being paid was done without the exportation proof either to the CAG or the PAC has also not been disapproved.

Mr. Deputy Speaker Sir, those things are there in the PAC Report. There is no proof that gold and diamond were exported. According to the Public Accounts Committee, there was no such evidence.

(Applause)

Those things are there. What I am saying is that the additional 15 per cent export compensation was downrightly illegal and in fact, robbery, because, in paying that sum, even the Attorney-General was consulted and said it would be illegal to do so. But the Treasury proceeded to do it, and it did, illegally, despite the advise of the Attorney-General. The public of Kenya will never be interested in the kind of details the honourable Member for Bunyala spent time on. They want to know.

CAPITAL MARKET AUTHORITY BILL**Amendment Bill****Parliamentary Debates****November 1994****(Question Proposed)**

Mr. Kibaki: Mr. Deputy Speaker Sir, this Bill is important and the comments we are making do not in many way belittle what is being undertaken. I take as seriously as the Mover of this Motion the intention of the proposals, but we must seek ways of doing what we want to do correctly and effectively, and look into the long term future and not be influenced by the immediate and short term matters.

Mr. Deputy Speaker Sir, I have followed very closely the explanations and words that have been spoken by people who are involved in the stock exchange and in the management of the institutions which are actually securities exchange. The purpose of the Capital Market Authority – some people have proposed it might be called a commission not an authority. It is just a matter of being proper and correct. There are other similar bodies around the world. There is a large one in America and Europe. In fact, every nation has one including Japan and elsewhere. When we sought to open this particular organization in Nairobi, we sought help from other institutions which have existed for a very long time and we also sought the help of international organizations. The Government was advised on how the two days of controlling the commission or authority in this case and the stock securities exchange. These two have to exist as separate institutions. Now in these proposals and this is a matter of principle, the Capital Markets Authority (CMA) which is the supervisory body is being given authority to literally direct and control the private sector stock securities exchange. In other words, the brokers or the people who will be selling shares will be directed. The principle which is implied here is retaining in liberalised economy something which should be rejected. The whole purpose of liberalizing the economy including companies and selling of shares is that if you own shares and you give them stock broker and he is following rules he is not to be directed by powers to somebody else as to how he should go about his business. For example, he should not be directed on who should buy shares, where he should set up offices et cetera. That way, we are going to mixture of two compatible systems. On one hand, we are saying we are going into private enterprise and on the other hand we are going to say this is a Government business because CMA is a Government body. If we are saying that Government retains power to give instructions to a Market, then that market is not a free market. I am raising this issue so that the Government can either listen and agree to discuss with those who are operating the market or they can bulldoze through this Parliament something which we shall later on regret and come back to Parliament when we have messed up the economy of this nation.

This particular issue should be seriously considered. Do we want to give Capital Markets Authority powers to direct stock exchange? That question has to be answered by the Minister when he raises to reply. He should tell us whether the Government has decided to go back to that. If they want to go back then there is very little we can do about it: they can bulldoze this issue through this Parliament and make Kenyans suffer while pretending on one hand in Europe – and we have been told about Europe – that we are liberalising. It is true we are liberalising, but are we liberalising in law or are we giving a new parastatal these powers? One has read this Bill together with the principle Act which sets out the Capital Markets Authority. What I am asking is that question be answered and above all, that we do not seek to give the Capital Markets Authority powers to direct how a particular stock exchange company should behave.

I would like to refer to Paragraph 4 that deals with how people are to be nominated to the board of directors of a security exchange. Two people should be dealers and then five who shall be appointed by the securities exchange with the approval if the authority provided those appointed have knowledge and experience in finance management, investment et cetera, the chairman shall come from that nominated group. We are going to infiltrate the Capital Markets Authority which is a parastatal. In appointing the board of directors of a stock exchange company, the Capital Market Authority retains authority in the appointment of five out of ten directors and from those five, the director shall be one of those five. We are being told here in a roundabout manner, instead of being transparent and specific, that the Capital Markets Authority wants to nominate the chairman of a private company, of securities dealers who are in a security exchange company. It is ridiculous. How do we expect people to put their money in the hands of a management which is being chaired by people who are appointed by parastatals?

If you want to deal with a private company you want above all to know that the people who are handling our company's shares are knowledgeable: people you can trust not somebody who was put there by a parastatal because he is a good boy or a good girl. This is the game that has been played up until this moment. We are saying: let us allow the people who are going to be stock exchange the freedom they need. They should have the freedom to at least appoint the board which would manage their own company. One can appoint the board of a parastatal the way one wants but then it comes to appointing a board of a stock exchange company which is in charge of securities and which is private, really they should not be dictated to by the state in the way that a particular private company is run? it has no investments in it and no role to play. A private company should trade freely make its own profits or fail to make profits and go bankrupt. That is what freedom means in private enterprise. Why has the State got to assume this power by intervening in the management of a stock exchange company?

What is the experience of other established countries like Japan, Britain or New York? In New York the securities commission is even stricter than that we are setting up here, but it is totally separate from the company which does business on the floor a stock exchange. The Government uses one to supervise the other. In this case, not only are those who are on the floor selling shares and operating there going to be supervised but they are also going to be infiltrated by

Being told who may become a director or the chairman of their company. The chairman must be from those approved by the common market authority. That is very serious. This breach should not exist. Let us have integrity because this is a public law. The investors we are telling how we are going to privatise will read this bill. They will ask these questions because they are educated people and we are talking about their putting millions or billions of shillings into our economy. They will as if Kenyans genuinely want to promote private enterprise or they want to continue to control even the stock exchange through the back door. We are pleading for something which is so obvious. Like daylight, that Treasury or the Government may reject and we know they have votes in this House to pass anything. They must ask themselves if they are serving the interests of the nation. This issue will come up again. Although the minister who seconded this Bill said that they have not made up their minds whether they are going to encourage foreigners to buy shares through the stock the Nairobi Stock Exchange or whether they are going to be kept out because they may have very terrible effects, we do not know what the effects will be—

The Minister for Information and Broadcasting (Mr. Makau): On a point of order, Mr. Deputy Speaker Sir. I said that we should be cautious.

Mr. Kibaki: Mr. Temporary Deputy Speaker Sir, we should be cautious. That means that we have not made up our minds. That is why you should be cautious because if you know what you want, you do not need to be cautious. To be cautious means you are doubtful and Hon. G.G Kariuki shows that is true. If you tell someone to be cautious, it means that you are totally doubtful. One matter is that of opening the trading shares and stocks. We should open it. If you want to have the Nairobi Stock Exchange respected and given the status it should have around the world, and to be quoted in half-hourly report by Reuters and so on, you have to have an open stock exchange. You cannot have your cake and eat it. The English man who tried it failed. So she says, "You cannot have your cake and eat it". But the Hon. Gentlemen are saying, "It is our cake, so we and it and have it at the same time". That is not possible. Either you are going to allow freedom, because there is no question of eating slowly. When you have eaten your cake, you do not have it. Even if you eat only 10 per cent of it, that 10 percent is finished and it's not yours anymore. So the stock exchange market should be open and free. If it is open, a man who has his money anywhere in the world is going to ask the question I have just said. Let us amend this law.

I personally propose do not want to take time proposing an amendment, knowing fully well that the Minister does not look receptive and above all he is going to say that they do not accept amendments from the Opposition. let them bully their way but they will come back to amend the Bill because it is not going to work; we are trying to swindle Kenyans by telling them that we are going free whereas the stock exchange will be controlled from the back door through the Capital Markets Authority.

Mr. Deputy Speaker Sir, another important point which is very important concerns the appointment of the director of the stock exchange which is going to be supervised very effectively by the Capital Market Authority. The Capital Market Authority as a parastatal has a membership of people who have never in their lives participated in dealing with money, yet they are going to supervise the stock exchange which is composed of experienced people in the fields of finance, law, investment and so on. Those who are going to supervise the appointment do not know what an exchange rate means. They have never heard of it. This is the most atrocious thing we can have. The Minister should actually state who will be in the Capital Markets Authority because that amendment is missing. He is spelling out only the directors of the stock exchange yet he does not tell us who will be in the Capital Market Authority. The people on the board must be more qualified than those who are going to be supervised because how can you have a supervisor who does not know a single thing about what he is supposed to supervise? If you look at the previous and the present supervisors and those who have been bosses you will find out that they did not understand their duties.

They were there simply just to approve anything brought into the company.

What is pathetic, and is really history because there is nothing that can be done now, concerns the recent sale of stocks of three major companies on that exchange. The sell was approved whereas there was fraudulence, absolutely transparent and totally clear to anybody who read the prospectus of those companies, and yet the Capital Markets Authority approved and said these are wonderful investments with great potential and so on, and thereby cheated the buyers of shares.

They were cheated because essential information was omitted from the prospectus. When a prospectus is published by a company that wants to sell shares in the market must be detailed. It should include the company's statements of accounts for the last five years. However, one of the companies which were being quoted gave no statement of accounts for the last five years as required by the law but the Capital Markets Authority approved it and recommended that it was a wonderful deal and that those who were foolish enough bought their shares. Thanks to them and God may help them.

Mr. Deputy Speaker Sir, the qualifications spelt out here should be spelt out also for those who may be members of the management board of the Capital Markets Authority, then there will be respect. Amongst the shares that were being issued recently, one company had sold 37.5 per cent of its shares in a secretive deal. The Minister used the words here that the purpose of this Bill is to encourage transparency. How do we encourage transparency when this is going on? I would like to say that if we are going to encourage transparency, the first thing we must do is to give full information on the subject matter. There can be no transparency in the matter of buying shares if we do not have full information. If the full information is not given as to how a company is structured and it is put through for us to buy after passing through the hands of the Capital Markets Authority, and the Nairobi Stock Exchange and everybody else concerned. I would say that there is no transparency, because without information, or with information withheld. We are misguided into believing what is wrong. At the end, we end up buying shares that are not valid.

I am suggesting, therefore to the Minister that there is a clause missing about giving full information. Whether it should be in the rules, that shall be made; these should, preferably, in my opinion, be part of the law so that no doubt exists. There is no dispute as to which information I must give if I am selling a company. If one is a professional that line, one knows that you can just use a very good accountant to put your figures properly, put the bright side on the front, the dark side on the other side and the shares become presentable. This is true and is happening with regard to three companies which have just been sold.

Mr Deputy Speaker sir, I am saying, therefore that that is really what we want to be included somewhere—

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

Mr. Deputy Speaker: Yes, Mr. Shikuku

Mr. Shikuku: Mr. Deputy Speaker sir, I thought I heard the hon. Member- I think for the third time - talking about “three companies”. Could he enlighten us on the three companies he is talking about? We would like to be addressed to three companies he is referring to.

(Laughter)

They are three and I hope I will remember the other one in the course of my speech.

Mr. Deputy Speaker Sir, the reason why I am saying that the hon. member for Butere knows this, is that this information has been prospectus even put in the members’ pigeon holes. There has been information of the prospectus I am talking about, which has been prepared beautifully by accountants, showing that a bank had sold 37.5 percent of the shares, though fictitious dealings, with the national social security fund. You do not need to go into those issues because they are known. What I am saying about it is that, in a -

Mr. R.K. Mungai: On a point of order, Mr. Deputy Speaker Sir.

Mr. Deputy Speaker: You had better have a serious point. What is it?

Mr. R.K. Mungai: Mr. Deputy Speaker Sir, I just want to be enlightened as to whether it is in order for the hon. Member to impute improper motives on the accountants or the accountancy profession.

Mr. Deputy Speaker: It is perfectly in order for him to say what he said.

Mr. Kibaki: Mr. Deputy Speaker, Sir, I have not been imputing anything theoretical, neither have I spoken about anything of a nature of a conjecture. I have only spoken about factual details given to us and I can get the hon. Members the relevant copies to read. The copies go into detail and tell us that a company which has excess stocks of some Kshs. 900 million has been selling stocks very briskly and is going to make huge profits in the next four years; yet it has excess stocks – as if this moment – Kshs. 900 million. Are the two statements compatible even in the mind of an accountant? The answer is “no”. Not to an honest accountant. But for somebody paid to do a job, he will do it, and that is not unusual. I am not imputing improper motives against anybody. In fact, that was not my main point.

Mr. Deputy Speaker Sir, my main point about which I am pleading with the minister, is that, before this body called the Capital Markets Authority is given the power they intend to give it, the way they have shown themselves in the examples I am giving, where they impart to the citizens very dubious documents as prospectus: it should be reconstructed and be composed of people such as he recommends here for the stock exchange companies to have very qualified people who are going to be supervised by the most unqualified people. How will it happen? You cannot have professionals like he is saying, being supervised by people who do not know their line. It should be the other way round. Those who know should be in a bigger body and that is what I am pleading for

I will leave that point but that swindle has happened.

Mr. Deputy Speaker Sir, we are being told about numbers of the stock brokers. At the moment, we have one company in Nairobi. I do not know whether the intention is to licence other stock exchanges to be situated in other towns, or whether their intention is to order that those who operate in Nairobi must open offices in the rest of the country. This is the point that seems to improve the Mover and the Secunder that somehow, there is going to be a system of ordering that the buying and selling of shares must be done country wide, and they are very fond of this beautiful word. I agree that “countrywide” is a beautiful word and I like it. He does not tell us whether it is intended that if I am licensed to open an office in Nairobi. I am going to be ordered to open offices countrywide. Am I going to be ordered to do so? Are we still in private enterprise or not, if I am going to be ordered to do that? Private enterprise means that if I choose the suitable place for the business I do is Karatina and I do not have to be told where else to go and I will be situated there.

Mr. Deputy Speaker Sir, the Minister is only telling us now, verbally, that they will see these matters in the rules laid in Capital markets authority. That is right. That is where they are going to be in the rules- and we shall have passed the law. In those rules, we want the Minister to state, in this Parliament, when he is replying, how he is going to order those who run the stock exchanges to do marketing and trading countrywide. Are you going to be ordered to open offices? Are you going to be ordered that whenever you are offering shares, you must post them to every Kenyan, out of the 25 million people in the country, through the post office box number of every one of the 25 million? Who is going to do it? It is enough to put this thing here, in law, that you are going to insist on countrywide operation. We should be told how it will come into regulations.

Perhaps, more important, regulations laid down under the Capital Markets Authority should be tabled in Parliament, like other regulations made under other laws, for information of this Parliament. This is because it is a very serious matter which can handicap the operations of these companies. Perhaps, more important, when the state is going to privatize the industries, are they going to choose the brokers or companies that may deal in this matter, or how are they going to do it? I ask this

because there are seven newly registered companies and while there were six old ones. So, there are now 13 companies in total.

Mr. Deputy Speaker Sir, I hope that as we Mr. Deputy Speaker, Sir, I hope that as we privatize, we allow genuine competition and not the insinuations which one heard earlier, that because the original six companies have been there alone, they have somehow, committed a sin. Who had stopped anybody from opening other companies since they did not have power to say who should open a company? Therefore, I think it is unfair to make an insinuation that those six companies were somehow, guilty of some unknown sins. I am saying that the freedom should be given to all of them.

Mr. Deputy Speaker Sir, the number of brokers, 13 or whatever number, should not be limitations. Anybody who thinks he will make money there in selling and buying shares should have the freedom to try it; but let him be supervised within rules. Above all, let them not be ordered as where to locate.

Finally, Mr. Deputy Speaker Sir, we have been told that the intention is mobilization of investment. I think this is very good; mobilization of investment and we want to invest in these particular companies. the first thing to do in order to mobilize investment and get broad-based share holding in any company is that the Government, which has 150 or more corporations which it is going to Africanize should start by giving an example. Then they will be believed after giving an example. We are about to privatize Kenya Airways very soon. None of the ministers in the Government or the people in the management of Kenya Airways is willing to talk the truth, but they are all talking about "very soon: very soon before Christmas we shall have privatized" Kenya Airways belongs to all Kenyans. There is Kshs. 6.5 billion which is owed in stock. The language which is being spread and treasury should think about this matter - in fact, the Treasury has joined in singing the song. "We shall soon privatize; soon, soon!" Right, it is going to be a very beautiful Christmas Carol!

Mr. Deputy Speaker Sir, what we are being asked to write off - these words "write off" are being used as if Kenyans do not know the meaning of writing off. There is no way of writing off a Kshs. 6.5 Billion which they will pay over the next 20 years, slowly and steadily. The Kenya Railways Corporation also want us to assume another Kshs 6.5 billion, and it will all be Kshs. 13 billion, which we are to pay over the next 20years! We should be told that it is we, Kenyans who are being asked to assume these debts. Therefore, once we assume the debts, and once the company has no debts it is going to be very valuable attractive, and every single person will want to invest in Kenya Airways.

Clearly, there is no company which has no debt, and a company which has no debt is very attractive. But it is so attractive and very profitable, as we know I will be, then the sale of shares to start with, should have transparency and broadness, and 'nationwide' and all those beautiful words should first apply to Kenya airways. Let us sell Kenya Airways to all Kenyans in Kenya. Let us have the shares of Kenya airways advertised at every chief's office countrywide, so that all of us buy them. It will be truly Kenyan and we shall have a right then to say we assume the debt so we shall be paying the debt, but shares shall be owned broadly by the whole Nation.

I suspect the reason for the secrecy is that a deal shall be made, and there will only be 10 or 15 per cent of the shares being put on the market. That has happened in regard to the national Bank and to so many others. But I think it is terrible and should happen to Kenya Airways particularly when we are going to assume that debt as a nation. So, we are saying for the Minister to show that this system will work, let him start with Kenya airways, and then we shall show we mean what we are saying; spreading the ownership, countrywide and nationwide. I think it is beautiful, that is what we should do. I agree, but they will not do it, because they have already got commitment.

Mr. Deputy Speaker Sir, on mobilisation of shares, I want to suggest that an agency might be set up which goes round the country explaining these matters. Kenyans know that there is going to be privatisation, but only in a vague and general way; not enough is known and, therefore, to get the response of mobilising these savings, we need some organisations, sponsored of course by Treasury and Capital Markets Authority (CMA) which should be reformed, and go round the country and explain to people what is going to come, and above all, the value of owning shares.

I know that other Members want to speak on this motion, but I appeal to the minister that these two issues of separating private enterprise and parastatals, which are public, require time to review before he pushes the Bill through. That requires further discussions with those who are already in the market, so that we may have a law which looks like the law in New York, in Great Britain and Japan. This theory, that we can have an institution different from those others because it is going to be African, you know, is ridiculous. We are told that it is going to be African and that it is going to be special quality of African kind of democracy. We know democracy is either real or not real. Equally we know private enterprise is either private enterprise without Government intervention, or if there is direct intervention by Government, the way it is put in this Bill, no one will ever believe us, even if we call it African. Finally, call it a commission; do not give it a high valuation authority, like chief's authority. It should be a Capital Markets Authority.

I cannot support until the amendments are brought.

CHAPTER 7

HOUSE BUSINESS AS PRESIDENT

PRESIDENT MWAI KIBAKI'S SPEECH DURING THE STATE OPENING OF THE 9TH PARLIAMENT, 18TH FEBRUARY, 2003

Mr. Speaker

It is with great honour that I welcome honourable members to the Ninth Parliament. I congratulate you for being elected and nominated to this August House.

I also congratulate you Mr. Speaker, and your deputy, upon your election. Our most heartfelt gratitude goes to Kenyans. It is the citizens of this country who went peacefully to the polls in December last year and elected us to this House. Let us be forever mindful of the great responsibility they have placed on our shoulders.

Mr. Speaker,

The Ninth Parliament heralds Kenya's long awaited second liberation. It is a testament to the patience and resilience of the Kenyan people. It demonstrates their faith in democracy as the preferred method of bringing about political change.

Mr. Speaker, I reiterated some of our campaign promises during my inauguration speech. Today marks yet another step towards fulfilling these pledges. We reiterate our commitment towards creating a culture of zero tolerance to corruption in Kenya. We restate our commitment towards the provision of free and compulsory primary education. We reaffirm our promise to ensure the security of Kenyans and their property. We remind ourselves as leaders of our promise to put this nation's economy back on its track.

Mr Speaker, good governance is the key objective of the NARC government. For only good governance creates the enabling environment necessary to unlock the latent potential of our people. A pillar of this is to ensure that the rule of law is upheld in Kenya. Ensuring this should be our most enduring legacy as a government.

Mr Speaker, the integrity and effectiveness of key institutions like the Judiciary are essential to Kenya's recovery. They are key to rebuilding public confidence in the state and in enhancing the rule of law. They are critical to the restoration of the rights and freedoms of our people. We shall therefore fundamentally reform the Judiciary to ensure that its integrity and independence is once again guaranteed.

Mr. Speaker

Honourable members will agree with me that corruption has undermined our economy, our politics and our national psyche. It has undermined our most important institutions and tarnished our reputations as Kenyan leaders. Indeed, in the past some of those widely perceived as most responsible for the vice of corruption sat in this very House or occupied other positions of public trust. This is going to change. As President, Mr. Speaker, I intend to lead this change. Corruption, they say, starts at the top. Now the fight

against corruption in Kenya will start at the top. Presently, we shall embark on the process of declaring our wealth as we promised.

Mr. Speaker, to lend weight to my government's commitment to fight corruption I have established a department in my office headed by a Permanent Secretary for the promotion of good governance and ethics. In addition, we have already gazetted legislation to establish code of conduct for public officials; new rules for public procurement and the strengthening of the audit system. As you know, we have also published legislation to establish an Anti-Corruption Commission with effective powers to investigate and prosecute cases of corruption. I call upon the people of Kenya to join me in this fight against corruption. I call upon you, honourable members to lead the way in this noble struggle.

Mr. Speaker

The completion of the constitutional review process is central to all my Government's objectives. The new Constitution will create the legal framework and institutions that will give life to the principles of democracy, accountability, transparency and social justice. I am confident that the draft prepared by the Constitution of Kenya Review Commission will be further improved during the forthcoming National Constitutional Conference. We shall re-establish the parliamentary select committee on the constitution immediately. This committee will propose to the National Assembly the necessary steps to conclude the review process. To demonstrate the commitment of my Government to the constitutional reform, I have established a ministry responsible for these matters.

I would appeal to the members of the Constitution of Kenya Review Commission to focus on their primary tasks and not to waste time and public resources on personal attacks. Theirs is a solemn duty and they should be mindful of this.

Mr. Speaker,

The transparent and accountable management of national resources is the greatest challenge facing my Government. We are true to this challenge. The last decade has been one of steady economic decline. The major contributing factors for this have been corruption, insecurity and mismanagement. Our economic policies have also not been relevant to a rapidly globalising world.

We are also working to improve relations with our development partners in order to work together towards commonly acknowledged goals. We intend to reduce the currently high levels of domestic borrowing as well. This will free up credit for the private sector. The private sector is the engine of growth and prosperity. It is our responsibility as a government to create the enabling environment for the private sector to create wealth and generate employment for millions of our youth.

Mr. Speaker,

Related to the issue of good governance in public affairs, I would like to emphasise the seriousness with which we intend to deal with non-performing parastatals. Most of these have in the past relied on the Treasury for funding. This was even when they were capable of making a profit. I want to reiterate that my government has no business in supporting institutions that are a drain on public resources. Any parastatal that is not making a profit as required will not be retained by my Government.

Mr. Speaker,

Comprehensive reform of the public service sector will soon be underway. Unlike in the past, this critical effort has all the political will necessary to make the difficult decisions that will need to be made. It is critical that the service attract competent personnel for enhanced productivity. My government will urgently develop a policy aimed at improving the terms and conditions of employment for civil servants. This policy will put an emphasis on the relationship between pay and performance.

Mr. Speaker,

During our campaign, we promised to bring into schools the millions of children who had been denied an education as a result of poverty. We would like to thank Kenyan parents who have taken advantage of our free primary education policy. Ignorance is the biggest obstacle to the fight against poverty. A Kenyan without education is not empowered to take advantage of life's opportunities. Access to education for all Kenyans was therefore one of our most important campaign pledges.

I am happy to say that since the 6th of January, the NARC Government has kept its promise of providing free and compulsory primary education. I thank the millions of teachers, parents and pupils who have had to endure some inconvenience as the programme got underway. I would also like to express my government's appreciation to all those who have pledged to support this worthy cause. My government has already distributed over 500 million shillings for this programme. We shall be asking the House to approve another 2.4 billion shillings before the new financial year. Because of this programme, an extra 2.1 million Kenyan children will enrol in primary school by the end of this year. My Government remains committed to universal primary education by 2015.

Our next area of focus shall be on those many districts in Kenya that have no classrooms to speak of. We intend to invest in building classrooms and other education facilities in these areas.

Mr. Speaker,

In the health sector the priorities of the NARC Government are very clear. First and foremost is the fight against HIV/AIDS. It contributes greatly to poverty.

A second priority in this area for my government is the provision of affordable healthcare to the Kenyan people. We are committed to the introduction of a national social health insurance scheme and the empowerment of hospital boards.

The rehabilitation and expansion of our infrastructure is vital to Kenya's recovery. In the road sector my government has moved with urgency to clean up one of the most rotten corners of our public service. In the past, Kenyans have paid astronomical prices for low quality roads. Corruption and mismanagement in the roads sub-sector has contributed directly to poverty in Kenya. My Government has recently formed a committee to urgently review all pending bills in this sector. Similarly, in the housing sub-sector we have moved with dispatch and formed a committee to review the allocation of Government properties.

Mr. Speaker,

The all-important agricultural sector is faced with many problems. Yet it is the mainstay of Kenya's economy. Our economic growth strategy demands a review of farmer's incentives and modernization of agriculture through affordable and appropriate technologies.

The Government will endeavour to ensure stability and consistency in agricultural policy. This will enable farmers to make long-term investment decisions. The regulations governing agricultural inputs, production and imports will also be enforced to protect farmers from unscrupulous traders. My government will particularly support the revival of key institutions in the agricultural sector. These are essential to production and marketing of agricultural produce.

Mr. Speaker,

Related to agriculture are land issues. Currently, over twenty Acts of Parliament dealing with land matters complicate the administration of land. This is a source of great frustration to Kenyans. There is an urgent need to consolidate and harmonise these Acts for more coherent administration.

Mr. Speaker,

In the past, irregular allocations of public land became commonplace. Indeed, land became the most critical tool of political patronage. For my Government, land is first and foremost a vital economic, environmental and social resource. My Government plans to energetically deal with past mismanagement of our land resources. We intend to bring to the House a Bill comprising a comprehensive land policy for Kenya.

Mr. Speaker,

We all know that water is life. My Government is committed to ensuring that Kenyans have access to clean water. Plans are underway to carry out institutional reforms within the water sector. These will separate powers of policy formulation, regulation and water service delivery.

Mr. Speaker,

Sustainable development of water resources is dependent on prudent management of our environment. Honourable members know that this country is faced with serious environmental degradation. This is due to the reckless destruction of our forests and water catchment areas. My Government promises to move fast. It will put in place measures to rehabilitate and protect our environment. I want to declare that, from now on, anyone caught destroying forests and water catchment areas will face the law.

Mr. Speaker,

Our tourism sector directly and indirectly generates almost half a million jobs for Kenyans. It earns us 24 billion shillings every year. The sector has been plagued by poor publicity in the past. This was due to many factors, including political clashes at the Coast in 1997. My Government plans to revamp this important sector. It shall benefit first from the changed climate brought about by the NARC Government. However, we plan to market Kenya more effectively as a global destination. We shall revamp the regulatory framework for the sector. We shall also promote eco-tourism. This House will be requested to provide funds to upgrade infrastructure in the tourist areas. It is planned to upgrade the Utalii College.

Mr. Speaker,

My government plans to establish a fully-fledged Gender Commission to mainstream gender issues in national development. A Bill shall also be brought to the House to directly address issues of domestic violence whose prevalence is unacceptable. Mr. Speaker, my Government also plans to take sport more

seriously. Not only is it an important pastime but Kenyans are good at it. Success in sport changes the lives of many young Kenyans every year. It gives us something to be proud of as a nation. It promotes healthy lifestyles. My Government plans to deal with the corruption and mismanagement in this sector. These trends negatively affect our athletes. They have undermined the standard of key sports like soccer.

Mr. Speaker,

Co-operatives mobilize about 31 percent of the national savings. The sector has played a crucial role in the marketing of major agricultural commodities. In the recent past, however, cooperative societies have under-performed. This is due to restrictive legislation, poor management and corruption. We intend to review and harmonize the activities of the cooperative sector. The Cooperative Act will be amended to allow savings and credit cooperative societies and unions to be more responsive in mobilizing and managing savings.

The jua kali sector and other micro enterprises are expected to play a crucial role in the creation of jobs in Kenya. However, we recognize that the sector's growth potential is inhibited by several constraints. These include poor access to markets, lack of credit and a poor policy environment. My Government will soon be presenting to the House a Sessional Paper on the development of micro and small enterprises for poverty reduction and employment creation.

Mr. Speaker,

My Government promises to reverse the current negative economic trends. To this end, we shall start by creating a National Economic and Social Council. This will advise on proper management of our economy. It is our intention to grow at 7 per cent per annum in order to create 500,000 jobs per year. This will progressively eradicate poverty through wealth creation. We have initiated and will implement an Economic Recovery Plan aimed at creating employment.

Mr. Speaker,

When fear rules the hearts of a people, no form of real development can take place. Whether it is fear of crime and vandalism or fear of the organs of the state, the effect is the same. Provision of freedom from fear for life is one of the cardinal duties of any responsible government. Unfortunately, today many Kenyans live in a state of fear. Mr. Speaker, my government is committed to changing this.

Every Kenyan has a right to life and ownership of property. Sadly, there are some Kenyans who have chosen to make it a habit to disrupt the lives of other Kenyans. The message to them is clear: "lay down your wicked ways and respect your neighbours."

My government will not allow anyone to interfere with these important rights. We are currently dealing with the problem of informal criminal groups that have been bred by endemic poverty.

We have been disturbed by the insecurity afflicting the matatu industry. Matatu owners have a right to operate their businesses peacefully; the right to employ drivers and conductors; the right to choose their routes and the right to charge legal and appropriate fares. My Government will protect this industry from any kind of harassment.

My Government also plans to overhaul the terms and conditions of employment of the police force and other security services. They shall also be retrained and re-equipped.

Mr. Speaker,

It is important to declare the considerable emphasis my government shall be placing to development in North Eastern Province and other districts which have been marginalized in the past. This province and other districts have been neglected by previous administrations. We recognise the importance pastoralism plays in the national economy. We plan to address the development issues of these areas directly. Security, health, water, communication and education are top of the list of priorities that my Government plans to address.

Kenya is a proud member of the global community of nations. My Government will pursue foreign relations based on the principles of peace, good neighbourliness and respect for the territorial integrity of other nations. We shall work with other states through IGAD, the East African Community, the African Union and the United Nations to help resolve conflicts on the African continent.

Mr. Speaker,

We shall also accelerate our efforts to complete the establishment of a truly integrated East African Community. In addition to this, we shall continue to play our role in deepening co-operation within COMESA and other multi-lateral and bilateral arrangements. Kenya will also continue to pursue the peaceful resolution of conflicts in the Sudan and Somalia.

Mr. Speaker,

Recent terrorist attacks and loss of innocent lives have shocked the world. Kenya complies with Resolution 1373 of the UN Security Council. We join all peace-loving states in the fight against terrorism. My Government plans to establish mechanisms to coordinate Kenya's response to global terrorism.

Mr. Speaker,

Before I conclude my remarks today, let me briefly mention that the first session of our Ninth Parliament will need to set the pace for the next five years. It should debate various Bills and other matters purposefully. Honourable members will have to address themselves to the important question of providing leadership. We should support and encourage Kenyans to participate meaningfully in the development of their country. Several Bills will be tabled for discussion during this session. Important ones include the Public Officer Ethics Bill, the Anti-Corruption and Economic Crimes Bill and the Constitution of Kenya (Amendment) Bill.

Finally Mr. Speaker, let me remind Honourable members that they bear a great responsibility on their shoulders. Kenyans expect us to restore the glory of this great nation. I have every confidence that together we shall prevail. Our moment in history has arrived. For the sake of the Kenyan people let us not squander it. The fight to better the lives of our people will not be won in 100 days. But I am proud to say we have started on the right foot. The journey towards renewal and prosperity for our beloved nation has began.

With those remarks Mr. Speaker, I now declare the Ninth Parliament officially open.

Thank you.

OPENING OF NINTH PARLIAMENT – FOURTH SESSION

Wednesday, 16th March, 2005

The Speaker:... Hon. Members, it is now my honour and privilege to invite His Excellency to address this House.

Hon. Members, His Excellency the President of the Republic of Kenya.

Your Excellency.

His Excellency the President (Mr. Kibaki): Thank you, Mr. Speaker, Sir. Today, the Ninth Parliament begins its Fourth Session after the Christmas recess. I believe that hon. Members took advantage of that opportunity to consult with their constituents on their development priorities. Hon. Members are now fully energized and equipped to deal with the business of the House in the coming months.

Mr. Speaker Sir, the Kenyan people place a considerable responsibility and high expectations on the institution of Parliament. As the supreme organ of the State, Parliament is expected to provide leadership in tackling the challenges that continue to confront us. Some of those challenges include the revival of the economy, governance and social well-being of the Kenyan people. There is a common saying that the world has become a global village in which we must compete for limited resources and markets. In those circumstances, building human capacity, efficiency of our institutions of governance and providing modern legal framework for economic nactivity to take place are critical to the advancement of our country's competitiveness.

Mr. Speaker Sir, the economic recovery remains on top of the Government's agenda. The development of our country remains low by international standards. Our effort to improve on the performance index calls for unity of purpose of our leadership and creation of an enabling environment to unleash the energies of our people. We have set ourselves a high economic growth rate of 7 per cent. That is achievable if we can focus more of our energies on economic activities, rather than dwelling on divisive and non-productive politics. Since coming into office two years ago, my Government presented to this Parliament the Sessional Paper on the economic recovery programme, followed by important Bills on economic management and governance. Those Bills, which are now part of our laws, include, and I quote: The Anti-Corruption and Economic Crimes Act, the Public Officer Ethics Act, the Kenya National Audit Act, the Investment Code and the Financial Management Act. I thank the August House for enacting those important laws.

Mr. Speaker Sir, in addition, my Government has taken specific measures to ensure macroeconomic stability and revamp the economy. Those measures have born positive results. I can now report that, at the end of the last financial year, the agricultural and livestock sectors were on an upward trend and Kenyans are beginning to reap the fruits of the improved situation. For example, the tea sub sector grew by 17 per cent while the horticultural exports increased by 10 per cent. In the sugar sub-sector, cane deliveries increased by 15 per cent while coffee deliveries rose by 4.5 per cent. In the energy sector, consumption of electricity increased by 8 per cent. The tourism sector, which had been depressed for years, improved by 24 per cent. In addition, mobile telephone services increased by 58 per cent. Cargo at the port of Mombasa expanded by 7.7 per cent. Cement production rose by 8 per cent and locally assembled vehicles increased by 47 per cent.

In the financial sector, the balance sheet of the banking sector expanded with total assets increasing by 14 per cent. Net lending to the private sector increased by Kshs 31 billion. On the aggregate, our Gross Domestic Product (GDP) growth rate improved to 2.4 per cent last year, which is the highest since 1997. We expect to achieve, at least, 3 per cent growth by the end of this year. This growth, together with intensified tax compliance, has increased our tax revenue by 24.5 per cent over the previous year. The benefits of the increased revenue flows will be realised up to the grassroots level, where the Government is spending between Kshs50 million and Kshs70 million annually, per constituency, to support development projects.

Mr. Speaker Sir, those resources are being channelled to the constituencies through the Constituency Development Fund (CDF), the Local Authorities Transfer Fund (LATF), the Constituency Bursary Fund (CBF), the Roads Maintenance Fund (RMF) and the HIV/AIDS Campaign. Indeed, I believe that hon. Members are, today, the most empowered Members of Parliament in Kenya's history.

(Applause)

But those resources are for the development of the people. I urge hon. Members to explain to their constituents that, that is their money and they should, therefore, ensure that it is used properly and efficiently. The Controller and Auditor-General is also alert, and will ensure that irregularities are detected early, in order to effect appropriate corrective measures.

Mr. Speaker Sir, in the last few weeks, we have witnessed incidents of violent disputes over land. Land is a limited economic resource which attracts intense emotions in this country. In recognition of that, the Government has formulated a new land policy to be presented to the House as a Sessional Paper. At the same time, I urge hon. Members to pursue dialogue in dealing with land matters. As leaders, we should not incite people to violence every time land issues arise. There is nothing that cannot be resolved through the law. The existing legal and administrative mechanisms should be employed fully in tackling land disputes. In that regard, I am pleased to note that the NARC Government has accelerated land adjudication in Kwale, Meru North and Mwingi districts. Those are areas where the process has been frustrated for the last 40 years. Over the last two years, thousands of families in the three districts have been issued with title deeds. Land adjudication will be intensified until it is completed.

Related to this is the precarious situation of our forests, which have over the years been depleted to a dangerous level. The country has less than 2 per cent forest cover, while the internationally recommended minimum forest cover is 10 per cent. The Government has, therefore, embarked on a programme of removing illegal settlements from the forests. Some difficult decisions had to be made that have caused suffering to the affected people. These are short-term costs that we have to pay. In the long-run, this policy will benefit all Kenyans. I call on all leaders to support the exercise and avoid politicising the issue. Let us work together to restore the Government gazetted forests and trustlands.

Mr. Speaker Sir, the fight against corruption is being accorded priority by the Government. I will continue to lead the fight against corruption in all its forms, whether it involves diversion of funds or inefficiency in the implementation of public projects. However, we must not allow partisan politics to undermine these efforts. We cannot afford to be divided in our efforts to fight corruption. Corruption steals from all of us. It undermines the development of our country and erodes the wellbeing of our people. Indeed, I am glad to note that we are making good progress. We should maintain a united front in this fight. For example, we have totally eliminated grabbing of public land.

Turning to the legislative programme for this Session, my Government will be tabling various legislations to speed up the implementation of economic and governance reforms agenda. In July, 2003, the Government set up a Commission of Inquiry into the illegal and irregular allocation of public land. This is also known as the “Ndung’u Commission”. The Government accepted the recommendations presented by the Commission and will be tabling a Bill on the implementation of the recommendations of that particular Commission. To further strengthen the legislative framework for combating corruption, the Government will be tabling a Bill seeking to amend the Public Officer Ethics Act. The amendment is intended to facilitate disclosure of information from wealth declarations to the public.

(Applause)

Mr. Speaker Sir, lengthy procedures have sometimes undermined efficiency in the public procurement system. Delayed implementation of public projects is a denial of jobs, services and better lives for the people. To comprehensively address this issue, my Government will table a revised version of the Public Procurement and Disposal Bill. This will be very soon. This will be done during this Session. The overall objective of this Bill is to establish a sound legal framework for public procurement. When enacted, the new law will accelerate procurement procedures in the Government. The Bill also includes specific provisions to govern the procurement of security related projects. We will continue to ensure that the Kenyan public get value for the taxes they pay to the Government.

Mr. Speaker Sir, the performance of local authorities has a direct bearing on the rhythm of the development of the entire country. The pathetic state of many of our urban centres is, therefore, most disturbing. We need to pay special attention to the operations and the management of local authorities. We have both the financial and the human resources to make our towns clean and pleasant for our people to live in. My Government intends to table legislation which will strengthen local authorities. In this regard, the Government has already finalised a Bill for the establishment of a Financial Management and Control Board. The Board will be expected to restore the financial and management health of the affected local authorities. In addition, the Government is in the process of finalising the establishment of the Local Authorities Bill. This Bill is intended to provide for the creation of a metropolitan city of Nairobi.

Mr. Speaker Sir, during the last Session of Parliament, the Bill proposing the introduction of the National Social Health Insurance Fund was passed. The primary focus of the Bill is to increase access to health care services. The Government regards the health of our people as a top priority and, therefore, fully supports this initiative. However, this Bill has far-reaching cost implications which cannot be met under our current financial circumstances. My Government will, therefore, re-submit an amended Bill to Parliament. The amended Bill provides for the phased implementation of the scheme in line with the current fiscal framework.

With regard to education, my Government will continue with its sectorwide reform of education in the country. The Government has both developed a Sessional Paper on “Meeting the Challenges of Education, Training and Research in Kenya in the 21st Century” to be tabled before this House.

Mr. Speaker Sir, during the last Session, the House passed the Banking (Amendment) Bill, 2004. However, following in-depth scrutiny of the Bill, some of the clauses were found to contain ambiguities that needed to be rectified. The Government will be re-tabling an amended Bill for consideration by the House. The creation of an enabling environment for investments is the key commitment of my Government. While key legislation in this area has already been enacted, there is need for further legislation to make the investment environment more hospitable. Moreover, outdated company laws and regulations have been

a major obstacle to effective management of companies. In this connection, the Government will table the Companies Bill to provide a modern framework for conducting business in the country. Closely related to this is the Deposit Taking Micro-finance Bill 2005, which will be tabled before this House for debate and enactment. The Bill will facilitate credit to the micro-enterprises, currently employing over 2.3 million people, and enable them to grow.

Mr. Speaker, Sir, during the last Session, hon. Members deliberated on the Privatization Bill and made recommendations that were to be incorporated in the Bill. A revised version of this Bill is now ready and will be tabled afresh. When enacted, the Bill will provide a legal framework to guide the privatization process in an open, transparent and accountable manner. The new law will also create an autonomous Privatisation Commission to manage the privatization process. Mr. Speaker, Sir, sustainable development cannot take place in the absence of prudent management of the environment. To this end, my Government will bring back the Forests Bill, which was not passed by Parliament during the last Session. The Bill has been reviewed and the contributions of the House and all stakeholders have now been incorporated.

Related to this is the Wildlife Conservation and Management (Amendment) Bill which was passed by Parliament in December last year. After detailed examination of this Bill, the Government concluded that there was need to prepare and table before the House a comprehensive Sessional Paper and a Bill which would adequately address wildlife conservation and management in its totality.

Furthermore, in our effort to revitalise agriculture and livestock, my Government intends to present several Bills and policy papers to Parliament. Among the Bills and policy papers to be tabled are: the Sessional Paper on Cotton Development and Enabling Bill; Sessional Paper on Pyrethrum; aimed at revitalizing the pyrethrum industry; Sessional Paper on Revitalization of Sugar Industry and a Sessional Paper on the Dairy Industry and an enabling Bill.

Besides the above, and as part of the effort towards entrenching our democracy, the Government will also table the Political Parties Bill. This is intended to provide an appropriate legislation system for political parties; their democratic management and State funding.

(Applause)

Mr. Speaker, Sir, regarding regional issues, my Government remains focused on the process of economic and political integration of the East African region. The East African Community Customs Union came into force on 1st January, 2005.

Mr. Speaker, Sir, the necessary Bill aimed at facilitating the domestication of the Customs Union Law into the national laws of Kenya will be tabled before this House. A Sessional Paper on the fast tracking of the establishment of the East African Federation will also be tabled. Mr. Speaker, Sir, the Somali Peace Process was successfully concluded at the end of October, 2004 and culminated in the formation of the Somali Transitional Government. The people of Somalia now have a chance of peace and development. We encourage them to fully embrace the new Government.

On Southern Sudan, the signing of the Comprehensive Peace Agreement brought a new era of peace to Southern Sudan. I encourage the Kenyan business community to take advantage of the emerging business opportunities following the realisation of peace in Sudan and Somalia.

Mr. Speaker Sir, my Government, in collaboration with the governments of Ethiopia and Sudan, is

promoting development of tarmac roads and railways to link Kenya with the two countries, so that we can exploit the enormous economic potential that exists in our three countries.

We have already got some interested parties in all these sectors with whom we are discussing. We will achieve this through mobilization of internal resources, external financing from development partners and through public-private partnerships.

The Government together with the Government of Uganda, is also concessioning the Kenya-Uganda Railway, which is a vital transport system for this region. This will be complemented by the Government's plan to transform the Port of Mombasa into a landlord's port where most of the services will be conducted by private operators. We are determined to make Mombasa one of the most efficient ports on the East Coast of Africa.

(Applause)

Mr. Speaker Sir, turning to the review of the Constitution, I want to assure hon. Members that the completion of constitutional review process remains my personal priority and that of my Government. As Members are aware, significant efforts have been made to address the contentious issues in several forums. Consensus on these issues is certainly within reach. Following the passage of the Constitution of Kenya Review (Amendment) Act, we are now in the process of bringing the Bomas Constitutional Draft Bill to Parliament for debate. The law requires Parliament to develop consensus on the content of this Bill through the Parliamentary Select Committee. The outcome will be presented to the Kenyan people for adoption in a referendum. I urge Members to put aside personal interests and to work together as Kenyans to complete the review process in the shortest time possible. I would like to add that the Constitution is not about individual or sectarian interests. It is about the present and future of the Kenyan nation.

I, therefore, urge Hon. Members to avoid sectarian politics while dealing with the important issue of the Constitution. As an institution, this House represents the entire Kenyan people.

Accordingly, nobody should doubt the sovereign authority of our Parliament. I urge this House, as the custodian of the common will and vision of the Kenyan people, to deal with the remaining issues in a sober and objective manner.

As I conclude, I would like to express our appreciation for the immense support we have continued to receive from our development partners. This assistance has been very useful in augmenting our own efforts to improve the livelihoods of our people. We look forward to continued support especially in the areas of infrastructure development, health and education.

Finally, I appeal to hon. Members to take time to critically, but positively consider the Bills that will be tabled for discussion throughout this Session.

Mr. Speaker Sir, as hon. Members are aware, this country has many talented, skilled and hardworking young people. All that is needed is to empower them by providing an enabling legal and policy environment.

With these remarks, it is now my honour and pleasure to declare this Fourth Session of the Ninth Parliament officially open.

(Applause)

OFFICIAL OPENING OF THE NINTH PARLIAMENT- FIFTH SESSION

MARCH 21, 2006

PRESIDENTIAL ADDRESS

His Excellency the President (Mr. Kibaki): Thank you, Mr. Speaker. Ladies and gentlemen, I am pleased to welcome hon. Members to the Fifth Session of the Ninth Parliament. I trust that the Christmas recess afforded us all, a good opportunity to spend time with our constituents.

We are, therefore, better equipped to articulate our people's hopes and aspirations through legislation and by providing appropriate leadership for development.

During the recess, we lost Hon. Peter Owidi, the Member of Parliament for Kabondo. I request hon. Members to rise up and observe a minute of silence in his memory.

(Hon. Members rose up in their places and observed a minute's silence)

Thank you.

Mr. Speaker Sir, I opened the Fourth Session in March, 2005. I outlined my Government's development agenda and the Bills we proposed to present to the House to facilitate implementation of that. We have had success in many areas but there are a number of other areas where we were unable to fulfil our commitments because of failure to pass appropriate legislation. Indeed, last year, our legislative performance did not meet the expectations of our people. Out of the 25 Bills that were presented to Parliament for debate and enactment, only seven were concluded.

As we commence this Session, therefore, I would like to appeal to hon. Members to focus more on the legislative priorities of our country. It is only by doing so, that we will succeed in improving the lives of our people and advancing our national goals of socio-economic development.

Mr. Speaker Sir, the Kenyan people place a lot of responsibility and expectations on the institution of Parliament. As the supreme organ of the state, Parliament is looked upon by Kenyans to provide leadership in tackling the challenges that continue to confront us. Some of these challenges include revival of the economy, addressing governance issues and enhancing the social well-being of our people. The policies we are implementing are producing remarkable results in economic performance. For example, we have maintained positive economic growth rate throughout the last three years. In the year 2003, our economic growth rate was 2.8 per cent, which rose to 4.3 per cent in the year 2004.

Mr. Speaker Sir, last year, our economy grew by more than 5 per cent and is still improving. This improved performance reflects continued recovery in most sectors of the economy. For example, in the last fiscal year, tourism grew by 15 per cent, while transport and communications grew by 9.7 per cent.

Value addition in manufacturing, trade, building and construction also recorded growth rates of 4.1 per cent, 9.5 per cent and 3.5 per cent respectively. The export sector also performed well with horticulture growing by 13.2 per cent and tea by 11 per cent. Electricity and fuel consumption expanded by 8 per cent and 14 per cent respectively. Cement consumption also expanded by 12 per cent.

In communications, rapid growth was achieved in mobile phones sub-sector with 5.5 million connections which represents a 19 per cent national penetration. The high demand for these services and utilities is, as hon. Members well know, an indication of an expanding economy. In the production sector, credit to transport and communications increased by 39 per cent, while credit to the manufacturing, building and construction sectors increased by 27 and 22 per cent respectively.

Mr. Speaker Sir, the sound fiscal and monetary policy that my Government has continued to pursue has resulted in a favourable environment for investment. In particular, these policies have resulted in lower interest rates. As a result, credit to the private sector expanded by 21 per cent.

Moreover, since the establishment of the Kenya Investments Authority in October last year, we have seen significant improvements in the flow of investments into the country.

The number of investors coming to Kenya has continued to grow with the value of new investments doubling from Kshs 5.3 billion in the year 2004 to Kshs 10.5 billion last year. Indeed, many of the multinational companies which relocated from Kenya in the last decade have now returned and made Nairobi their African headquarters. Nairobi is gradually reclaiming its status as a regional hub for international investments.

Furthermore, there has been a steady increase in Kenyan traders exporting into the COMESA region, especially Southern Sudan. These investments are creating the economic expansion that I mentioned earlier. But more importantly, they are also creating high quality jobs for our young people.

Mr. Speaker Sir, we need to sustain this momentum and we should all work together to minimize negative political activities that can create unjustified fear or uncertainty amongst investors.

(Applause)

Overall, there has been a significant improvement in the way of life of many Kenyans as a result of the economic and reform measures we have been implementing.

Mr. Speaker Sir, despite the improved economic situation, there are serious challenges that remain and we must all seek more innovative ways of sharing the growth, and ensuring that more of our people enjoy the benefits of increased production. Today, about five million people throughout the country are experiencing food shortages as a result of failed rains. As of now, the Government has spent over Kshs 3.8 billion from its own Budget, Kshs 1.2 billion from development partners and another Kshs 210 million from voluntary contributions by Kenyans and well-wishers to feed the needy. I take this opportunity to thank all those who have generously responded to our appeal for assistance.

Mr. Speaker Sir, however, it is estimated that an additional Kshs6.3 billion is required up to the end of June to meet the increasing needs of the growing numbers of those affected by the famine. The Government will, therefore, be requesting supplementary appropriations to meet the additional requirements. I would like to add that despite the severity of the famine, we have not had to resort to massive importation of grain, as has often happened in the past. All the food being distributed so far has been sourced locally. This is a major boost to the farmers in the food-growing areas of our country. However, the available food stocks will not last beyond June this year. We are, therefore, making urgent arrangements to import additional grains to bridge the gap.

Mr. Speaker Sir, closely related to this is the severe water shortage facing populations in the drought-stricken areas. The Government has mobilised 20 water tankers, which are currently in operation in Mandera, Garissa and Wajir districts. The Government has also organised, together with the Kenya Red Cross Society (KRCS), for an additional 50 water tankers. Twenty five of these have already arrived in the country, and will be deployed to Mandera, Wajir, Moyale and Marsabit districts. Furthermore, the Government has since last year drilled 162 bore holes and 221 pans in the drought-stricken districts to alleviate the severe water shortage. My Government has also earmarked Kshs1.5 billion this financial year that will be used to construct an additional 200 boreholes and 250 water pans by the end of this calendar year.

(Applause)

Mr. Speaker Sir, 72 per cent of our population is below the age of 30 years. We, therefore, cannot expect to achieve and sustain rapid economic growth unless the youth are fully integrated in our nation's economic activities. When I launched the vision for the new Ministry of State for Youth Affairs last week, I emphasised that the youth constitute a critical mass of our population, whose contribution to the growth of this nation has not been adequately tapped. At the moment, many of our youth remain unemployed or under-employed while rapid urbanisation has led to social strains due to the mushrooming of informal settlements.

My Government will, therefore, be tabling a sessional paper on national youth policy and legislation for consideration. I urge hon. Members to accord this a priority in the business of the House.

(Applause)

Mr. Speaker Sir, challenges facing our country require a more responsive and innovative public service. It is the public service that provides services to wananchi. It also provides facilitation and an enabling environment for the private sector operations.

It is for this reason that my Government is according high priority to reforms in the public service, focusing on result-based management, performance contracting, e-government and restructuring of the ministerial portfolios. These reforms aim at instilling ethics and efficiency so as to ensure that the quality of service delivery meets the expectations of the people of Kenya.

When we took over the leadership of this country, we identified corruption as one of the most serious obstacles to development. We, therefore, embarked on major legislative and administrative reforms to create a system that fights corruption in a sustained way. In the last three years, we have made significant gains in the fight against graft.

(Prolonged applause)

You will have your time!

(Laughter)

There are currently over 150 anti-corruption cases before our courts and we expect more people to be prosecuted. We are investigating both old and new cases of corruption, and also strengthening our governance structures through administrative reforms and training.

(Applause)

Mr. Speaker Sir, those who seek to politicise the fight against corruption should know that it is not words that will eradicate the vice, but firm and determined actions such as we are taking.

(Applause)

For those who may be tempted to test our resolve, let them be warned that the institutions we have put in place are alert, and will spare no one. However, I would like to emphasise that the war against corruption should be fought from all directions. Whether we are in the public sector or the private sector, we have to shun all manifestations of corruption. That is the only way in which we will be able to win this fight and ensure a complete change in mindset.

Mr. Speaker Sir, sustaining economic development requires a peaceful and secure environment, where people can go about their productive activities without fear of being molested by criminal elements. The reform measures being implemented by my Government in the police and other law-enforcement agencies are already producing positive results. Public perception of the level of crime in our urban areas, especially in Nairobi, has substantially improved. All this is because of the good work of the police, some of whom have lost their lives in the course of duty.

I salute these brave heroes and send my condolences to their wives, husbands and children. During this Session of Parliament, the Government will re-table Bills which lapsed when the House went on recess last year. We will also introduce new Bills and Sessional Papers for consideration. In this regard, the Government will re-table the Statute (Miscellaneous Amendments) Bill, 2006. This Bill seeks to, among other things amend the Public Officer Ethics Act, 2003 to make declarations of assets and liabilities open to public scrutiny.

Other amendments will also seek to increase the number of Judges from 50 to 70, and Judges of Appeal from 11 to 15. We will also increase the number of magistrates so as to ensure speedy administration of justice. In order to strengthen investigations and convictions, the Government will table the Witness Protection Bill.

Mr. Speaker Sir, the main objective of this Bill is to ensure that witnesses who volunteer useful information to the authorities and the courts are not exposed to intimidation or danger. In addition, we will table the Proceeds of Crime and Money Laundering Bill to enable the Government to acquire funds and assets that have been obtained illegally.

Mr. Speaker Sir, in the agricultural sector, the Government will table several Bills and Sessional Papers aimed at expanding productivity and raising income for farmers. These include: A Sessional Paper to increase the land area under irrigation from the current 110,000 hectares to 530,000 hectares.

We will also bring a Sessional Paper and a re-table of the Cotton Bill, 2005 to revitalize the cotton industry. A draft Bill has also been prepared to transform the Cotton Board of Kenya into a Cotton Development Authority. Also to be tabled is a proposed amendment to the Coffee Act, 2001 and a Sessional Paper on revitalisation of the sugar industry.

Mr. Speaker Sir, in the business sector, the Government will table Bills aimed at supporting the growth of small and medium scale enterprises, and regulation of the co-operative sector. The Government will table the Small and Medium Scale Enterprises Bill, the Deposit- Taking Micro-Finance Bill (2005) and the Savings and Credit Co-operative Societies Bill. In the transport sector, the Government will table amendments to the Transport Licensing Act to make it easier for wananchi to obtain vehicle licences. The Act will also enable public service vehicle operators to renew their licences all year round.

The Government recognises that the use of information technology will speed up services to wananchi and the overall development of our country. To this end, my Government has approved the National Policy Guidelines for the development of the ICT sector. The Government will table a Sessional Paper on ICT and the Kenya Information and Communications Bill, 2006 which will replace the current Kenya Communication Act (1998).

Mr. Speaker Sir, to entrench and institutionalise gender in development, the Sessional Paper on Gender Equality and Development has been finalised and will be submitted to Parliament for consideration. I look forward to the approval of this important Sessional Paper to facilitate the empowerment of women.

The development of local authorities is essential for provision of essential services to wananchi and for the development of the country as a whole. To improve the management of local authorities, the Government will propose a Bill for the establishment of a Financial Management and Control Board for local authorities experiencing financial distress. The Government will also table the Local Authorities Bill which seeks to provide for the creation of a Metropolitan City of Nairobi. It will also create the necessary legal framework that will formalise the elevation of Mombasa and Kisumu to city status.

Mr. Speaker Sir, other Bills to be tabled include: The National Social Health Insurance Bill, the Wildlife (Conservation and Management) (Amendment) Bill, the Banking (Amendment) Bill, 2004 the Political Parties Bill, which aims to entrench democracy by providing an appropriate registration system, democratic management and State funding; a Sessional Paper on foreign policy with a greater thrust on advancement of Kenya's economic and social interests.

Before I conclude my remarks, I am glad to announce the visit this week of the President of Tanzania, His Excellency Jakaya Kikwete. We will soon send invitations to hon. Members to a dinner on Friday, 24th March, 2006, which I will host in honour of His Excellency President Jakaya Kikwete who will come to our country on a familiarisation visit.

I would like to reiterate that my Government will continue to work closely with our partners in the East African Community towards economic and political integration of the East African region. I am glad to note that the steps we have taken so far towards integration have resulted in remarkable increase in the volume of trade.

For instance, volume of trade between Kenya and COMESA countries has increased from 28 per cent to 46 per cent over the last three years. It is important to note that the establishment of regional trading blocs has diversified Kenya's foreign trade. We are now trading more with our immediate neighbours. The prospects are even better now due to the peace that is prevailing in Southern Sudan and Somalia. Strengthening our relations with our neighbours and the countries in our region will remain an extremely important dimension of our foreign policy. Despite the outcome of the referendum last year, the Government remains committed to delivering on its promise of a new constitution.

(Applause)

Towards this end, I recently appointed a Committee of Eminent Persons to undertake an evaluation of the constitutional review process and to advise on the road-map for the conclusion of the process. The recommendations of the committee will be presented to Parliament for the necessary legislation that will guide the process to its conclusion.

Our country Kenya has a lot of potential for realisation of rapid social and economic development. Although we have people of diverse cultures, languages and religions, we have a common bond as Kenyans and this is what makes our country great. Indeed, we should all be proud of being Kenyans. As leaders and citizens, let us use every opportunity to highlight the virtues that have made this country unique and a beautiful home for all of us.

In the pursuit of political objectives, some leaders have attempted to exploit ethnic differences thus creating divisions among our people. This situation is most evident when one listens to the utterances of some of our leaders as reported in the media. Let the people judge leadership on the basis of positive direction and development that a leader is bringing to the people but not empty propaganda aimed at creating hatred and division amongst the people.

(Applause)

Kenya's phenomenal progress has been achieved through the respect of the fundamental rights of the individual and law and order. In this regard, my Government will continue to nurture and protect freedom of expression and assembly. These are important pillars of our democratic principles which my Government continues to respect and will always uphold. Nevertheless, although the freedom of the media cannot be over-emphasised, it is clear that freedom must be exercised within the bounds of responsibility.

(Applause)

Objective, fair and accurate reporting should be part and parcel of professional journalism. It is a right of the people to receive accurate and truthful information. The media should, therefore, seek to verify the accuracy of their reports because no matter what you do to apologise and correct what has been published, you can never undo the damage that has been done.

(Applause)

Finally, Mr. Speaker, Sir, I have highlighted the legislative agenda that my Government will be presenting to the House in this Session so as to enhance economic activity, improve incomes and make the lives of our people better. I therefore, urge hon. Members to focus more on the real issues that affect our people and concentrate on the legislative agenda that is before the House.

With these remarks, it is my pleasure to declare this Fifth Session of the Ninth Parliament officially open.

Thank you and may God bless you.

(Applause)

OFFICIAL OPENING OF THE NINTH PARLIAMENT –SIXTH SESSION**MARCH 20, 2007****His Excellency the President (Mr. Kibaki):** Thank you, Mr. Speaker.

Mr. Speaker, ladies and gentlemen, it gives me great pleasure to welcome hon. Members to this Sixth Session of the Ninth Parliament. The recess provided an opportunity for hon. Members to spend time with their constituents and understand their needs.

The laws that we have passed and enacted in the last four years form the basis on which Kenyans can realise the dream of a well-governed country that is prosperous, just and equitable. In this respect, some of the laws this House has passed during the last four years include legislation providing for anti-corruption and economic crimes, public financial management, privatization, procurement and disposal of public assets, and the public officer ethics. These have raised the level of prudent management of public resources to unprecedented heights.

Parliamentary watchdog and oversight committees have been vigorous and thorough in discharging their mandates. In doing so, they have raised the level of accountability to commendable standards. On its part, the Government has pursued a policy of open and transparent conduct of public affairs. We have used the Internet in making available a substantial amount of information to the public on various matters such as the Budget, national statistics and ministerial policy blueprints. As a result, we now have a better informed public and close scrutiny by the media and civil society.

Mr. Speaker, the future of this country rests on its children who must be nurtured, educated and trained to prepare them for all the challenges of nation building. It is in recognition of the critical role of our children in the future of this country that my Government undertook to promote free primary education despite the overwhelming odds.

Today, we have more than 7.6 million children in primary school compared to 6.1 million in 2002, and over 928,000 in secondary schools compared to 778,000 five years ago.

Educational reforms implemented by my Government have increased primary school enrolment to over 83 per cent with the target of achieving 100 per cent enrolment by 2007; namely, this year. The transition from primary to secondary school has risen to 60 per cent this year with the target of achieving 70 per cent next year.

Given the success of free primary education, the Government will be focusing more attention on secondary school education which provides the critical mass for the technological advancement of this country.

(Applause)

In this respect, the Government is encouraging establishment and equipping of day secondary schools in order to make secondary school education more accessible. I call on hon. Members to accord priority to the establishment and expansion of day secondary schools and day streams in boarding schools in the allocation of the Constituencies Development Fund (CDF). Furthermore, the Government is developing a policy framework to make secondary school education affordable. In this regard, we will be announcing the measures that the Government will be implementing in the near future.

Mr. Speaker Sir, the well-being of a society depends on the socio-economic status of its women. When we educate girls, we change the entire society, which is why we are encouraged by the achievement of gender parity in primary schools in most corners of the country. By investing in education of these girls, we expect better outcomes in child mortality, child health, reduction in teenage pregnancy, early marriages and maternal mortality. For now, we are deliberately pursuing the affirmative actions I announced last year. We will continue to reserve a minimum of 30 per cent of all new public service jobs for women and integrate Maendeleo ya Wanawake in the constituency level committees.

Further, my Government is aware that the majority of hawkers and informal sector employees are women and we, therefore, intend to establish a Women Enterprise Development Fund later this year.

(Applause)

With regard to the newly launched Youth Enterprise Development Fund, my Government has already released the first disbursement of Kshs210 million to all constituencies while the balance of Kshs790 million will be disbursed through other financial intermediaries.

These efforts have two essential objectives. The first is to provide seed capital to youth and women in small businesses who would otherwise not receive support from any other source. The second is to grow a generation of solid young businessmen and businesswomen who can generate income and create more employment opportunities.

Mr. Speaker Sir, the regional differences in natural endowments, and social and economic infrastructure have resulted in regional inequalities. My Government has, therefore, continued to channel substantial resources to the grassroots level through various devolved funds to finance development projects of the people's choice. Through the Constituencies Development Fund (CDF), for example, we have in the current Financial Year, allocated Kshs 10 billion to be disbursed to all constituencies in the country. We have also allocated Kshs 7.5 billion to the Local Authorities Transfer Fund (LATF) and a further Kshs 10 billion for the District Roads Committees (DRCs). These funds, together with the Constituency HIV/AIDS Funds and Bursary Fund are transferring considerable sums of money to the grassroots. In addition to the devolved funds, we are also undertaking regional integrated projects for regions that require urgent affirmative action due to past neglect.

Over the last four years, for example, the Government invested Kshs 12 billion for the development of the arid and semi-arid districts in northern Kenya. My Government is now in the process of formulating an economic recovery programme to cover all districts of the Coast Province. Already, initial estimates show that the Government has spent Kshs 8 billion on the completed projects in the Coast Province in the last four years. The projects cover a wide range of activities intended to spur economic growth, reduce poverty and increase employment opportunities.

Mr. Speaker Sir, with respect to rural electrification, the Government has over the last four years implemented the most ambitious programme to provide electricity to our rural communities and stimulate the growth of small-scale businesses in those areas. We have, in this regard, allocated more than Kshs 7 billion for rural electrification in the last four years alone, compared to a total allocation of Kshs6 billion between 1963 and 2003.

Mr. Speaker Sir, sustained prudent fiscal and monetary policies in the last four years have resulted in lower interest rates and a stable exchange rate, providing a conducive macro-economic environment for investment. All these short-term interest rates were lower in June, 2006 than in June, 2005 and much

lower than they were five years ago while Government borrowing from the market remains modest. Inflation has also been managed to enable relatively stable underlying rate of about 5 per cent.

Income, corporate and Value Added Taxes (VAT) have largely remained unchanged, while most tariffs have been substantially reduced. My Government has consistently reviewed and revised laws and regulations to make doing business in Kenya easier and more friendly. As a result of these predictable, consistent and stable policy measures, business confidence is at an all time high among local and international investors. Private credit to the transport and communications sector is up by 33 per cent, while credit to the building and construction sector has increased by 38 per cent.

Foreign direct investment increased to nearly Kshs 80 billion last year, while the overall economy is estimated to grow by a minimum of 6 per cent for the year 2006. Several sectors and industries continue to post impressive growth rates. For example, tourism last year earned Kenya

Kshs 56 billion from 1.8 million visitors, horticultural export earnings rose to Kshs 44.9 billion in 2006 from Kshs 38 billion in 2005. Maize production increased to 38 million bags in 2006 from 32 million bags in 2005. The dairy sector grew at an impressive 24 per cent with estimated earnings of over Kshs 70 billion.

The communications sector saw impressive growth with over 7 million mobile phone subscribers. We will soon have one in every four Kenyans connected by mobile telephony.

Similarly, cement production went up by 7.8 per cent, electricity consumption grew by 6 per cent, and consumption of fuel went up by 7.5 per cent. These trends of rapid and sustained growth can be seen across all sectors, showing that the economy has fully recovered. However, to achieve even higher rates of growth, some short and long-term measures are required to enable our producers, manufacturers and service providers achieve higher levels of productivity.

Mr. Speaker Sir, with regard to agriculture, my Government will increase the capacity for our national food reserves by one million bags of maize from three to four million bags and 2,000 tonnes for dried milk. We, therefore, plan to spend an additional Kshs1.8 billion to purchase maize and Kshs600 million to buy milk from our farmers this year.

The fishing sector is also a major contributor to employment, food security and export earnings. The sector employs 60,000 people directly and 600,000 indirectly along our lakes and coastal shoreline. With regard to Lake Victoria, my Government has connected power to 20 fish landing sites, with work currently underway at two other sites. We are also assisting local fishermen to form co-operatives.

Mr. Speaker Sir, to sustain economic growth at 6 per cent and above per year, we will need to save and invest much more of our incomes than we are doing now. Savings and Credit Cooperative Societies, pension schemes, retirement benefits schemes, the National Social Security Fund (NSSF) and the National Health Insurance Fund (NHIF) are critical instruments for the mobilisation of savings. We will, therefore, be providing better policy incentives and regulatory frameworks to effectively use these savings to accelerate the country's economic growth. Mr. Speaker, Sir, the provision of quality physical infrastructure is critical to increase the economic growth rate from 6 to 10 per cent per year within the next five years. To expand the country's infrastructure base and make Kenya the most competitive country in the region, my Government will develop new financial instruments to fund infrastructure development by mobilising domestic resources. These include public-private partnerships and infrastructure bonds that will provide additional resources for investing in roads, electricity, water, ports, airports, railways and telecommunications.

These measures will increase our capacity to finance and implement our infrastructure projects and provide programmes in a more timely fashion. For instance, it takes a minimum of three to four years to progress from inception to the ground breaking for road projects financed through development assistance compared to one year for a road project financed from domestic resources.

(Applause)

Mr. Speaker Sir, we are formulating the Vision 2030 as the basis for our medium to long term growth strategy. The Vision is projected to provide immediate and long-term measures to raise economic growth from the current 6 per cent to an average of 10 per cent during the next 25 years. The Vision will be anchored on a strategy based on high and sustained economic growth, promotion of social justice and equity, and entrenchment of issue-based and accountable politics. The process will be all-inclusive and will culminate with a Sessional Paper that will be tabled before this House later this year.

Mr. Speaker Sir, the Vision strategy will also accord high priority to manufacturing, value added agricultural production, tourism, finance, wholesale and retail and business process outsourcing. These sectors have been identified as having the potential to create rapid growth and transform informal sector enterprises into thriving formal businesses.

In this regard, I wish to thank hon. Members for approving the Micro-Economic Finance Act, which I assented into law last year. The Act will provide mechanisms for capitalising micro and small enterprises. In addition to these measures, the Government has rolled out the programme for constructing markets to provide small scale traders with convenient sites where they can do business. My Government is in the process of abolishing over 400 unnecessary licences that will make it easier for our people to engage in business.

(Applause)

Mr. Speaker Sir, one of the critical challenges to improving our economic performance and providing greater employment opportunities to our people is security.

Unlike many developing countries, Kenya is yet to become a 24-hour economy, largely because of concerns about security. My Government is determined to turn this around and to ensure that in the coming year, our security agencies will win the war against crime. Similarly, the perception of corruption and mismanagement of public resources must be eliminated if we are to attain a more equitable and prosperous society.

Mr. Speaker Sir, to reduce corruption in public procurement, the law and regulations under the new Public Procurement and Disposal Act are now in operation. We will strengthen the Judiciary by increasing the number of judges from 60 to 200 to ease the shortage of judges that has caused a backlog of cases and slowed down the administration of justice. In this regard, the Government will soon be tabling a Bill to increase the number of judges in the High Court from 50 to 150 and those in the Court of Appeal from 10 to 50. My Government will also introduce amendments to open up wealth declaration to public scrutiny, and propose a Bill to enhance judicial autonomy. These laws and regulations will strengthen the existing anti-corruption legal and institutional framework, make justice more available to all Kenyans and strengthen the fight against corruption.

Mr. Speaker Sir, last year, my Government tabled 32 Bills in this House. I commend hon. Members for passing 19 Bills during the last Session. We shall be republishing the lapsed Bills for consideration

by the House. In addition to these Bills, the Government will be producing new Bills to consolidate the economic and social gains and improve the governance of this country.

I will now address some of the areas that the Government intends to introduce legislation and Sessional Papers during this Session of Parliament. My Government will be tabling a Bill to enable the direct elections of mayors, deputy mayors and chairmen of county councils. This will facilitate better management and accountability of our local authorities. We will also be tabling a Political Parties Bill to better regulate political parties in this country.

Mr. Speaker Sir, during my visits to the provinces and districts, the leaders and wananchi in some areas passionately argued for sub-division of their districts in order to bring services closer to the people. In response to those requests, the Government has approved 38 new districts and will be tabling the necessary legislation to formalize their establishment. The legislation will also seek to legalize 24 other districts created earlier, but not finalised through an Act of Parliament.

Mr. Speaker Sir, with regard to the Constitution Review Process, I want to assure hon. Members that my Government will facilitate dialogue on the nature and extent of the reforms that are needed. We will then table before the House the necessary legislation that will define the way forward on the review process. I urge hon. Members to participate actively in debating those Bills in order to ensure that what is enacted into law reflects unanimity on the way forward in completing the review of the Constitution, and how we will build strong and durable national institutions and political parties.

Mr. Speaker Sir, among the Bills that we will re-introduce is the Proceeds of Crime and Anti-Money Laundering legislation to enable us have a legal basis to deal with money laundering.

We will also re-table the Domestic (Family Protection) Bill that will protect women and children from domestic violence. My Government will table Bills on coffee, cereals, pyrethrum and sugar to enable the agriculture sector to continue to grow effectively. Mr. Speaker, Sir, with regard to co-operatives, we will be tabling before this House the Savings and Credit Co-operative Societies Regulation Bill, which is intended to instill strict financial discipline in all savings and credit co-operatives throughout the country. To enable the Information and Communication Technology (ICT) sector to realize its full potential for employment and wealth creation in Kenya, my Government will table an ICT Bill this year to provide for a single regulator for the sector.

We propose to make amendments to the Firearms Act and Penal Code to provide for capital punishment for persons convicted of acquiring, possessing and importing firearms without a permit or licence.

(Applause)

There are also several other Bills and policy papers on various sectors that will be brought to the House for debate and approval. I urge hon. Members to join hands and work together in completing the business laid out for this House in the coming Session. Mr. Speaker Sir, in conclusion, I wish hon. Members a productive Session in which the common interests of the people of Kenya override any other individual or factional agenda. This is possible when leaders set aside personal interests and dedicate themselves to pursue what is best for the people of Kenya.

With those few remarks, it is now my pleasure to declare the Sixth Session of the Ninth Parliament officially open. I wish every hon. Member a very good time.

Thank you.

KIBAKI'S SECOND TERM AS PRESIDENT

OFFICIAL OPENING OF TENTH PARLIAMENT –SECOND SESSION

MARCH 6, 2008

PRESIDENTIAL ADDRESS

His Excellency the President (Mr. Kibaki): Thank you, Mr. Speaker Sir.

Mr. Speaker Sir, it is my pleasure to welcome hon. Members to the Second Session of the Tenth Parliament. Let me begin by congratulating each one of the hon. Members for winning the confidence of wananchi by being elected to this august House. I am especially pleased to welcome the new lady Members of Parliament, whose numbers have increased to 21.

(Applause)

Mr. Speaker Sir, before proceeding with my remarks this afternoon, I wish, first of all, to request hon. Members to join me in paying our respects to our two colleagues who lost their lives under tragic circumstances. Those are the late Member of Parliament for Embakasi Constituency, Hon. Melitus Mugabe Were, and the late Member of Parliament for Ainamoi Constituency, Hon. David Kimutai Too, who both passed away in January this year. May I ask all of you to rise as we observe one-minute silence in their remembrance.

(Hon. Members stood up and observed a minute of silence)

Thank you.

Mr. Speaker Sir, as a nation, we have come through a challenging two months period since the 27th December, 2007 General Elections. The post-election violence that saw more than 1,000 people killed, over 300,000 people displaced and billions of shillings worth of property burnt or looted, shook our sense of nationhood. I ask you, once again, to rise and join me in observing a minute of silence in remembrance of those who lost their lives during the post-election violence.

(Hon. Members stood up and observed a minute of silence)

Thank you.

Mr. Speaker Sir, in addition to the death toll, the post-election violence disrupted lives and destroyed farms, businesses and residential properties. We cannot watch our brothers and sisters endure such hardships.

Mr. Speaker Sir, my Government has set up a National Humanitarian Assistance Fund with an initial endowment of Kshs1 billion to provide humanitarian assistance and resettle the displaced persons. We have also established a new Directorate for Resettlement that will oversee the resettlement of Internally Displaced Persons (IDPs). Those institutions will assist IDPs in farming areas to regain their livelihoods through the provision of free seeds and other farming inputs. We are also designing an emergency programme for economic reconstruction and restoration.

(Applause)

Mr. Speaker Sir, the programme will mobilize resources locally and internationally to be used in repairing and reconstructing infrastructure that was badly damaged during the violence.

Mr. Speaker Sir, the recent crisis has caused me to reflect deeply on the half a century of my active participation in the management of our public affairs. During this time, I have come to appreciate and respect the resilience of our people and our country. I have seen Kenya go through some very critical moments. Each time, our people have used the crisis as a crucial turning point from which they have come out more focused and determined to stay on course, so as to realize our collective vision of a free, just and prosperous nation.

Mr. Speaker Sir, the events of the last two months have offered us an opportunity to look inwards, in order to fully comprehend the weaknesses and strengths, as well as the strengths and opportunities that we have as a nation. Indeed, Kenyans will always prefer peace over conflict, prosperity over desolation, unity over discord and justice over injustice. That is why on 28th February, 2008, I and Hon. Raila Odinga accepted and signed the National Accord because our people had spoken clearly that they wanted one Kenya - a Kenya in which all lived in peace, justice and harmony.

(Applause)

Mr. Speaker Sir, Kenyans expected no less from either one of us. The people have embraced the Accord with joy and renewed hope. We believe the Accord is the first step towards achieving a prosperous and stable future for all Kenyans. It opens a new chapter in the management of our national affairs.

Mr. Speaker Sir, I believe hon. Members will agree that the Accord is a victory for all Kenyans, laying the foundation for peace and stability in our country. The successful implementation of the Accord will require goodwill, unity, good faith and integrity from this House and all our leaders in this country. I urge Hon. Members to ensure that all the necessary Bills to implement the Accord and other social and economic reforms are dealt with promptly, so that

Kenya can be fully restored to, and even exceed its former glory.

In this regard, we will, as the Coalition Government, introduce four Bills that should be accorded the highest priority. They are:-

1. The National Accord and Reconciliation Bill.
2. The Constitution of Kenya (Amendment) Bill.
3. The Establishment of Truth, Justice and Reconciliation Commission Bill.
4. The Establishment of the Ethnic Relations Commission of Kenya Bill.

(Applause)

Mr. Speaker Sir, Kenya has witnessed some and real irreversible changes since the year 2003. In the political arena, Kenyans are now enjoying their freedoms of association and expression without fear. As a people, we are now fully aware of our rights and freedoms to do whatever we want. At times,

however, it is evident that we are yet to fully comprehend that real freedom and liberty also comes with responsibility of ensuring that in enjoying our rights, we do not do harm to others. We have made impressive gains in the social sector. We have seen primary school enrolment grow by over two million children because of free primary education.

Similarly, secondary school enrolment has almost doubled in the last five years because of a higher transition rate and the recent introduction of free secondary education.

Moreover, our country is more caring of the weak and vulnerable among us. We now have a programme that provides financial support to HIV/AIDS affected orphans which will grow from 12,500 participating households to more than 30,000 this year.

Children under five, pregnant mothers and patients suffering from HIV/AIDS, TB and malaria continue to receive free treatment and drugs in all our public health facilities. In addition, our economy has consistently performed well with the growth rate rising from 0.2 per cent in the year 2002 to nearly 7 per cent last year. All sectors have performed well, with key sectors such as agriculture, transport, communications, tourism, manufacturing and trade all growing at an average rate of 5 to 10 per cent annually in the last three years. The informal sector has received policy attention with the passage of the Microfinance Act to support small and medium enterprises.

We have also made progress in building of markets to enable street vendors to do their business legally and without harassment. We have, as a nation, received commendations for our achievements. These include commendations for our improved business environment from the World Bank, and for our public service reforms from the United Nations among others.

Indeed, although we continue to face many challenges, we have a lot to celebrate about our country and we have created a solid foundation on which to build its future.

In this respect, I am confident that we will soon overcome the setbacks we have suffered recently and our country will resume its upward path in all of development once we begin to implement our Coalition Government Programme.

It is for this reason that we have put together a high level committee with five members each from both sides to harmonise and highlight priority policies and programmes proposed in the PNU, ODM and ODM-(K) manifestos into a joint policy and programme strategy.

This strategy will give priority to activities that positively affect the livelihood and conditions of our poor people while promoting equitable opportunities for development throughout the country. For instance, slum-upgrading, construction of public markets and support to smallscale farmers, livestock farmers and operators of small businesses will be accorded top priority.

The joint medium term strategy will build on the foundations of the successful Economic Recovery Strategy for Wealth and Employment Creation. Later this year, we expect to table a Sessional Paper on Vision 2030. The Vision represents our collective commitment as Kenyans to transform our country into a middle income economy underpinned by political stability, social justice as well as equitable economic and social transformation.

Mr. Speaker Sir, I will now briefly outline our Government's legislative and policy proposals in several key sectors. Let me begin by thanking the Ninth Parliament for passing 17 Bills into law last year. These

include The Political Parties Bill, The Constituencies Development Fund Bill, The Media Bill and several labour sector laws.

Mr. Speaker Sir, these laws are expected to improve our country's social, political and economic environment. However, the Tenth Parliament faces an even more pressing agenda and cannot afford to conduct itself in the usual manner. I, therefore, expect the House to work twice as hard to achieve the ambitious legislative agenda that will be brought to this House.

I wish to point out that what I am proposing today as the Government's legislative and policy agenda to this House will be augmented further in the coming weeks and months. This will be done through new Bills and policies that will be developed from the synergy and harmonization of the manifestos of the three main parties to the coalition. Mr. Speaker Sir, the past five years have seen the agricultural sector perform robustly from the policies implemented by the Government. We, therefore, expect it to recover quickly from the recent setbacks. To improve market performance of several key commodities, we will propose the following legislative and policy agenda:-

1. To amend the Coffee Act, 2001 to provide direct sales of coffee.
2. To amend the Sugar Act, 2001 to restructure the sugar industry.
3. To introduce Bills and Sessional Papers covering dairy, poultry and fishing, industries among others.

Mr. Speaker Sir, another sector that has been performing extremely well is the tourism industry. Despite the recent downturn, the sector has enormous potential to recover and grow rapidly, providing foreign exchange and creating employment opportunities. To enable the sector perform even better, the Government will table three Bills, namely, the Environmental Impact Assessment Regulations Guidelines, the Tourism Bill and the Wildlife Bill.

Mr. Speaker Sir, as we undertake to deal decisively with poverty and inequitable development, my Government acknowledges the crucial role played by co-operatives in the production and marketing of produce as well as mobilizing savings and providing credit to the majority of Kenyans. In this regard, we will be tabling a Sessional Paper on Co-operative Development Policy, and a Bill on Savings and Credit Co-operatives.

Mr. Speaker Sir, while we have done well in implementing the free primary and secondary education programmes, we do require legislation to entrench the reforms in the entire education sector within our country's laws. In this regard, my Government plans to introduce legislation that will regulate the role of non-public entities such as the civil society and the international education providers, as well as propose the establishment of a Technical Industrial Vocation and Entrepreneurial Training Authority.

Moreover, we do recognise that we will not be able to achieve the goals of Vision 2030 without entrenching a culture of science, technology and innovation in our society. In this regard, my Government will present to the House several proposals, including a National Policy for Science, Technology and Innovation, a Bill to upgrade the National Council of Science and Technology to the National Commission of Science and Technology, and the creation of the National Science Foundation and National Innovation Agency.

Mr. Speaker Sir, in the health sector, my Government proposes to review the Public Health Act, so as to consolidate 23 different public health laws into a single Act of Parliament. We will also table in this

House policy papers on Health Care Financing, Health Services Commission and Decentralised Funding of Health Facilities.

With regard to the youths of this country, my Government will propose amendments to the Armed Forces Act to enable youths trained under the National Youth Service to be absorbed into the armed forces. We will also table before the House a Bill to provide for the creation of a National Youth Council. Further, my Government will re-table the Sessional Paper on Employment Policy for discussion in the House on the urgent and critical matter of providing enough jobs for our young people.

Mr. Speaker Sir, with regard to gender, we will continue to support the current policy of ensuring that 30 per cent of public appointments and new employment opportunities are reserved for women. We now have more lady Members of Parliament than at any other time in the past, and I expect to see more gender friendly laws and policies emerge from the Tenth Parliament in relation to its predecessors.

With regard to the protection of the family and children, we will propose amendments to the Children Act, 2001 for better implementation.

Mr. Speaker Sir, the proper management and regulation of our country's physical infrastructure is among the highest priorities of my Government. In this regard, we plan to introduce the Information Communication Technology Bill as a regulatory framework for broadcasting, electronic transactions and cyber crime.

In the water sector, we will table the National Water Harvesting and Storage Policy to facilitate the harnessing and storage of recurrent flood waters, as well as the National Shared Water Resources Policy to promote equitable development of water resources nationally.

We also expect to undertake the Second Mzima Springs Project to ensure sufficient water supply to Mombasa and its surroundings. And to ensure that our roads network is better constructed and maintained, my Government will make fully operational the Urban, Rural and National Highways Authorities that were legislated under the Roads Act in the last Parliament.

Mr. Speaker Sir, we will further introduce a policy on the registration of contractors, as well as the creation of a national construction company to build capacity among local contractors.

We will also introduce legislation touching on the protection of road reserves, registration of engineers, architects as well as quantity surveyors.

With regard to local authorities, we propose to bring to the House, new amendments to the Local Government Act to enable the direct election of mayors and county council chairmen. This reform is long overdue, and this Parliament should deliberate on it as a matter of priority.

(Applause)

To ensure proper planning and development of our urban areas, as well as the proper enforcement of laws and bylaws for regulation of urban development, we will table in the House proposals to set up a National Urban and Metropolitan Areas Authority. To promote the development of affordable housing, we will present the Housing Bill and a Landlord and Tenant Bill.

Mr. Speaker Sir, with regard to national security, my Government will continue to propose legislation and policies that safeguard our national security, while also ensuring protection of our people's rights and freedoms. We propose to bring to the House several Bills touching on national security.

Mr. Speaker Sir, we will table before the House the Organised Crimes Bill to contain the emergence of organised gangs and militias which bode ill for our society. We will also table the Anti-money Laundering Bill as well as introduce amendments to the Chiefs Act and Firearms Act.

Mr. Speaker Sir, I wish to propose that Hon. Members become fully involved in promoting and leading the district peace and reconciliation committees. This is necessary because the postelection violence saw communal relations stretched to breaking point. Parliament, as the representative body of all Kenyans, must now rise to its historic responsibility and play its role fully in restoring peace, security as well as law and order in our beloved country. Hon. Members, you must now become the ambassadors of peace and reconciliation in your constituencies, among your communities and throughout the country. Kenyans need to hear and be reassured by their political leaders that they can live, own property and do business in any part of the country without fear of prejudice, harassment or prosecution.

In this regard, we propose to bring to the House a comprehensive policy and accompanying legislation that will ensure that the threat to our national security and social cohesion caused by negative ethnicity is neutralised for the well being of our country.

As I conclude my remarks, Mr. Speaker, allow me to reiterate the need to build and strengthen the capacity of hon. Members to do their work. In this regard, I urge the Parliamentary Service Commission to ensure that Members are provided with sufficient research and technical assistants as well as computer and office facilities during this Session. We have a chance to make the Tenth Parliament a meeting of minds and an avenue for a great competition of ideas that will reflect the highest levels of constructive debate in our nation's history.

(Applause)

Finally, Mr. Speaker, I wish hon. Members a highly productive Session in which the agenda of building a new Kenya overrides any other individual or factional agendas. This is what Kenyans are asking of the Tenth Parliament, to undertake its historic task of building a new dispensation for a new Kenya.

With these remarks, Mr. Speaker, it is my pleasure to declare the Second Session of the Tenth Parliament officially open.

Thank you and God bless you all. Please succeed and forget the history of what has happened, not because you want to put it aside, but because you want to do something much better and to improve much better. Welcome, ladies and gentlemen.

STATE OPENING OF THE THIRD SESSION OF THE TENTH PARLIAMENT

21ST APRIL, 2009

Mr. Speaker,

I am pleased to join fellow Honourable Members and Kenyans on the occasion of this State Opening of the Third Session of the Tenth Parliament. I welcome you back after a busy recess in your constituencies. This occasion comes at a time when in the past year, the Government and the people of Kenya have faced various challenges in their endeavor to create a more peaceful, prosperous and equitable country.

Mr. Speaker,

You will recall that soon after the formation of the Grand Coalition Government the country was faced with a crisis of 600,000 displaced persons. Half of them spent months in tents under very difficult conditions. They all had to be fed by the state, charitable organizations and development partners. The other half were accommodated by relatives, friends and well wishers. This was the worst humanitarian crisis since independence. However, we have made steady progress in the resettlement of over 90 per cent of those who were in IDP camps. We have also rebuilt 19 burnt schools, constructed 36 new police stations and 108 Administration Police Posts. These resettlement programmes will need to be accelerated with a view to ensuring that all genuine IDP's are resettled.

Mr. Speaker,

The other challenge our country faced last year was the National food crisis. This was occasioned by the prolonged rain failure and high cost of agricultural inputs, resulting in reduced production. The crisis was further aggravated by the displacement of farmers and the depletion of our strategic grain reserves. The crises made it necessary for the Government to allocate 8.5 billion shillings for importation of maize. These funds will be allocated through a supplementary budget of which I seek your support.

Mr. Speaker,

It is now clear that the effects of climatic change may be here to stay, and we must act responsibly to mitigate any weather related challenges in future. In this regard, my Government is now according priority to irrigated food production in order to assure the country of food security henceforth. Some of the efforts in this direction include the six new dams to be constructed. These are:

- 1) Badasa Dam in Marsabit for water supply and irrigation,
- 2) Chemusu Multipurpose Dam in Baringo,
- 3) UMMA Dam in Kitui District,
- 4) Kiserian Dam for water supply,
- 5) River Nzoia Dam for irrigating Bunyala and Budalangi, and
- 6) Upper Ewaso Nyiro Dam for irrigation and water supply for Ewaso Nyiro Basin.

In addition, eight irrigation schemes are being rebuilt including, Bura, Hola, Ahero, Wei Wei in Sigor, West Pokot and Kimira-Oluch in Rachuonyo and Homa Bay.

With regard to agricultural inputs, the government has embarked on a program to ensure lower prices for fertilizers and seeds in support of our farmer's efforts to increase food production.

Mr. Speaker, besides the food crisis, the country experienced a serious energy crisis with rocketing energy prices reaching unprecedented levels. The food and energy crises were later followed by the global financial crisis that gave rise to the ongoing global economic crisis. The real effect of the global financial crisis has started to be felt in our economy, especially among sectors that are dependent on international demand.

The multiple adversities Kenya has experienced since January 2008 has once again exposed both our weaknesses and our strengths. I want to assure Kenyans that the government is instituting a number of measures aimed at easing the effects of the global financial crisis on ordinary Kenyans and the entire economy.

In this connection, the Government is according higher priority to infrastructure development. In the energy sector, we are focusing especially on Geothermal and Coal Power Generation. In the transport sector, the government is focusing on modernization of our road network and a second sea port at Lamu, as well as development of the railway and road links to Ethiopia and Sudan through Isiolo.

Further, we are together with Uganda working on a new standard-gauge railway line from Mombasa to Uganda, with a view to extending it to the Great Lakes Countries.

As can be seen Mr. Speaker, I am confident that the Grand Coalition Government is making good progress in managing the challenges facing our nation. The Government has the necessary capacity to lead Kenyans out of the current situation. We have the political will and socio-economic direction as articulated in Vision 2030. However, I wish to invite Kenyans to spend more time and energy on economic and social development than on non-productive politics.

We must bear in mind that Kenya is in competition with other countries in the region and globally. We are competing for investments, for tourists and for markets and businesses. Therefore, let us commit ourselves to protect and promote the image of the country.

At this juncture, Mr. Speaker, some elaboration on The Vision 2030 would be in order for avoidance of doubt. The Vision is Kenya's blueprint for socio-economic transformation by the year 2030. It represents a roadmap that will see every Kenyan enjoy equal opportunity and access to development. The Grand Coalition Government is currently implementing the First Medium Term Plan, which is the first phase of Vision 2030. This plan is drawn from the joint manifesto of the political parties in the Grand Coalition.

Mr. Speaker,

The attainment of Vision 2030 will require our single minded focus, proper organization and high level of discipline. This is what will lead to the emergence of a prosperous, equitable, and stable country. I am therefore calling on the three arms of Government, Parliament, the Executive and the Judiciary to inculcate into their institutional set-ups the focus, organizational skills, and discipline that are required for Kenya's successful transition into a middle income country with a high quality of life for all of her citizens.

Mr. Speaker, It is important to observe that parliament has been a close participant in dealing with some of the most difficult challenges facing our nation in the past one year.

I must commend the people of Kenya and Honourable Members for the courage and determination they showed in establishing commissions to look into the management of elections and the factors surrounding post-election violence. Upon establishment of the Kriegler and Waki Commissions, and subsequent presentation of their recommendations, this August House had the courage to pass landmark bills to facilitate the implementation of some of those recommendations as Parliament, in its wisdom, deemed fit.

It will be recalled that parliament passed the Constitutional Review Amendment Act of 2008. This Act established the Committee of Experts on the Constitution Review. The Committee is already in place and working, to help shepherd the country towards the successful passage of a new Constitution by next year.

Equally, the former Electoral Commission of Kenya was legally dissolved in December 2008. In this connection, among the first business to be conducted during this session will be to complete the establishment of the Independent Interim Electoral Commission. It should also be noted that the Truth, Justice and Reconciliation Act of 2008 established the Truth, Justice and Reconciliation Commission whose recruitment of members is currently taking place. The Commission is expected to start its work in a few weeks time.

The last session of Parliament also passed the National Cohesion and Integration Act of 2008 establishing the National Integration Commission which is expected to begin its work in two months time. With regard to the Waki Commission, the bills establishing the Special Tribunal failed to pass in this House, in the last session of parliament. The government will expand consultations with a view to reformulate the establishment of a Local Tribunal to try the perpetrators of post-election violence.

Mr. Speaker, it is clear that this Parliament has been instrumental in passing several landmark laws during the last session that will further secure our country's dream for representative, effective, and accountable governance.

Mr. Speaker, We are keenly aware that the Grand Coalition Government and this House must address the issues of central importance to the welfare and development of our country. Such issues include land ownership and use, poverty, equitable development, unemployment, and food security as a matter of urgency. Addressing these issues will be a step forward in a bid ensure peace, security, prosperity and stability in our nation. Indeed, most of the policies and bills to be tabled before the Third Session of this Parliament will deal with these matters. In particular, land policy and consolidated land bill will be tabled in parliament during this session.

Out of our concern and determination to embark on these issues, I and the Prime Minister recently launched the Kazi Kwa Vijana initiative, as a short term measure to create employment, while dealing with poverty and hunger in poor rural and urban communities.

Further, the Cabinet has recently authorized implementation of the Youth Employment Programme, which is a wide ranging long term employment and development strategy for our country. The youth constitute the largest and the most productive segment of the population in this country. We must provide them opportunity and the enabling environment for employment. By so doing we are injecting youthful creativity and energy into the economy.

To address the same issues further, the Government is pursuing two initiatives. First, the Government will establish Special Economic Zones along strategic transport corridors in key cities and towns. Here, the Government will provide land, utilities and infrastructure as well as other investment incentives to support and fast-track investments in these Special Economic Zones.

Second, the Government is working on the establishment of the new Northern Transport and Development corridor, together with the construction of the second port at Lamu as mentioned earlier. These initiatives capture most of the key flagship projects under Vision 2030 and also address poverty, unemployment, food security and commercialization of agriculture, infrastructural development, trade, tourism, industry, and security, simultaneously.

As a Government, we are clear in our minds that poverty, food security, crime, unemployment and equity are inter-connected and must therefore be addressed in a holistic manner. In support of the above initiatives, the Government will be presenting to this House key policies for adoption by parliament. These include the Integrated Transport Policy, the Trade Policy, the Industrialization Policy, the Business Incubation and Technology Parks Policy, and the Food Security and Nutrition Policy, the Cooperative Development Policy, Arid and Semi-Arid Lands Development Policy, the Wildlife Policy, the Tourism Policy, the Land Policy, the Science, Technology and Innovation Policy, and livestock development policy. The Government will also present the various Bills that are relevant to the policies mentioned above.

Mr. Speaker, The development of our human resources and human capital is crucial to our endeavor for an equitable and prosperous society. Justice demands that all Kenyans must be given equitable opportunities and access for social development. We are especially concerned with ensuring that persons with disabilities, poor households and communities, children, youth, aged persons, and the sick are well provided for through national policy and legislative frameworks. We are also aware of the need to provide our youth with employable skills. My Government will, therefore, be tabling before this House the Social Protection Bill, the Policy on Older Persons and Ageing, and the Persons with Disabilities Policy. We shall also table several bills including the Children's Act 2001 (Amendment) Bill, the National Youth Council Bill, the Sports Bill, the Technical Institutes and Vocational Education Training Bill, the Higher Education Bill, and the Social Protection Bill.

With regard to providing expanding access to health care, safe drugs and medicines, and emergency support to all Kenyans, the Government will be tabling the Health Sector Policy, the Veterinarian and Pharmaceutical Drugs Policy, the Traditional Medicine and Medicinal Plants Policy, the National Fire Policy, the National Disaster Policy, and the National Alcohol Policy. These policies will be accompanied by several bills that include the National Health Insurance Fund (Amendment) Bill and the Public Health (Amendment) Bill.

Mr. Speaker, The Government is aware of the need to strengthen the capacity and competence of our governance and judiciary systems. We need a firm establishment of the rule of law, and timely and fair dispensation of justice, for our country's economic and social transformation to take place. In that regard Government has approved hiring of more magistrates and judges to match the case load. There will also be a much higher budget allocation to the judiciary to cater for additional staff and court requirements.

My Government will therefore introduce several new policies and bills in this sector. These include the National Human Rights Policy, the Legal Education Policy, the Judicial Services Bill, the Small Claims Courts Bill, the Law Reform Bill, and the Legal Education and Council for Legal Education Bills.

In reforming the Judiciary, we must be guided by the constitution and the tenets of the rule of law. The reforms we are proposing in the Judiciary are especially critical in the fight against corruption. Such reforms will support expeditious delivery of justice as a key pillar in the fight against corruption. The envisaged reforms will be extended to investigative aspects of corruption. This will ensure speedy conclusion of investigations and action against the perpetrators of corruption that we must effectively deal with in our country.

Mr. Speaker, in order to strengthen Kenya's capacity to conduct an effective regional and foreign policy, my Government will be tabling the Kenya Foreign Policy and the Kenyans in Diaspora Policy. Other important policies and bills that will be brought before the House to strengthen public service reforms include the Local Government (Amendment) Bill and the Consolidated Regional Development Authorities Bill.

Mr. Speaker, the policy and legislative agenda I have outlined is clear evidence of the Grand Coalition Government's resolve to implement most of the issues raised under Agenda Four of the National Accord. I urge Honourable Members to consider the policies and bills enumerated above in a timely manner, so that we keep Kenya firmly on the path of progressive reform and transformation.

Mr. Speaker, I wish to assure the Honourable Members that the Grand Coalition Government will always protect the territorial integrity of our country. However, diplomacy will always be our first line of response. In this regard I call on Kenyans to be patient as we resolve the issue of Migingo Island. I am in constant communication with the President of the Republic of Uganda on this matter, and we have agreed to resolve the issue amicably through demarcation of the boundary by the Joint Kenya/Uganda Boundary Review Committee. As a member of the East African community we are bound by the Treaty of the East African Community to resolve all our disputes peacefully. Indeed, any differences that may arise out of such disputes cannot outweigh the huge benefits we all derive from our co-operation.

I wish to reiterate that our country will continue to play a frontline role in international affairs. Kenya is guided by the desire to entrench peace co-existence, expand trade and promote mutual cooperation's among nations. We shall abide by our international obligations so that Kenya can take its rightful position in the family of nations.

Mr Speaker, in order to improve security and delivery of services closer to our people, in line with the demands of the majority of members of this August House, we are in process of enhancing the status of the remaining constituencies into districts.

As I conclude my remarks, I wish to urge the media, civil society, and our youth to consider the national interest when exercising their freedoms of expression and association. But we must do so with a sense of responsibility to ensure that exercising our freedoms does not result in damage to private or public property, or damage the country's national interest and image. Burning of people's houses or school property or uprooting of a portion of a railway line are too costly to us all and do not benefit anybody.

Mr. Speaker, finally, let me wish all the Honourable Members of this House fruitful and lively deliberations in the third session. It is now my pleasure and honour to declare the Third Session of the Tenth Parliament officially open.

Thank You and God Bless You All

KIBAKI'S CONTRIBUTION

DEBATE ON THE NEW CONSTITUTION

April 1, 2010

Mr. Speaker: Your Excellency the President and Member of Parliament for Othaya!

His Excellency the President (Mr. Kibaki): Mr. Speaker, Sir, I thank you very much, indeed. We have been listening to the discussion and I want to say something by word of congratulations to Members of this Parliament in that, truly, they are very knowledgeable on matters of law.

(Laughter)

They are very, very knowledgeable compared with any others that I have seen and listened to many times in this particular Chamber and in the other Chamber. I have listened so many times. I am sure that in this particular regard, they have, in fact, interpreted the law correctly.

Mr. Speaker Sir, I also want to thank you very much because, in your own wisdom, you have brought out what is required to come out, and which is important.

What you have said is correct. It is right. I am sure that it is what we should follow. I want to appeal to this House that we do not go back on this matter. Let us pass it and make that big step forward. I am sure that, later on, when we have another occasion to amend the constitution and change all these things, you will still be able to improve on it. As of now, I am grateful, thankful and very happy that I did come up here. I am very grateful to you and to other people.

Mr. Speaker Sir, I would like to say, thank you to all those people who have taken part in the preparation of this draft Constitution. They are all here. When you look at them, they are very young people and they have actually studied quite a lot. It is a great thing, the more you think of it. I am quite sure that all of us who are here should be able to say: "You young people have taken us a long distance, along this way. Let us go on as far as you have taken us".

We know there are other changes which must come in law, but they will come in their own time and, above all, they will come.

Let me remind you that over the years, which we have gone through, we have gone through a very difficult time in all these changes. I am quite sure that this is the greatest step we have taken so far. I am sure that we should take this step and wait until next time so that we can take another further step, and we shall move on. But do not let us hold back there because there is some small amendment to one little change, which we want to remember. No, we do not need to. We do not need it to hold us back. Let us go ahead. Please, let us go ahead. That is all I want to plead.

I do not want to go over so many points, which I have listened to, but I know that you are properly geared to making a new constitution for Kenya. This new constitution is for us. It is for all the people who are in Kenya. We shall later on look at it in our own time and amend it. But right now, let us go forward.

I want to thank you, Mr. Speaker, for the reason that you looked at these issues and made the judgment right here. You explained them to us in a very bright manner.

Thank you, very much. *Asante sana*

(Applause)

Mr. Speaker: Order, Hon. Members. I now call upon the Mover to reply.

Mr. Abdikadir: Thank you, Mr. Speaker Sir. May I thank you and the House for the honor you have bestowed on me, my vice-chairman and the PSC to co-ordinate the process of constitution review so far. I thank the President, the Prime Minister, the Vice- President and members of this House for the support they have given to this process, this far. Nobody said it would be easy, or boring, and I think this evening has shown that very clearly.

Mr. Speaker Sir, it is important to note that we are at the end of the process, and that the whole philosophy of the Act we tried to argue about today was to conclude the process. The philosophy was the conclusion of that process. The most critical organ of the review process is yet to come. All of us, before now, were the hand maidens so to speak, who were required to safely deliver the product to that end product stage.

Mr. Speaker Sir, the popular sovereign is the people of Kenya. They are wise, they are hardworking in their villages, they have suffered and this is a decision they are very able to make. This is really their decision to make. Ours was to give input. Ours was to give input. This House, indeed, passed a law that stated how this was to be done and then move forward to the document. By virtue of the fact that this Motion that I moved, and Members did, indeed, debate the Motion, I will seek your permission to go and touch on a number of things. Mr. Speaker, Sir, this proposed document has 18 Chapters and six Schedules.

About 70 per cent of the proposed amendments were on only two chapters; the Chapter on the Bill of Rights and the Chapter on Devolution. Indeed, many amendments were on one Article or one sub-article of an Article on the Bill of Rights. Most of the time, these amendments were around a few critical issues.

Mr. Speaker Sir, as far as the Bill of Rights is concerned, the issue about Article 26 and whether abortion is allowed or not; the issue on national security in Article 24 and the exemptions thereto; the freedom of religion. Majority of the proposals for amendment were around that area.

Mr. Speaker Sir, for the avoidance of doubt, I think it is important that we read as far national security is concerned, Article 24 for the avoidance of doubt. Article 24 (5) states as follows:-

“(5) Despite clause (1) and (2), a provision in legislation may limit the application of the rights or fundamental freedoms in the following provisions to persons serving in the Kenya Defence Forces or the National Police Service. Those Articles that are exempted or the rights that people in those forces do not have include the following:-

- (a) The right to Privacy;
- (b) the right to Freedom of association;

- (c) the right to Assembly, demonstration, picketing and petition; and,
- (d) the Labour relations; and,
- (e) Economic and social rights;
- (f) Rights of arrested persons.

So anybody who says that the armed forces can go ahead and riot; that the armed forces can go ahead and picket; that the armed forces have the right to join COTU is not telling the truth. So, it is very clear that the armed forces are, indeed, exempted from enjoying those rights.

Mr. Speaker, Sir, let me now turn to Article 26. Article 26 is on the right to life. If I could go ahead and read the Article itself, it says:

“Right to life:-

26. (1) Every person has the right to life.

(2) The life of a person begins at conception.

(3) A person shall not be deprived of life intentionally, except to the extent authorized by this Constitution or other written law. This should cater for capital punishment which is still part of our law.

(4) Abortion is not permitted unless, in the opinion of a trained health professional, there is need for emergency treatment, or the life or health of the mother is in danger, or if permitted by any other written law.

For anybody then to say we have legalized abortion, I think is stretching the truth a little bit too far. Majority of the other issues were on devolution. Indeed, there has been a political issue about devolution. Indeed, there has been fear created about devolution.

Fear resulting from our history. Fear resulting from majimbo. Fear resulting from exclusion. These are historical fears. They are genuine. The way the Constitution has dealt with is to try and create some balance so that, indeed, we have devolution. But this country is unitary and we do not want “Bantustans”, so to speak. That is what the Constitution provides.

Now, there is a debate whether to provide for two or three-tier devolution. That is a genuine need to have; whether to have two or three. It is a political decision. This House had the ability to look into it and come to agreement. The House has not come to agreement on whether to have three or two levels. It is important to note that at the beginning the Committee of Experts proposed three levels of devolution. Then after public debate they went ahead and brought us two levels of devolution. We, as the Parliamentary Select Committee on the Constitution Review and after a lot of debate going forth back, proposing 18 regions, proposing 14 regions, finally settled for what the Committee of Experts had earlier proposed.

The majority of the proposals for amendments were on those two chapters. Indeed, 70 per cent were on those two chapters. What will be the functions of devolution?

Resource allocation in devolution and the levels themselves--- Mr. Speaker, Sir, a number of other issues which generated heat and emotions include representation of the people. The Constitution looks at it and tries to balance the interest of those who are in sparsely populated areas and those who are in densely populated areas; trying to look at the interests of both sides. Both sides are important. It is important to cater for those who are over-populated and feel that the votes do not count for as much as those in other areas. It is also important to cater for those in very large tracks of this country. Some constituencies are as large as countries and others as large as provinces. It was important to try and get a middle ground.

As usual, when you are dealing with critical things, there will be people who would not think you have gone too far on one side of the other. However, the Constitution has been very clear. It is important because this was a proposal that was discussed by the Parliamentary Select Committee (PSC), and the Committee of Experts (CoE) took exactly what the former agreed on.

Mr. Speaker Sir, it is important to note that, first, we have 210 constituencies; those remain in the next review. Secondly, there are proposed 80 extra constituencies and all those will be given in the next review. Thirdly, the formula is to be applied in the next review. Fourthly, every time we have looked at these numbers, we have done so respecting the administrative boundaries. We were looking at district boundaries and provincial boundaries. All this was being looked at through that prism. Finally, there has been a lot of fear as to whether this House might be disbanded by virtue of a proposal to the High Court or whether the Constitution can be amended at all. That is in Articles 260, 261 and 255. Mr. Speaker, Sir, if this process can show anything, it is that this House takes the laws very seriously. Even when it is very difficult to move forward, this House has taken every step possible to live within the rules that it has set. So, if there is a Schedule that says that the laws that are required to be passed as a result of the new Constitution will be passed in a period of five years; that is from one year to five years. What are the chances of this House defying the Constitution? I would say very near to nil.

The Constitution says that even if you do not live within that time line, you have an option to expand the time line by another one year. It is only after that that there is a procedure to apply to the High Court for steps to be taken. That is not a proposal we in the PSC were comfortable with. Indeed, we removed it but the CoE in their wisdom brought it back. I do not see that as a major issue because we have looked at how this House has taken every step necessary, so far, to abide by a road map Bill that this House passed. When we are looking at the Constitution, I do not think that, that is an issue at all. The people of Kenya have waited for this process to conclude for a very long time. The people of Kenya are absolutely capable of taking that decision themselves. This House, the PSC and the CoE will be very grateful for any decision the people of Kenya take whether they accept the product or they reject it because they are the popular sovereign. This document has to end there.

Mr. Speaker Sir, there were only two ways. First, as the third organ of review input into the process and make it better for, indeed, it could have been made better. That was with the House.

Secondly, in the event that we do not do that, let the document go to the people of Kenya for them to make the final judgment. This document will go to the Attorney- General for the issues some of the Members have raised. He will look into the typos and ensure that there are no errors on the face so to speak. Thereafter, it will go to the people of Kenya.

There are many who have sought for reforms in this country; institutional, legal and constitutional reforms, and by one fell swoop, we will have made hundreds of reforms by passing this document. If you ever wanted to reform the Judiciary, this is a wonderful opportunity to reform it. If you wanted to

reform the police, this is a wonderful opportunity to do it. If you wanted to reform public finance; how the Budget is passed, this is a wonderful opportunity to do so. Indeed, if you wanted a clear Executive so that it is free, once given the mandate by the people to rule, this is a clear reform you can get through this process so that the Executive and the Legislature are not fused; so that Parliament can play its role as set out, which is oversight, legislation and representation and the Executive can do the Executive functions. As we have now, we have the Executive residing in Parliament, so that 80 hon. Members are also Members of the Executive which creates fusion as opposed to separation of powers. This has been one of the key problems we have.

So, this document makes the key decisions that a Constitution ought to make and for those who say we are looking for a perfect document, do not wait for it. It is not going to come because these are the endeavours of an individual. They are human products!

That is why we have a court that interprets. That is why we have an amendment procedure and the amendments are there. Out of the 18 Chapters, probably two or three is where it is required to go back to the people and for good reasons. If you want to challenge the supremacy of the Constitution, it is required of you to go back to the people and seek that. So if you wish to change Parliament, those key issues or the independence of the Judiciary, you go back to the people but for the majority of the rest of the Constitution, all this House needs to do, even next year if this was passed, is to bring an amendment to the Constitution; an amendment Bill, normal procedure and you pass those amendments.

Mr. Speaker Sir, therefore, for those who say that the door is closed, indeed, the door is not closed as His Excellency, the President, said. These documents are to be amended: That is why they are there. But it is an absolutely good start. It is a wonderful point to start from. It is not the best for everybody. It will never be the best for everybody but it is a wonderful point to start from.

We need to clear this document so that it goes to the people of Kenya and then we need to move forward because we have to have closure on this process. This country cannot be at every new year or new House talking about a new Constitution.

(Applause)

The time has come to end this and this House has the historic opportunity to so do; to be able to close this process, so that we can go forward as a country.

With those few remarks, I beg to move.

(Question put and agreed to)

Adjournment

The House rose at 9.05 p.m.

OFFICIAL OPENING OF THE FOURTH SESSION OF THE TENTH PARLIAMENT,

23RD FEBRUARY, 2010

Mr. Speaker,

It is my pleasure to welcome Honourable Members to the Fourth Session of the Tenth Parliament after a two month recess.

I am sure this well deserved recess gave you time to replenish your energy, consult with your constituents, and support development activities in your constituencies.

This House is reconvening at a particularly important time in which we are steadily overcoming the challenges we have faced in the recent past. It is also a time when we are implementing bold reform measures that will define the future of our country and people. This is, therefore, a critical time that demands our selfless and dedicated service to our people. Furthermore it is a time when the future of our country so much depends on our ability to forge a common vision for national unity, development and cohesion.

God bequeathed us a beautiful country with a determined and patriotic people. We should therefore always cherish and protect our nation, as enumerated in our national anthem "Firm may we stand to defend".

Mr. Speaker, as members will recall, our country has sought to obtain a new constitution for the last two decades without success. But now we seem very close to this goal.

During the just ended recess, the Parliamentary Select Committee on the Constitution did this House and the Nation proud, following their consensus after two weeks of deliberations in Naivasha. On behalf of all Kenyans and this House, I take this opportunity to commend the Select Committee for a job well done.

I also welcome the progress made by the Committee of Experts on the Constitution. We are looking forward to the presentation of a consensus draft constitution to this august house by the Parliamentary Select Committee in the next few days.

This Tenth Parliament has a historic opportunity to rise to the occasion by passing a new Constitution for the Republic of Kenya. We must be successful in this endeavour at this defining moment in our nation's history.

I, therefore, urge Honourable Members to uphold the spirit shown by the P.S.C. in Naivasha. It is upon this House to maintain a national consensus on the new Constitution, and thus ensure that the people of Kenya will stand united during the referendum to be held later this year.

Mr. Speaker, the national concern over corruption has been on top of national debate for many years now. We have put in place institutions and enacted laws aimed at eradicating corruption in our country. Corruption undermines government policies and distorts allocation of public resources. It gives our country a poor image and discourages investments. We, as the grand coalition government have resolved to deal with the matter decisively. I am calling on the august house to work with the government in this endeavour. In order to win this war we must apply the law in a manner that is impartial and just. We must also not politicize or personalize the fight against corruption.

Mr Speaker and Honourable Members, In the last few months we have intensified the war against corruption. This momentum will be accelerated to cover all vulnerable sectors of government. In this regard all anticorruption agencies should fast-track and conclude pending corruption cases. All inter corruption agencies have also been directed to enhance preventive measures. Secondly we will enhance the investigative and prosecution capacity of the respective agencies.

Thirdly, the judiciary should also speed up the court process because speedy conclusion of corruption related cases is a key pillar in this fight. The government will provide adequate resources to improve the capacity of these institutions to speed up the processes.

The public service has been directed to apply the law and regulations firmly and impartially. The government is also consulting with the judiciary into ways of placing a time frame on the period within which a corruption related case should be concluded.

Mr Speaker, I now turn to the matter of national cohesion. Honourable Members will be aware that nearly two years after signing the National Accord, we have made substantial progress in managing our diversity as a country. We now have a National Cohesion and Integration Commission, and a new law that prescribes tough penalties for those promoting hate speech and ethnic tendencies.

I call on Honourable Members to make national cohesion a main agenda for this Fourth Session, and the remaining two sessions of the Tenth Parliament. I encourage all Members of this august House to lead by example. All Kenyans are looking upon us to champion a uniting agenda.

They are looking upon us to leading them as a united and patriotic people of this country. Kenyans should trust the leadership of the country and abandon the temptation to look externally for solutions that can easily be found locally.

Kenya belongs to all of us. We should be a caring and working nation. In that regard we should spend more of our time discussing ideas and programs that create jobs and opportunities for our youth. These ideas should uplift the standards of living of our people.

We need to squarely confront poverty, which is so prevalent among our people. The best thing we can do is to invest in the education of our children and unleash the potential and productive capacities of our people.

Let us have mixed delegations of Members of this House reaching out to the people with one message of unity of all Kenyans. Although we come from diverse origins, we are one people. We are one family! Let us strive to ensure every Kenyan is treated with respect and has the opportunity to live a dignified life, wherever they choose to settle. Never, shall we fight one another again.

Mr. Speaker, turning to the economy, Honourable members will appreciate that economic growth and shared prosperity will go a long way in creating the much needed opportunities for our people.

It will be recalled that in 2007 we recorded a G.D.P. growth rate of 7.1 per cent. This was the highest growth rate in three decades. In 2008, due to unfortunate events in our country as well as on the global arena, the economy grew by only 1.7 per cent.

Last year, the recovery in tourism, and in some other key sectors, mitigated effects of the severe drought that caused food, water and energy shortages. As a result, the economy grew at 2.5 per cent. This year we are optimistic that the forecasted 4.5 per cent growth rate will be achieved.

However, to experience real growth and success in the war against poverty, we must get our act together on two fronts. First, our politics must promote political stability and public confidence in the future of our country. Secondly, we must take policy initiatives that will reduce and maintain low interest rates. This will enable Kenyans access affordable credit for investments in wealth creation and expansion of employment opportunities.

In this regard I wish to thank the Kenyan people for heeding my call to engage in increased production. In particular I note that dairy farmers have tremendously increased milk production. I commend them for their hard work. I assure them of continued government support that began with the revival of K.C.C. The challenges we are facing now of excess milk calls for diversification of our dairy products and markets.

The Government is encouraging the industry to take up this challenge. At the same time we have instructed the Ministry of Special Programs and Livestock and Co-operatives to incorporate powder milk into the national food security reserves.

Mr. Speaker, before I outline this Session's legislative and policy agenda, I wish to express my appreciation to the House for the bills passed in the Third Session of the Tenth Parliament. The laws addressed several policy concerns. For instance, the Proceeds of Crime and Anti-Money Laundering Act will go a long way in reducing the emergence of organized crime in our country.

Some of the laws passed in the last session include:

1. National Youth Council Act;
2. Arbitration (Amendment) Act;
3. Office of Minister Act;
4. Statute Law (Miscellaneous Amendments) Act;
5. Supplementary Appropriations Act;
6. Appropriations Act; and
7. Finance Act.

I thank Honourable Members for their contributions during the last session .During this session the government will be tabling a wide range of bills including those which will arise out of the new constitution. In the sector of law enforcement and administration of justice the government will be tabling a number of bills.

With regard to police reforms, this house and the Kenyan people have been urging for reforms of the police. The government is responding to these concerns by presenting two bills namely:

1. Independent Policing Oversight Commission Bill;
2. Police Reforms Bill.

The proposed laws are expected to improve police accountability and enhance the public image of the police as servants of the people.

Public concerns have also been constantly raised on the need to improve efficiency and integrity of our judicial system. The Government will therefore re-introduce the Judicial Service Bill which will entrench the independence of the judiciary, and make it more effective in the administration of justice. This will also enable the judiciary to recruit judges and magistrates more efficiently. It will also lead to the required numbers to cope with the national case load. There should be no reason why at this point of our development, Kenya should not have enough judges and magistrates. Indeed, an efficient and effective judiciary will be the cornerstone of a revived economy as well as creating confidence in the justice system.

One of the key elements in fighting crime is the effective protection of whistle blowers and witnesses. To this end, the Government will soon table amendments to the Witness Protection Act. The aim is to establish an autonomous Witness Protection Agency that is capable of effectively protecting any witnesses to corruption, organized crimes and international crimes from reprisals. It will also cover witnesses who have crucial information in regard to the post-election violence that rocked our country.

Mr. Speaker, in regard to reforms in our electoral system, we are all agreed on the urgent need to put in place a credible and efficient system. This is the best way of ensuring that the public have confidence in the final outcome of our elections. The Government will table before this House the Election Bill which will consolidate all election laws in Kenya. This will prevent malpractices in general elections as well as provide the procedures for conducting referendums.

Similarly, the Government proposes to table the Local Government Bill, with the principal objective of repealing the current Local Government Act. The bill will provide for a legal framework that will enhance accountable and effective management at the local government level. It will provide for the direct election of mayors and deputy mayors of city and municipal councils. Direct elections will also be held for chairpersons and deputy chairpersons of country councils. The bill also provides for the re-organisation of local authorities and establishment of metropolitan councils.

Mr. Speaker, Vision 2030 seeks to transform Kenya into a competitive and prosperous middle income economy. In order to achieve this goal, we must change the way we carry out business in our country. We must provide an enabling legal environment to make Kenya more competitive for business and investment. The Government will, therefore, table several business-friendly bills in this Session.

The current outdated Companies Act will be replaced by the proposed Companies Bill. The bill will seek to amend, and simplify the law relating to companies. The bill will be accompanied by the Partnership bill and the limited liability partnerships bill.

The Government will also table the Insolvency Bill to replace the Bankruptcy Act, and streamline procedures in bankruptcy and insolvency law. The bill will also provide for the rehabilitation of the insolvent debtor, unlike the present situation where insolvency almost always results in liquidation.

Mr. Speaker, other business-related bills that will be tabled during this session include:

1. Kenya Deposit Insurance Bill;
2. The Nairobi Stock Exchange Bill, to review ownership of the exchange;

3. Tourism Bill;
4. National Housing Bill; and
5. Special Economic Zones Bill.

Mr. Speaker, Honourable members

The year 2010 will be a momentous year for our region. Last year, Kenya together with its partner states in the East African Community signed the Common Market Protocol that is set to take effect in July this year. As a result, there will be no duty charged on goods originating from within the community. Later this year, other elements of this Protocol such as the free movement of persons will also take effect. These developments are of enormous economic importance for our country. Given the sustained high economic growth rates enjoyed by the regional economies, we must place ourselves strategically to supply the region with much needed goods and services. In this regard, the Government has proposed several policies and projects, some of which will be tabled before this House. We shall be tabling the Special Economic Zones Bill and Sessional Paper, both of which will seek to transform Kenya into regional hub. I appeal to members of parliament to educate Kenyans on the opportunities that are being offered by the East African Community.

We shall also be presenting to this House financing approvals for new infrastructure projects and other national investment projects including.

1. Standard gauge railway to Uganda border;
2. Free port at Dongo Kundu;
3. The new transport corridor in Northern Kenya which incorporates the Lamu Port - Southern Sudan-Ethiopia Transport and Development Corridor.

All the business and economy related bills, policies and projects that I have mentioned are important. They are critical to reducing poverty, achieving equitable development throughout the country and creating numerous jobs and decent incomes for our youth. I, therefore, urge the House to give them priority in their discussions and passage during this session. Mr Speaker, as we commence the Fourth Session of the Tenth Parliament, I appeal to Honourable members to shun divisive partisan politics and focus on the greater good of our country. Whatever differences may arise between us should be amicably resolved in the national interest.

In conclusion, may I note that in my nearly half a century as a legislator, there has not been a Session of Parliament with the potential to bring as much positive change to Kenya as this one. Honourable Members, I have confidence that this House is up to the task and that it will fulfill its national duty and secure a memorable place in history.

It is, therefore, my pleasure to declare the Fourth Session of the Tenth Parliament officially opened.

Thank you and God bless you all.

THE STATE OF THE NATION ADDRESS

SPECIAL SITTING OF THE TENTH PARLIAMENT AT PARLIAMENT BUILDINGS,

24TH APRIL, 2012

Mr. Speaker, Honourable members Ladies and Gentlemen

It gives me great pleasure to join you during this special sitting of Parliament, which comes after a short, well deserved break. During the break, I trust that my fellow legislators engaged constructively with their constituents, expounded on Government policies and sought wananchi's views on the forthcoming agenda before this House. In the last Session, Members of this August House were able to debate and pass crucial bills. As we commence this Session, we have a huge task ahead and I call upon each one of us to work extra hard so that we can pass all the pending bills, especially those relating to implementation of the new Constitution.

Mr Speaker, over the last four years the Grand Coalition Government has had a focused legislative agenda that has sought to improve the lives of our people. We have presented several Bills dealing with the political, socio-economic and legal affairs of our country.

On the economic front the Sacco Societies Bill which sought to regulate and license deposit-taking Savings and Credit Cooperatives was passed. The Tourist and Limited Liability Partnership Bills were also passed.

In the area of social order, National Unity and Human Rights, the National Cohesion and Integration Bill; the Alcoholic Drinks Control Bill; the Prohibition of Female Genital Mutilation Bill; and the Prevention of Organised Crime Bill were passed and enacted.

Moreover, our Legal System was strengthened by the passage of: the Witness Protection Bill; and the Vetting of Judges and Magistrates Bill.

Mr. Speaker, the enactment of our Constitution two years ago was an important milestone in our Nation's history. Our second Republic was born after many unsuccessful attempts spanning over a twenty year period. The new constitution occasioned that Parliament enacts numerous legislations within specific timelines. I wish to highly commend the various Ministries, Departments and this august House for their tireless efforts in passing the necessary legislation, on time, as required by the Constitution.

These pieces of legislation that have been enacted have formed the basis for the establishment of new institutions. Some of the Bills enacted include:

- The Commission on Revenue Allocation Bill
- The Contingencies and County Emergency Fund Bill
- The National Police Service Bill
- The Political Parties Bill
- The Ethics and Anti-corruption Bill

- The Elections Bill
- The National Gender and Equality Commission Bill
- The Kenya National Human Rights Commission Bill
- The Transitional Authority Bill
- The Inter-Governmental Relations Bill

Mr. Speaker, one beautiful aspect of our Constitution is the creation of the 47 Counties. The Constitution clearly stipulates the role of the Central Government and the Devolved Government. The 47 Counties provide enormous opportunities and are indeed the new frontiers for socio-economic development. Modalities for making the counties operational have begun in accordance with the devolution laws. In this regard, the process of deploying resources, staff and equipment to the counties should be completed by August this year. The postings should reflect the diversity of our country.

Mr. Speaker, despite the introduction of a devolved government system, Kenya remains a Unitary State. Kenya is one Nation and any attempts or calls for secession should be rejected and shall not be tolerated. Specifically, the Coast Region has been part of, is part of and will remain part of the Republic of Kenya.

Under the Devolved Government, the most successful Counties are those that will harness synergies within and between various Counties in their neighbourhood and beyond. I applaud those counties that are already formulating their strategic visions and plans.

Furthermore, the various Bills relating to devolution clearly define modalities for co-operation, collaboration and partnerships between the County Governments and National Government. This should allay fears of conflicts between the Central and County Governments.

In this regard, the Central Government will go out of its way to ensure that County Governments are empowered to effectively achieve their mandate right from day one. This is important since Counties will provide critical essential services that include health, water, agriculture and local transport.

That is why wananchi have very high expectations on enhanced service delivery at the local level. I urge voters during the General elections to elect competent leaders who will transform Counties to be economic enclaves that deliver public services professionally, create wealth and employment, improve and spread incomes across their populations as well as improve the quality of life.

Mr. Speaker, in this Session of Parliament, I call upon Members of Parliament to work closely with the Executive to ensure that all necessary laws are passed on time, with specific focus on the laws laid out in the Fifth Schedule of the Constitution.

These include the three Land Bills as well as the Public Finance Management Bill, and the County Government Bills. However, Mr. Speaker, there are other Bills not listed in the Constitution but which also require very urgent attention by this August House. These include the Kenya School of Law Bill, the Legal Education Bill, the Universities Bill, Teachers Service Commission Bill, and Public Service Commission of Kenya Bill, among others.

Mr. Speaker, the reforms that have been brought about by the new laws passed by this House, seek to transform our country and improve the livelihoods of our people. However, this transformation can only take place when we, as a people, embrace the national values as laid out in Article 10 of our constitution. Some of these values include Patriotism, National Unity, the Rule of Law, Social Justice, Integrity, Transparency and Accountability. We must not take our democracy and these values for granted.

We take pride that these are largely the same values that inspired our freedom fighters and founding fathers, to whom we continue to pay special tribute. All Kenyans should strive to live by these values and I urge you and all other leaders to be good role models.

Mr. Speaker, Kenya is due to hold its first General Elections under the new Constitution. The Government has put in place the necessary institutions and measures to regulate free fair and credible elections. Any hindrances and obstacles of whatever nature will be dealt with decisively and promptly. We are increasing the number of security officers. Moreover, massive civic and voter education will be conducted on the New Constitution and the electoral system.

This House has also passed three crucial pieces of legislation that have laid down the legal framework for the forthcoming General Election. These are: Elections Act; Independent Electoral and Boundaries Commission Act; and Political Parties Act. I urge Parliament to support the Government and help to urgently harmonise the various deadlines, procedures and regulations contained in these particular legislations.

I would also like to appeal to our political parties to make an effort of having a national outlook. Our democracy has now come of age and we should discourage regionally based parties. We need parties that are ideologically driven and have a national character.

Mr. Speaker, I call upon all leaders and Kenyans to embrace peace and reconciliation as we move towards the General election. As the elections draw closer, leaders must display patriotism and statesmanship. Political competition must be guided by the fact that the interests of our nation are more important than any individual or party interests. Kenyans must observe the rule of law before, during and after the elections.

The Government will be holding a National Conference on peaceful elections around August this year. I appeal to Members of Parliament and other leaders to engage in the District and County Peace Forums in the build up to the National Conference.

Mr. Speaker, I am also aware of the concerns that the upcoming I.C.C. cases have caused among Kenyans. I am also cognizant of the fact that this house passed a motion that Kenya pulls out of the I.C.C. Victims of post-election violence deserve justice. The Kenyans facing trials also deserve a fair and legal hearing. In the meantime, I call on Kenyans to remain calm even as we pursue the option of having a local mechanism to deal with any international crimes. The matter of the I.C.C. must also not be politicized.

We are also embarking on the final phase of resettling internally displaced persons. We have purchased 12,900 acres of land to resettle IDPs and forest evictees. 2.9 billion shillings has been used to purchase land for IDPs and another 1 billion shillings for forest evictees. The Ministry of Special Programmes has also been allocated 4.4 billion shillings for construction of houses and purchase of food and non-food items.

Mr. Speaker, terrorist and criminal groups have over the last few years threatened our national security. Following these threats and violation of our territorial integrity, we were compelled to undertake a military intervention in Somalia. I commend our men and women in uniform for their bravery and sacrifice as they confront these criminals and also as they seek to secure our border and keep us safe. I particularly pay a special tribute to those who have paid the ultimate price in the line of duty. Security matters must never be politicized and government will not allow anyone to seek political capital from criminal elements.

The Kenya Defence Forces are now part of the Africa Mission in Somalia. The nation of Somalia is today at a defining moment. After 20 years of internal strife, the people of Somalia have an opportunity to embrace peace and rebuild their country. Kenya and its regional and international partners are ready to support the people of Somalia during the reconstruction period.

Ultimately, however, it is the people of Somalia and their leaders that must carry the responsibility of stabilizing their country so as to achieve the much needed socio-economic and political transformation. In the meantime, I appeal to Kenyans to remain vigilant and continue taking precautionary measures as they embark on their day to day activities.

Another regional area of great concern is the conflict between Sudan and South Sudan. Having played the role of an honest mediator to the Comprehensive Peace Agreement, Kenya calls for a ceasefire and an end to the escalating hostilities. Sudan and South Sudan must not return to war.

We warmly welcome the decision of South Sudan to pull out of the HEG-LIG oil rich area. In similar ways the bombings of oil fields should stop forthwith and urge quick return to the peace agreement.

The stability of Somalia, Sudan and South Sudan are critical to the prosperity of our Region. Indeed, these three countries have applied for membership of the East African Community.

Mr. Speaker, regional integration is a major ingredient in our development. Similarly the E.A.C holds much promise for our people. As the current Chair of the East African Community, we look forward to the full economic and political integration for prosperity of the Region and its people. I acknowledge and salute members of the East African Legislative Assembly who have been holding their Sessions in Kenya. They have been at the forefront in deepening our integration process through legislative activities.

Mr. Speaker, when I first addressed Parliament as President on 18th February, 2003 our country faced several challenges. Our economic growth had nearly stagnated at 0.8 percent. Working together, we have transformed our Nation. By 2007 our economic growth rate had risen to above 7 per cent and we forecast a growth of about 5.5 percent this year despite the global recession.

Today, 10 million children are enjoying our Free Primary Education, up from 5.9 million in 2003. We are paying tuition fees in secondary schools for over 2 million students. We now have over 200,000 people studying in our universities up from 60,000 in 2002.

In addition, 2,700 kilometres of new roads have been tarmacked while 4,000 kilometres have been rehabilitated countrywide. We now have 1.7 million electricity connections, up from 700,000 in 2002. Good roads have enabled our people to be connected to markets while electricity connections allow for the establishment of small scale businesses and industries in all corners of our country.

24 million Kenyans have mobile telephones. We are the world leader in mobile-phone-money transfer and home to world class ICT innovations made possible through the fibre optic cables.

Mr Speaker, one of the major national management innovations of recent times is that of Constituency Development Fund and its impact on the need for national equity and integration. Through CDF 100 billion shillings has been directly transferred to the grassroots since 2003.

Part of these funds have been used to build over 1,000 health centres and over 10,000 class rooms across the country in addition to numerous roads, security posts, hospitals, water and fish projects. The facts are that government has facilitated construction of over 50,000 fish ponds across the country. Total fish production now stands at 20,000 metric tonnes annually up from 4,000 metric tonnes five years ago.

Mr. Speaker, on food security, it is important to point out that this Government has revived all our irrigation schemes and begun construction of dams, pans and boreholes across the country. The Government has made efforts, to avail affordable fertilizer and seeds to farmers so as to boost food production and security for our people.

Hence, milk production now stands at 5.2 billion litres annually up from below 2 billion litres 9 years ago, while we have revived critical institutions such as New K.C.C, Kenya Meat Commission and building abattoirs in Arid and Semi Arid areas. Special focus has also been on creation of value addition industries to benefit farmers.

On the social front, some 140,000 youth have benefitted with loans from the Youth fund while another 200,000 have been trained. However, much more needs to be done, to empower our youth. We must, therefore, continue to focus on projects that give greater dividends to the young people. The Women Enterprise Fund is also fully functional and has benefited over 480,000 women.

Mr. Speaker, in other social sectors, over 350,000 people are on ARV drugs up from just 10,000 nine years ago. We have distributed close to 20 million mosquito nets forestalling a malaria endemic that has infected and affected our people over the years.

We have experienced tremendous growth in house construction including slum upgrading but more needs to be done. Our vibrant private sector has grown stronger and is ready to take up more complex projects singularly and in partnership with international partners.

Our informal sector including jua kali industry is more robust as they continue to develop synergies with the formal multinational counterparts. Modern markets have been built across the country.

Mr. Speaker, today, we have engaged in the construction of our region's most ambitious development project, the Lamu Port-South Sudan, Ethiopia Transport Corridor Project (LAPSSET). This will also be our second national transport corridor, one hundred years after construction of the first transport corridor from Mombasa to Malaba that is earmarked for upgrading to standard gauge railway line.

We have also lined up major transnational road projects to link Kenya with all her neighbours in addition to expanding Mombasa Port, Eldoret, Kisumu, JKIA and other Airports countrywide to ease market access and transportation.

Other projects lined up are the Grand High Falls dam that will provide 350 megawatts of electricity. It entails a huge irrigation project and will provide water for millions of people in the coastal region.

We have also gathered here at a time when our country has discovered oil. I assure Kenyans that we will ensure proper use and management of this resource for the benefit of present and future generations.

Mr. Speaker, all these developments have been possible because we have more than tripled our annual tax portfolio from 200 billion to 700 billion shillings. I thank the Kenyan people for paying their taxes, making it possible to transform our country into a Working and caring Nation

I wish to thank all our Development Partners who have supported Kenya's Development Agenda. I also thank the Kenyan people for their continued good will and support and I rededicate myself to serving them in my remaining time in office.

I also assure Kenyans of a smooth transition to the new leadership that they will elect in the forthcoming general election.

That leadership must have the capacity to build and sustain on our Vision Twenty Thirty, whose foundation we have firmly laid.

Thank you, God Bless You and God Bless Kenya.

OFFICIAL OPENING OF THE REFURBISHED CHAMBER OF THE KENYA NATIONAL ASSEMBLY

7TH AUGUST, 2012

Mr. Speaker, Honourable Members,

Invited Guests, It is my joy to join you for this historic occasion of the opening of the refurbished chamber that moves our parliament into a new era. This chamber will greatly aid the legislative and representative roles of Members of Parliament.

I commend the Speaker and Clerk of the House as well as all those involved in this refurbishment project for their good work. I also thank Kenyan taxpayers for paying their taxes that enables us to undertake such projects.

The Government will work closely with Parliament to facilitate implementation of the next phase of the modernization programme. This will include preparation of facilities necessary for the Senate as well as increased staff numbers. We are committed to provide resources for the two-chamber legislature to function effectively. The Ministry of Finance will allocate the necessary funds for this endeavor. We are also committed to providing resources for devolved government as stipulated in the constitution.

The next Parliament will also need more support especially the functions of the various committees. This is critical because the Executive will be independent of Parliament. It is also important that we have experienced membership into those committees. I therefore encourage the current Members of Parliament to seek re-election because the next Parliament will be an important pillar of the Government. Despite the new Constitution and devolution of responsibilities to the 47 counties, the role of Parliament will not be diminished. The status and place of Parliament will remain paramount.

Devolution is with us to stay. We must, however, remain sensitive to our nation's economic well-being. We want devolved units of government that deliver services to the public. Devolution is critical and must be fully supported by this Parliament that should put in place the necessary structures that will guarantee a smooth transition to the next form of government. It is therefore important that counties are adequately staffed in readiness for the new structures of devolution.

I must however note that devolution does not stop Kenya from being a unitary state. National resources must therefore continue to be used for the benefit of all Kenyans. With the discovery of oil and other mineral resources, mechanisms should be put in place to ensure that locals benefit while the national good is put into place for the benefit of future and current generations.

There are valuable lessons to be learnt from the initial devolution of C.D.F funds, through which government has channeled over 100 billion shillings to the grassroots in the last nine years.

Mr. Speaker, The completion of this chamber upgrading project marks an important milestone for the people of Kenya. Parliament is one of the three state organs to which the sovereign power of the people of Kenya is delegated.

One of Parliament's most important roles is to manifest the diversity of our nation, represent the will of the people and exercise their sovereignty. It is therefore an institution for governing as well as defending the rights of Kenyans, particularly the underprivileged.



The facilities in this refurbished chamber will aid members to fulfill their responsibilities to the people of Kenya more effectively. Of more significance than the physical facilities however, is the character and conduct of the members of this House. We must remember that we have a responsibility, not only to our constituents, but to the entire nation. We should set examples of hard work, integrity and nation building to our fellow citizens. Most importantly, we must actively promote peace, unity and national cohesion in all corners of our country.

Mr. Speaker, the modernization of the Chamber comes at a time when we are fully engaged in implementation of our Constitution. I commend members of parliament for rising to the occasion and passing the necessary legislation needed to anchor our constitution, since its promulgation two years ago. In the next few days, a number of bills related to our constitution will be presented. I am confident that you will give them their due attention, as we stick to the timelines provided for under the Fifth Schedule of the constitution.

Mr. Speaker, after serving the people of Kenya in parliament for 50 years, I can confidently state that the destiny and fortunes of our beloved nation depends a great deal on the character and composition of Parliament. As leaders, we have tremendous capacity to transform the lives of our people.

I call upon Members to use the remaining time of their Parliamentary term to ensure that this House goes down in history for its role in improving and uplifting the quality of life of Kenyan workers, farmers, business people, youth and children. Let us use the time left to entrench reforms and to put in place structures that future leaders will use to transform Kenya into a haven of prosperity as envisioned under our Vision 2030.

I also call upon Kenyans to carefully consider those whom they will elect to serve in this House during the forthcoming General Election. Let us choose men and women of integrity, who have the people's interests at heart and who are diligent and selfless. The power to determine the destiny of our nation is in our vote. Let us use that power wisely.

As we prepare for the forthcoming elections, I wish to assure all Kenyans that we are putting in place measures to ensure a free, fair and peaceful election. The government will support the IEBC acquire the biometric voter registration system and contribute to the credibility of the electoral process. We will also fast-track the issuance of national identification cards to Kenyan youth.

Mr. Speaker, our democracy has come of age. Let us all play our individual and collective roles and ensure that we entrench our democratic ideals through a peaceful and just election. To ensure peaceful elections, I encourage Members of Parliament and other leaders and citizens to actively participate in the forthcoming county peace conference on 13th and 14th August and the national peace conference on 30th and 31st August.

I also re-commit myself to guaranteeing that Kenya has a smooth transition to the leadership that they will vote into office next March.

I now declare the refurbished chamber of the National Assembly officially open.

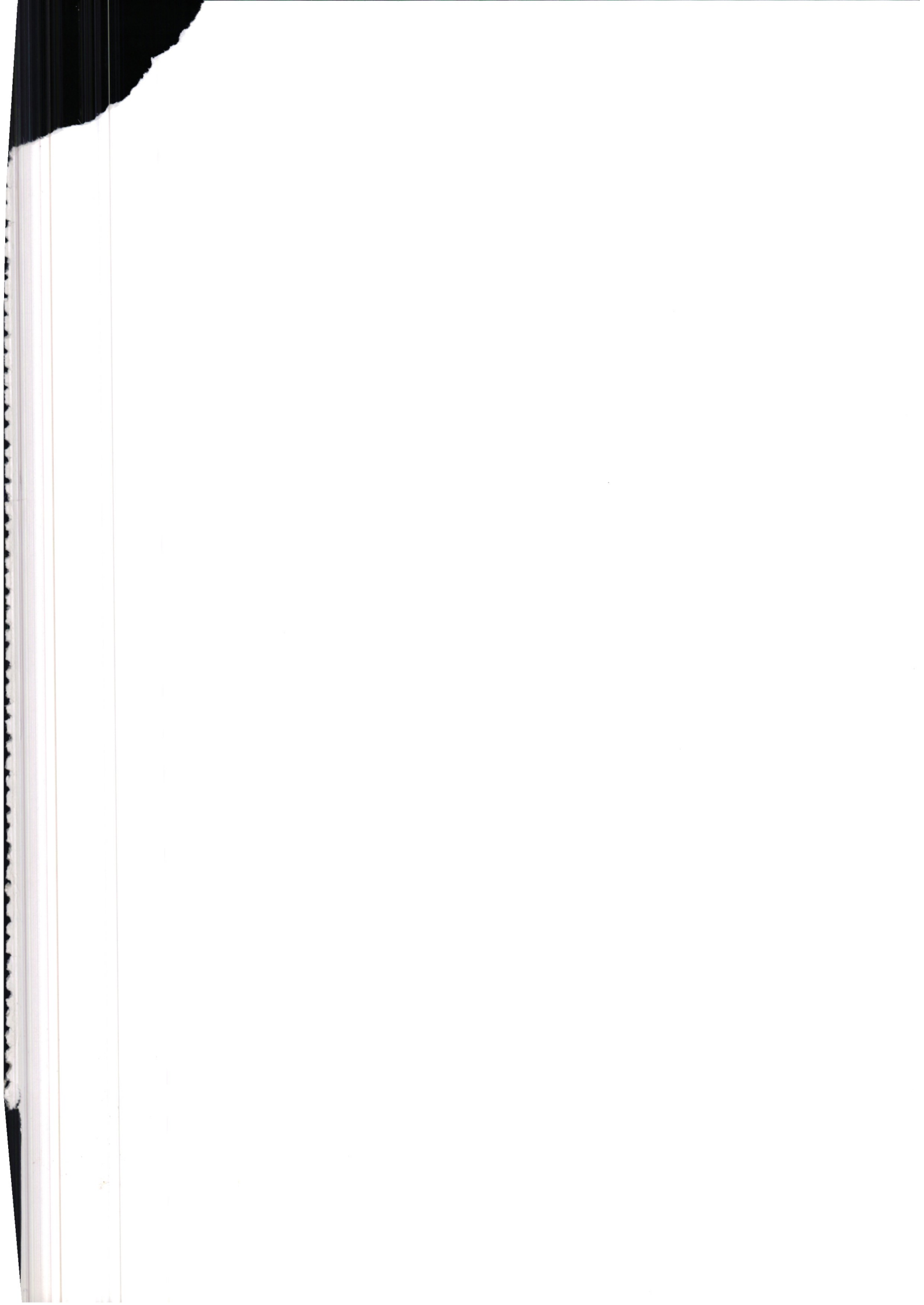
Before I resume my seat, I wish to present a copy of the original constitution that I signed on the 27th August 2010 and the pen I appended my signature with for safe custody in this august House.

Thank you and God bless you all.

| CHAPTER 8

**QUOTABLE QUOTES**

1. You either have one useful head, or if you have no head at all, you should be guided (April 22, 1998)
2. I did not and I will not call any honourable member a boy unless I am referring him by his name (20th April 1993)
3. I would be the last man to question the opinion of any member about himself (27 October 1964)
4. I am sorry the honourable member for Butere is not here to shed crocodile tears on behalf of the Nation (October 1964)
5. Before the last election, you will remember that the honourable gentlemen from the Opposition who are now sitting here, some of them wearing very funny looking maternity jackets, tried to make it their responsibility to make fearful images of tribes grabbing the land. (October 1964)
6. It is entirely wrong for the Honourable leader of the opposition to pretend here that he does not know what we have stopped doing business with south Africa. Every other person in this country knows this and if the honourable Leader of Opposition chooses to hide in the mangoes of Kilifi he should not try and quarrel. If he does not know this, it is very doubtful whether he should continue to claim to lead anybody (7th October 1964)
7. I do not believe in general slogans, because slogans go out in smoke and die (2nd July, 1970)
8. If we are going to deceive anyone, at least let us not deceive ourselves. (July 1970)
9. How can we have a country where I am the Minister for Finance and I come here to say what Government should do?
10. We either have one face or we should hide the one we have.
11. Women should be left entirely alone to make their own judgements as to what will make them look more beautiful or what will not make them beautiful.
12. Mr Speaker, we must be prepared to tell the truth, to speak it out, now, even if Mt Kenya is to melt into water (May 1965)
13. There is nothing special about becoming an editor or even chairman of a newspaper organization (1980)







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ISBN: 978-9966-21-358-7