

NATIONAL ASSEMBLY

OFFICIAL REPORT

Wednesday, 5th May, 1999

The House met at 2.30 p.m.

[Mr. Deputy Speaker in the Chair]

PRAYERS

ORAL ANSWERS TO QUESTIONS

Question No. 052

IMPLEMENTATION OF DDC PROJECTS IN LARI

Mr. Gitonga asked the Vice-President and Minister for Planning and National Development how many development projects recommended by Kiambu DDC were implemented by the Government in Lari Constituency during the Financial Years 1996/1997 and 1997/1998.

The Assistant Minister for Planning and National Development (Mr. Sumbeiywo): Mr. Speaker, Sir, I beg to reply.

During the Financial Years, 1996/1997 and 1997/1998, the Government, through various Ministries and agencies, implemented the following 24 development projects recommended by Kiambu DDC in Lari Constituency. The names of the projects and their implementing agencies are as follows:

<u>Project Name</u>	<u>Implementing</u>	<u>Ministry/Agency</u>
1. Kinale Health Centre	Health	
2. Gatamaiyu Fishing Camp	Tourism and Wildlife	
3. Nyanduma Secondary School staff house and dormitory	Education	
4. Lari Secondary School dining hall	Education/BOG	
5. Kamburu High School kitchen	Education/BOG	
6. Kamahindu Secondary School laboratory	Education/PTA/BOG	
7. Kijabe Primary School home science room	Education/School Committee	
8. Raini-Njeke Primary School administration block	Education/School /Committee	
9. Supply of training materials to Nyanduma	Research and	

Youth Polytechnic	Technology
10. Soil and Water Conservation	Agriculture/SIDA
11. Fertilizer Extension Project	Agriculture/GTZ
12. Fertilizer Use Promotion Project	Agriculture/World Bank
13. National Extension Project	Agriculture/World Bank
14. Small holder irrigation project	Agriculture/Dutch Government

Mr. Deputy Speaker: Order, Hon. Sumbeiywo! How long is that list you are reading from?

Mr. Sumbeiywo: Mr. Deputy Speaker, Sir, there are 24 projects and their agents. I am just finishing.

Mr. Deputy Speaker: It is okay.

15. National Dairy Development Programme (Phase IV)	Agriculture/ Netherlands Government
16. National Poultry Development Programme (Phase V)	Agriculture/ Netherlands Government
17. Expansion of Kinale Tree Nursery Area	Natural Resources
18. Construction of Kamae Tree Nursery infrastructure	Natural Resources
19. Establishment of forestry area in Kijabe Catchment	Natural Resources
20. Purchase of pumps and motor for Bathi Water Supply	Water
21. Construction of culvert on road 120T09	Public Works
22. Construction of Gatamaiyu Bridge on road 210T10	Public Works
23. Resealing of road C65 Githunguri-Uplands	Public Works
24. Re-gravelling and drainage on road E441 - E439 Githunguri-Kimende-Githirioni (Lari)	Public Works

Mr. Gitonga: Mr. Deputy Speaker, Sir, you can see that the projects that have been listed here were not Government projects or recommended by the Kiambu DDC. The initiative to start these projects came from the

people. Could the Assistant Minister confirm or deny that the Government has neglected this area because it is an Opposition area?

Mr. Sumbeiywo: Mr. Deputy Speaker, Sir, that is not true.

Question No.003

MURDER OF MR. KIEMA MWISUVE

Mr. Deputy Speaker: Mr. Kitonga is not here? That Question will be stood over for now. Next Question, Mr. S.M. Amin!

Question No.089

ENTRY OF MR. OCALAN INTO KENYA

Mr. Shill, on behalf of **Mr. Amin,** asked the Minister of State, Office of the President, whether he could explain how and when the Kurdish rebel leader, Abdullah Ocalan, entered Kenya in early February, 1999, and the circumstances that led to his arrest by the Turkish security agents two weeks later.

The Assistant Minister, Office of the President (Mr. Samoei): Mr. Deputy Speaker, Sir, the Turkish rebel leader, Mr. Abdullah Ocalan, entered the country illegally on 2nd of February, 1999, with the assistance of the Greek Embassy in Nairobi. After learning of the presence of Mr. Ocalan in the country, the Government demanded his immediate repatriation from the country. He left the country on 15th February, 1999. The circumstances under which Mr. Ocalan was arrested by Turkish security agents are still a subject of investigation by both the Immigration Department and the CID.

Mr. Shill: Mr. Deputy Speaker, Sir, this issue of the Kurdish leader and his subsequent arrest by the Turkish security agents has put Kenya on the spotlight, and many Kenyans who are living abroad are in danger. The Assistant Minister says he entered the country illegally. Can he explain how he entered the country, whether he came through Garissa or any other place, so that we can know whether he was assisted or not?

Mr. Samoei: Mr. Deputy Speaker, Sir, Mr. Ocalan arrived in this country at 11.33 p.m. aboard a private jet at the Jomo Kenyatta International Airport. The Greek Embassy did request for diplomatic clearance for the jet, but this was turned down. Later on, fictitious names of persons allegedly aboard that jet were given. But when this was discovered by the Government; that one of the persons in the jet was Mr. Ocalan, his immediate repatriation was demanded by the Government from the Greek Embassy, and this was complied with.

Mr. Kajwang: Could the Assistant Minister clarify whether Kenya treated Mr. Ocalan as a terrorist or as a freedom fighter. If they sought his repatriation, where were they repatriating him to? Is it not true that there was a conspiracy between the Kenyan Government and the Turkish Government to arrest Ocalan?

Mr. Samoei: Mr. Deputy Speaker, Sir, right from the beginning, Mr. Ocalan - whether he was a terrorist or a freedom fighter - was not supposed to be in this country and no clearance was given for him to be in this country, whatever his status was. I am not aware of any conspiracy existing between our Government and that of Greece. As far as the facts are, the Government demanded an explanation from the Greek Embassy and, indeed, the Government did demand from the Greek Government, the immediate recalling of its Ambassador from Nairobi and that was done.

Mr. Deputy Speaker: Order, hon. Ruto! The question he has asked you is: Where were you repatriating him to?

Mr. Samoei: Mr. Deputy Speaker, Sir, I have said that it was the business of the Greek Embassy to take him wherever they wanted, because he was not our guest at any one stage.

Mr. Wamae: Mr. Deputy Speaker, Sir, from what we understand, this man was escorted from the Greek Embassy by the Kenya security forces to the airport. At what stage, and for what consideration, did the Kenya security forces hand him over to Turkish security agents?

Mr. Samoei: Mr. Ocalan was not handed over to the Turkish security agents. I have said that the circumstances surrounding his departure and his presence in this country is a subject of investigation by the Immigration Department and the CID.

Mr. Mwenda: Is the Assistant Minister telling this House, and Kenyans, that the Kenyan security agencies did not know when the Turkish security forces entered this country? Can he tell us whether the

Government did not know that the Turkish security agents were in this country?

Mr. Samoei: Mr. Deputy Speaker, Sir, I have said, and I want to repeat it for the benefit of the Member, that the presence of Mr. Ocalan in this country and the presence of the Turkish security agents and other related agents in this country was an issue to which the Government did very clearly address itself to. I have said that his presence and that of the Turkish security agents are the subject of investigation between the---

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

Mr. Deputy Speaker: Order, all of you!

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

Mr. Deputy Speaker: Order, hon. Members! Please, do not stand on a point of order when you want to ask a question. Hon. Wamalwa, you have the Floor!

Mr. Wamalwa: Mr. Deputy Speaker, Sir, the answer that the Assistant Minister has given paints the picture of Kenya as being a country that does not know who comes and who goes. Is he suggesting that anybody can come to this country and abduct anybody without the knowledge of our security agencies? Is this what happened in Ocalan's case?

Hon. Members: Tell us!

Mr. Samoei: Mr. Deputy Speaker, Sir, to answer what hon. Wamalwa has asked; indeed, we have enough security at the airport. Further, we have stepped up efforts by making changes in the management of our international airport. We have---

(Loud consultations)

Please, allow me to answer hon. Wamalwa! We will further strengthen security at our airport to make sure that cases like these do not happen in the future.

An hon. Member: He has not answered hon. Wamalwa's question!

Mr. Raila: Mr. Deputy Speaker, Sir, the Assistant Minister is not answering the question put to him. The story of the abduction of Mr. Ocalan has been written in detail in *NewsWeek* and *Time* magazines. Those two international reputed magazines have stated in detail how Ocalan was brought here, and how he was officially handed over to the Turkish agents by the Kenyan Government security forces. The Government has not denied those stories in the magazines.

Mr. Deputy Speaker, Sir, Ocalan represents a liberation movement that is fighting for liberation of the Kurds.

Mr. Deputy Speaker: Please, ask your question!

Mr. Raila: Mr. Deputy Speaker, Sir, I am getting to the question. Could the Assistant Minister tell this House why the Government agreed to be used as a conduit in a collusion to hand over Mr. Ocalan, who represents the oppressed people of the Kurds, to the Turkish authorities?

(Applause)

Mr. Samoei: Mr. Deputy Speaker, Sir, whatever class of people, oppressed or not, who are represented by Mr. Ocalan, it is not the business of the Government to help or do anything for him. If he has to be in this country, he has to be here with the permission of the Government. He was here illegally and we demanded that he be removed from here. That is what happened.

Mr. Keynan: Mr. Deputy Speaker, Sir, I think that as far as Mr. Ocalan's issue is concerned, three contradictory statements have been issued so far. One was issued by the Immigration Department; another by the Minister for Foreign Affairs and another one by the Turkish Government. While I appreciate that this Question does not fall within the portfolio of the Assistant Minister answering it--- This Question should have gone to the Ministry of Foreign Affairs - which is headed by a robot who lacks any known diplomatic knowledge!

(Applause)

Mr. Keynan: Last but not least, is it in order for this Assistant Minister to persistently belabour to answer a Question that he is not qualified to answer?

Hon. Members: Hear! Hear! There is a robot here!

Mr. Samoei: Mr. Deputy Speaker, Sir, there is an issue of the security of the country involved, which falls directly under our Department. Secondly, the Immigration Department, which to a greater extent was

involved, or had to do with the presence of the agents or other people in this country, also falls under our Ministry.

Therefore, whatever other statements have been issued by our sister departments are consistent with the statement that I am issuing now.

Dr. Kituyi: Mr. Deputy Speaker, Sir, could the Assistant Minister agree with me, that is if he knows, that the circumstances under which Mr. Ocalan entered Kenya, were that President Nelson Mandela had accepted that Mr. Ocalan be given refugee status in South Africa, but Mr. Thabo Mbeki vetoed that offer when Mr. Ocalan was already airborne, and the Greek Ambassador then allowed him to be brought here; and that while the Kenya Government had promised safe exit for Mr. Ocalan, individuals within the CID, with the connivance of some politicians, sold him to the Turks---

An hon. Member: Who is he?

An hon. Member: For a price?

Dr. Kituyi: Because of the knowledge given to them by the Americans?

An hon. Member: How much money?

Dr. Kituyi: Do you agree with me or you do not know?

An. hon. Member: Sema! Umeshangaa?

An. hon. Member: He does not know!

Mr. Samoei: Mr. Deputy Speaker, Sir, the story the hon. Member is giving originated from some publications which are driven by profits on the kind of stories that they sell. As a Government, we deal with facts.

Mr. Murungi: On a point of order, Mr. Deputy Speaker, Sir. We appreciate that the Assistant Minister is having difficulties in answering this Question, but can he be honest and answer this one? We understand that there have been a lot of rumours and gossips that an hon. Member of Parliament was actually involved in the capture and export of Mr. Ocalan, and that hon. Member is here in this House, and his name is hon. Criticos.

(Applause)

Mr. Deputy Speaker: Order! Order! Order, hon. Members! Hon. Murungi, I will ask you to lay your proof on the Table now!

(Applause)

Mr. Murungi: Mr. Deputy Speaker, Sir, I was very careful the way I put this matter. I said that there have been a lot of rumours and gossips. You cannot substantiate rumours and gossips! So, can the Assistant Minister confirm or deny this particular matter?

Mr. Deputy Speaker: Order! Hon. Members, this House cannot proceed on the basis of rumours which are used to malign other hon. Members. So, hon. Murungi, you are making a statement. No matter how you couch it, it is still coming to the same point; that you are referring to an hon. Member of Parliament in very unfavourable terms. So, lay your proof or withdraw it!

An hon. Member: Withdraw and apologise!

Mr. Murungi: Mr. Deputy Speaker, Sir, I have no problems in withdrawing or whatever. But we would like the Government to clear the air as to whether or not hon. Criticos was involved in this matter!

Mr. Deputy Speaker: Order! Hon. Murungi, you have been in this House long enough! If you want the Government to confirm or deny, just ask the Minister to confirm or deny that allegation. But in respect of hon. Criticos, you must either lay the documents on the Table or withdraw.

Mr. Murungi: Mr. Deputy Speaker, Sir, I wish to withdraw the reference to hon. Criticos. But I would like the Government to confirm or deny that hon. Criticos was involved in this matter!

(Loud consultations)

Mr. Deputy Speaker: Order! Order! Hon. Samoei, please, respond to that.

Mr. Samoei: Mr. Deputy Speaker, Sir, I think you have said it all. I would not wish to treat this august House to stories about rumours and insinuations.

The Assistant Minister for Transport and Communications (Mr. Sankori): On a point of order, Mr. Deputy Speaker, Sir. Is it in order for hon. Murungi to just apologise to hon. Criticos without apologising to the

House? This is because what he said belonged to the House! He did not even apologise!

Mr. Deputy Speaker: Order! Next Question.

Mr. Murungi: The Assistant Minister has not answered my question.

Mr. Deputy Speaker: I beg your pardon! Mr. Samoei, you have not confirmed or denied that allegation.

Mr. Samoei: Mr. Deputy Speaker, Sir, I have made my stand very clear. I will not answer to any rumour or insinuation. If hon. Murungi would like an answer from the Government, I would prefer that he goes ahead and asks a Question based on facts.

The Assistant Minister for Health (Mr. Criticos): On a point of order, Mr. Deputy Speaker, Sir. Just because of my ethnic background, I do not think I should be prosecuted! I was born and raised in this country. Now, if the Greek or Turkish Governments or whoever was involved--- I want an apology from the hon. Member! He should also withdraw what he has said!

(Applause)

Mr. Deputy Speaker: Order! I think hon. Murungi has already apologised!

An hon. Member: Not yet!

Mr. Deputy Speaker: Order! Hon. Angwenyi, you are getting from bad to worse!

An hon. Member: We would like hon. Murungi to apologise!

Mr. Deputy Speaker: Order! Hon. Murungi, did you withdraw and apologise or did you just withdraw?

(Loud consultations)

Order, hon. Members! There is only one Chair!

Mr. Murungi: Mr. Deputy Speaker, Sir, for avoidance of doubts, I beg to apologise to hon. Criticos. But the Government has not confirmed whether it has cleared hon. Criticos on this matter or not.

Mr. Deputy Speaker: Order! Hon. Murungi, you are now compounding the problem because you are really discussing the conduct of another hon. Member without a substantive Motion. That, I shall not, and will not, allow. So, the Government cannot respond to your question about of hon. Criticos's behaviour until and unless you bring a substantive Motion.

Mr. Shill: Mr. Deputy Speaker, Sir, Mr. Abdullah Ocalan is well known for being a freedom fighter and that is not a secret. Two wrongs do not make a right. Even if he entered this country illegally, the Government had no moral obligations to hand him over to his enemies. Instead, it had the moral obligation to send him to a safe haven. Could the Assistant Minister confirm or deny that Mr. Abdullah Ocalan was sold by individuals for US\$5 million?

Mr. Samoei: Mr. Deputy Speaker, Sir, I am not aware of what the hon. Member is alleging. But I would request him to provide that information to us. I have said the Criminal Investigation Department (CID) and the Immigration Department are investigating this matter.

Mr. Shill: On a point of order, Mr. Deputy Speaker, Sir. Is it in order for the Assistant Minister to refuse to answer my question? I asked him whether the Government had the moral obligation of handing Mr. Ocalan to his enemies. Could he answer that question?

Mr. Samoei: Mr. Deputy Speaker, Sir, we did not send Mr. Ocalan anywhere. We asked the Greek Embassy, which was involved with his presence here, to take him away.

Mr. Magara: Mr. Deputy Speaker, Sir, it is quite frustrating and absurd when the Assistant Minister is evading a very pertinent issue regarding the security of this country. Can the Assistant Minister clearly state why Mr. Ocalan came here? If he was in the Greek Embassy either illegally or legally, why was he deported back to his country and yet he was a freedom fighter?

Mr. Samoei: Mr. Deputy Speaker, Sir, the presence of anybody in this country, irrespective of embassy whether he is a fighter or not, is at the wish of the Government. Mr. Ocalan was here against the wish of this Government. He was never, at any one time, in the hands of the Government. We did request the Greek Embassy, where Mr. Ocalan was staying, to remove him from this country and wherever they took him was not our business. They complied with our request and we were satisfied.

Mr. Deputy Speaker: Order, hon. Members! The Question by hon. Anyona has been deferred, in agreement with the Minister for Co-operative Development.

Question No.096

SALE OF UNION ASSETS

(Question deferred)

Mr. Anyona: On a point of order, Mr. Deputy Speaker, Sir. I know there is a mutual consent between the Minister, myself and the Chair that this Question be deferred, but I think, in fairness to both the new Minister and the House, I need to say this: This Question came before this House on 26th July, last year, and because of the unsatisfactory answer that we got, we agreed mutually to have the Question deferred in order to carry out investigation involving farmers to find out the truth. I did go round all the societies in Kisiis and compiled the report. This report had been made available to the then Minister for Co-operative Development, Dr. Anangwe, and his successor, hon. Kiptoon. In fact, my brother here, Mr. Obure, has not received my direct copy, but he has seen a copy in his office. But what is very sad is that the answer we got on July 28th July, 1998, is exactly the same answer that the Minister is being asked to give here in order to make him and this House look ridiculous. Whereas I would agree that the Minister should have enough time to go into those things, I would like to assist him by tabling a copy of the report that I compiled, which shows massive corruption and grabbing of 330 acres of prime land of farmers.

Mr. Deputy Speaker, Sir, with those few comments, I would like to table the document.

(Mr. Anyona laid the report on the Table)

Mr. Deputy Speaker: Mr. Minister, you will provide the answer by Tuesday next week.

The Minister for Co-operative Development (Mr. Obure): Mr. Deputy Speaker, Sir, there was a verbal agreement between hon. Anyona and myself to have this matter deferred, but given the spirit in which this matter has been brought up, I beg you to allow the Question to be raised.

Mr. Deputy Speaker: Order, hon. Members! I cannot, and will not, allow the Chair to [Mr. Deputy Speaker] be abused. You, two, came to me saying that you had agreed mutually to defer this Question, and I agreed. You cannot now come back and say you want the Question asked, anyway. I will not accept that. Next Tuesday, you will bring an answer which you consider satisfactory to the Question.

Next Question.

Mr. Angwenyi: On a point of order, Mr. Deputy Speaker, Sir. This matter concerns us all. I think the spirit in which the parties concerned asked you to defer the Question was to ensure that justice will be done. This is a very important matter for my people.

Mr. Deputy Speaker: Order! Mr. Angwenyi, you have no authority to revisit an issue over which the Chair has made a ruling.

Question No.054

CONFINEMENT OF ORPHANS IN REMAND HOME

Mr. Badawy asked the Minister for Home Affairs, National Heritage, Culture and Social Services:-

(a) under what circumstances were the following orphans referred to and confined at the Malindi Juvenile Remand Home late last year:-

Jamila AbdulKadir - 4 years

Ahmed A. Kadir-7 years

Najma A. Kadir-8 years

Bajo A. Kadir-11 years;

(b) what the fate of these minors is; and,

(c) under what authority were they committed to the remand home.

The Assistant Minister for Home Affairs, National Heritage, Culture and Social Services (Mr. Marrimoi): Mr. Deputy Speaker, Sir, I beg to reply.

(a) The above named children are the sons and daughters of the late Abdulkadir Ebrahim and the late Zahra Adan, formerly residents of Mogadishu in the Islamic Republic of Somalia. They alleged that their parents were murdered in Mogadishu and they were brought to Nairobi by a person they refer to as "aunt." While in Nairobi, this "aunt" failed to pay rent and one day, she abandoned them on the streets. Ms. Aisha Musa, a resident of Malindi Town, rescued them from the streets and brought them to Malindi with an intention of starting a children's home. This was in December, 1997.

Mr. Deputy Speaker, Sir, around August 1988, Ms. Aisha Musa reported that she had children she could no longer support and handed them over to the District Children's Officer. Some Somali elders promised to assist the District Children's Office locate the children's relatives in Mombasa.

A Somali national, Ali Abdul Helle, holder of Somali Passport No.A0349290, claimed that the children's mother was his sister and that he was ready to provide protection and care to them. However, on close examination, the children denied knowledge of the man. Efforts to get the relatives have so far been unsuccessful.

(b) On 7th December, 1998, Mrs. Joyce Matu, the Principal Magistrate in Malindi, while on a visit to the Malindi Juvenile Remand Home, met the four children. Their traumatic recitation of the events leading to the deaths of their parents moved her, and she requested that the children be placed under her care and she would give them a chance to live in a family environment until a lasting solution to their plight is found.

Mr. Deputy Speaker, Sir, while under the care of Aisha Musa, Muslim organisations and individuals were approached for assistance to the children, but they never extended any help to them. On placement of the same under Mrs. Matu, the same organisations and individuals have ganged up demanding for the release of the children to them.

The children alleged that they suffered a lot under the care of Aisha and they would escape if placed under any individual except where they are currently. They are saying that they are happy where they are at the moment, and would leave if only they are re-united with their relatives or another better alternative is found. Eventually, the matter was referred to the High Court in Mombasa.

Mr. Deputy Speaker, Sir, as a result of this problem, these children became children in need of protection and care. Because of the above reasons, the children were committed to Malindi Juvenile Remand Home through the Malindi Juvenile Court. The children were ordered to be committed to the custody of Goodwill Children's Home here in Nairobi.

(c) The children were committed to the Malindi Juvenile Remand Home by the authority of the Children and Young Persons Act, Chapter 141, under Section 22(a), Section 25(c) and Section 36.

Mr. Badawy: Mr. Deputy Speaker, Sir, I do not think there is any hon. Member here who has been able to follow the long and unnecessary verbose read by the Assistant Minister. It is loaded with all the irrelevancies and deliberate confusion of facts. I simply asked: Under what circumstances were these children committed to the Malindi Juvenile Remand Home, especially when the Assistant Minister refers to the fact that the good samaritan, Lady Aisha admitted that she could no longer maintain them? Finally, on 7th December, 1998, Mrs. Matu, the Principal Magistrate, while on

[**Mr. Badawy**]

a visit to Malindi Juvenile Remand Home met these children and removed them from there. Under what authority did the District Children's Officer, prior to Mrs. Matu's salvage, commit these children to the Juvenile Remand Home?

Mr. Marrimoi: Mr. Deputy Speaker, Sir, the hon. Member is aware that the children were committed to juvenile remand home under the Islamic religion.

Mr. Osundwa: Mr. Deputy Speaker, Sir, could the Assistant Minister tell this House the crime these children committed for them to be put in a remand home?

Mr. Marrimoi: Mr. Deputy Speaker, Sir, that was an order which was issued by the High Court, and we could not defy it.

Mr. Maitha: Mr. Deputy Speaker, Sir, the Assistant Minister is evading the whole question. We want to know the crime the children committed so that they could be put in a juvenile remand home. Can he answer that question?

Mr. Marrimoi: Mr. Deputy Speaker, Sir, the hon. Member is aware that the parents of these children died and the children did not commit any crime. In fact, that is why they were put under the care of the remand home. These children are protected.

Mrs. Mugo: Mr. Deputy Speaker, Sir, could the Assistant Minister tell us whether, when parents die, the

best way for the Government to look after the children is to put them in a remand, which is almost a prison for the young people? Could the Government tell us the policy it has in place to look after the many children who have lost their parents because of the AIDS scourge and many other reasons, and they are now flocking the towns without any care? Are all of them going to end up in remand homes, or does the Government have a policy in place to look after these children?

Mr. Marrimoi: Mr. Deputy Speaker, Sir, I think hon. Members are not differentiating between a "home" and "remand homes". The children are now in Goodwill Children's Home which is here in Nairobi.

Mr. Badawy: Mr. Deputy Speaker, Sir, in fact that the Assistant Minister is the one who is ignorant and confusing between a juvenile remand home and a children's home--- Could he, therefore, justify why these children were committed to a juvenile remand home, which is a place for criminals?

Mr. Marrimoi: Mr. Deputy Speaker, Sir, as we are talking now, the children are in Goodwill Children's Home, which is here in Nairobi and not in remand.

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

Mr. Shakombo: Bw. Naibu Spika, huyu Waziri Msaidizi anatumbea hapa. Kuna tofauti ya remand home ambayo ni ya watoto waliovunja sheria. Pia, kuna zile homes ambamo watoto wanaenda kulelewa huko. Watoto hao wako kwa home gani?

Mr. Marrimoi: Mr. Deputy Speaker, Sir, should I talk in Kiswahili or in English, so that the hon. Member can understand?

(Laughter)

This is so because I am not sure whether the hon. Member understands English. I said earlier on that the children are in Goodwill Children's Home, which is here in Nairobi.

Mr. Badawy: Mr. Deputy Speaker, Sir, I would like to request the Chair to ask the Assistant Minister to give this Question the importance it deserves. This is a very serious matter, where the District Children's Officer has created a very bad precedent by committing innocent children, who are particularly orphans, to a remand home. The Assistant Minister has deliberately, or unknowingly, confused the sequence of events, from the time the children were taken from Aisha and they were committed to a juvenile home.

Mr. Deputy Speaker, Sir, I would like to challenge the Assistant Minister to give us the order number by the Malindi Juvenile Court that committed these children to the home before they were saved by Mrs. Matu. Right now, they are in Goodwill Children's Home upon application by the Muslim Community, which maliciously accuses Ms. Aisha. Could the Assistant Minister go back and come up with a proper answer to this House? He should justify why these children were committed to the juvenile remand home.

Mr. Marrimoi: Mr. Deputy Speaker, Sir, the Member knows very well that, this thing was discussed between the Muslim community. They were removed from the juvenile home and now they are---

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

Mr. Deputy Speaker: Order! Order! Hon. Members, you, really, must be blowing to another planet because with the noise you are making, you are not even hearing him and you want to raise a point of order on what he is saying!

Hon. Members: On a point of order! Point of order!

Mr. Deputy Speaker: Yes, Mr. Gatabaki?

Mr. Gatabaki: Mr. Deputy Speaker, Sir, yesterday, I put the sentiments of this House that His Excellency the President, who is the Chancellor of five universities--- Is it in order for him to appoint these kind incompetent Ministers to the Cabinet?

(Laughter)

Mr. Deputy Speaker: Order! Order! Order! Hon. Gatabaki, even if that was supposed to be a joke, it was a very bad one. So, will you stand up and withdraw? You cannot refer to Members of this House in those terms. Order! Order! Before you become a Minister, you are an honourable Member of this House.

(Applause)

Order! Order, hon. Gatabaki!

Dr. Ochuodho: On a point of order, Mr. Deputy Speaker, Sir!

Mr. Deputy Speaker: Order! Hon. Gatabaki?

Mr. Gatabaki: Mr. Deputy Speaker, Sir, I rise to seek guidance from the Chair. This House asks Questions and the Questions become the property of the House. Without questions being properly answered, what are we in this House supposed to do?

Hon. Members: Yes! Tell them.

Mr. Deputy Speaker: Order! The Chair is not going to engage in an argument with you. If you are not satisfied with the quality of the answers you receive from these Ministers, it is quite clear what you do next. You can move a Motion of censure against them, but you do not have the right to refer to them in derogatory terms, as hon. Members of this House. I will not accept that.

Hon. Members: On a point of order, Mr. Deputy speaker, Sir.

Mr. Deputy Speaker: Yes, Mr. Anyona?

Mr. Anyona: Mr. Deputy Speaker, Sir, there are times when we have some light moments in the House, which I think are good for the House. But I think there also should be moments when we should seriously consider the matters before the House. Here is a Question regarding the lives of very young Kenyan children, and we are acting as if it is a laughing matter. If we cannot get a satisfactory answer, which we are not getting, it is only fair that this House insists that the Minister goes back and brings an answer befitting the type of Question that we have before us. If not, then we have to ask that hon. Member to bring a Motion to set up a Select Committee to probe this Assistant Minister.

Mr. Deputy Speaker: Order! Order, hon. Members. The Chair has ruled many times that Ministers go back and bring satisfactory replies, and it is not a question of the Chair refusing to do so. But the fact that you are not satisfied with an answer does not give you reason to refer to any hon. Member of this House in derogatory terms. That is the point I am making. So, if the answer is not satisfactory, ask the Chair to rule whether another one should be brought back, and if you are not still satisfied with that, bring a Motion to censure the Minister whose reply you are not happy with. But I will not allow you to insult them, no matter how lowly you think of them. I will not allow that.

Hon. Members: On a point of order, Mr. Deputy speaker, Sir.

Mr. Deputy Speaker: Order! Order! In respect to this Question, quite frankly, there is some confusion, even in the Assistant Minister's mind, as to what procedure was followed. I have not made any ruling, so we are disagreeing over nothing. It is in the interest of this House that the correct answer be given. Mr. Assistant Minister, that Question must be answered again.

(Applause)

Order! Order! But I want you to feel humble enough to ask that Member to give you some information that he is holding, because he is asking you a Question whose answer he has. So, you will do that and make sure that next time, you are audible because I even had problems hearing you today.

(Laughter)

Mr. Marrimoi: Mr. Deputy Speaker, Sir, while I agree with what you have said, I would like hon. Gatabaki to withdraw his remark or otherwise, he should check his head, whether it is---

(Laughter)

Mr. Deputy Speaker: Order! Order! Hon. Gatabaki, I asked you to withdraw those remarks.

Hon. Members: Yes! Yes!

Mr. Deputy Speaker: Order! Order! Hon. Ethuro, I have not asked you to assist me; not yet. He knows the words.

An hon. Member: On a point of order, Mr. Deputy speaker, Sir. We need your guidance, Mr. Deputy speaker, Sir!

Mr. Deputy Speaker: Order! Hon. Gatabaki.

Mr. Gatabaki: Mr. Deputy Speaker, Sir, my concern is whether the Chair is responding to the Assistant Minister or *vice versa*.

(Applause)

Mr. Deputy Speaker: Order! Order! I have already told you that the Chair will not engage itself in an argument with you over that matter. There is a ruling already issued and you should comply. Pure and simple.

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

An hon. Member: Do not withdraw. If the Minister is incompetent, there is nothing you can do.

Mr. Gatabaki: Mr. Deputy Speaker, Sir, now that the Vice President is here with us as the Leader of Government Business, I was only requesting on behalf of this House, for the President to be given the sentiments of this House; that there are some people here in the Front Bench who are not qualified to be there.

(Applause)

Mr. Deputy Speaker: Order! Order! Order! Hon. Gatabaki, I will repeat what I have said before, at the risk of being repetitive. You may have a very low opinion of people who have been appointed Ministers, but, first and foremost, they are hon. Members of this House. So, the qualification is not what Gatabaki requires. First, they are Members of this House. So, you or anybody else in this House, have no right to refer to Ministers in those derogatory terms. So, hon. Gatabaki, are you withdrawing or not?

Hon. Members: Point of order, Mr. Deputy Speaker, Sir!

Mr. Deputy Speaker: Order! Order! I am dealing with hon. Gatabaki. Any other Member, please, hold your point of order until I finish this point.

Dr. Ochuodho: On a point of order, Mr. Deputy Speaker, Sir. You are now violating Standing Orders.

Mr. Deputy Speaker: Order! Hon. Dr. Ochuodho, could you now cite the Standing Orders that are being violated?

Dr. Ochuodho: Mr. Deputy Speaker Sir, if you sit down, I will cite one.

Mr. Deputy Speaker: All right.

Dr. Ochuodho: Mr. Deputy Speaker Sir, it looks as if you are introducing---

Mr. Deputy Speaker: Order! Just cite the Standing Order which is being violated.

Dr. Ochuodho: Mr. Deputy Speaker, Sir, Standing Order No.17 allows us to ask questions if we think that we are not going as per the rules of the game. It is for that reason that we seek your guidance. The word "incompetent", in my opinion, is not derogatory. So, we need proper interpretation of this word.

Mr. Deputy Speaker: Order! You have cited Standing Order No.17; right? What is Standing Order No.17 dealing with? Standing Order No.17 deals with hours of meeting.

(Laughter)

Hon. Members: Shame! Shame!

Mr. Deputy Speaker: Order! Hon. Dr. Ochuodho, you do not seem to take the work of this House seriously. I am now asking you to withdraw from the Chamber for the rest of the day.

(Dr. Ochuodho withdrew from the Chamber)

Mr. Gatabaki: Mr. Deputy Speaker, Sir, now that the Vice-President of Kenya escaped death after a helicopter crashed the other day.

(Laughter)

Mr. Deputy Speaker: Order! Hon. Gatabaki, I am giving you one last chance.

Mr. Gatabaki: Mr. Deputy Speaker, Sir, now, the House having understood my statement, it is my wish to withdraw the words "incompetent" and compliment the President for choosing an incompetent Assistant Minister.

(Laughter)

Mr. Wafula: Mr. Deputy Speaker Sir, I am only hoping that the House is going to get a satisfactory answer to my Question. First, I have not received a written answer to my Question. However, I will go ahead and ask Question No.037.

An Hon. Member: What are you waiting for?

Question No.037

PAYMENT OF SALARY ARREARS TO INSTITUTE EMPLOYEES

Mr. Wafula asked the Minister for Research and Technology:-

(a) whether he is aware that the employees of Sangalo Institute of Science and Technology are working without salaries being paid to them; and,

(b) if the answer to "a" is in the affirmative, whether he could take urgent steps to ensure that these employees are paid their salaries including the accumulated arrears.

The Assistant Minister for Research and Technology (Mr. Kiangoi): Mr. Speaker, Sir, I beg to reply.

I am aware that the employees of the Board of Governors of Sangalo Institute of Science and Technology have not been paid their salaries for the period starting from August, 1998 to April, 1999.

However, my Ministry has no obligation towards meeting the salary bill for these employees as this is the sole responsibility of the institute's Board of Governors in conjunction with the local community and the leaders. Indeed, the Ministry's responsibility is to meet the salary bill for the teaching staff of that institute, and we have been doing so regularly up to, and including, the salary for the month of April.

Mr. Wafula: Mr. Deputy Speaker, Sir, this is also very unsatisfactory. This is the normal tendency by Government Ministers to come up and answer Questions the way they want. The truth is that the employees of Sangalo Institute have not been paid their salaries. The Assistant Minister is talking of the Board of Governors, forgetting that the KANU Government has put a very serious KANU activist to be the chairman of the Board of Governors in Sangalo Institute.

Mr. Deputy Speaker: Ask your question!

Mr. Wafula: Mr. Deputy Speaker, Sir, I am trying to build up my question. The record of the present Chairman of the Board of Governors is such that he is the one who has run down many institutions in Bungoma. The Ministry of Education and Human Resource Development has installed him as the Chairman of Sangalo Institute Board of Governors. Can the Assistant Minister now assure the House that he is going to probe the Board of Governors? He should also replace it with a board that is going to ensure that workers are paid.

Mr. Kiangoi: Mr. Deputy Speaker, Sir, I believe it is the hon. Member who does not want to understand, or is incapable of understanding what I am saying. I have said---

Mr. Deputy Speaker: Order! Hon. Kiangoi, you cannot say that about an hon. Member. You have to withdraw those remarks.

Mr. Kiangoi: Mr. Deputy Speaker, Sir, I would like to withdraw the offending phrase. Let me say, now that I have withdrawn the remarks that: "the hon. Member, maybe, is incapable of understanding," that I fail to understand why the hon. Member cannot understand this answer. I have clearly stated that there is an arrangement between the Ministry and the local community to cater for the salaries of the non-teaching staff, but the Ministry caters for the salaries of the teaching staff. We have done our part. They have set up that institute in conjunction with the Ministry. The latter has done its part. The question of the Chairman of the board does not arise here, but let me say that the board has been changed regularly as need arises. However, the position of the chairman and the whole board's position will be reviewed.

Mr. Michuki: Mr. Deputy Speaker, Sir, we had a Question about the polytechnics here the other day and it would appear that it is now the tradition of the Government to avoid as much as possible getting involved in direct management. Is the Assistant Minister telling us that by giving grants to polytechnics and technical institutes, the Government is not actually moving away from this direct management in the same way it has done to Ministries by appointing commissions and committees? Can he deny or confirm that the direction in which we are moving is that this Government is going to be run by consultants?

Mr. Kiangoi: Mr. Deputy Speaker, Sir, the Ministry and the Government are working in partnership with the people. When boards are set up, even to Government schools, they are responsible for paying salaries for non-teaching staff. The Ministry is concerned with the payment of salaries of the teaching staff. This is the partnership which we want to encourage so that the people can participate in the running of their own institutions.

Mr. Anyona: Mr. Deputy Speaker, Sir, the point which the Assistant Minister is not addressing is this: This Parliament has already passed a resolution that the employees of youth polytechnics be incorporated in the Public Service Commission. We have it on the authority of the former Minister for Research and Technology, hon. Kiptoon, that a Cabinet Paper had been prepared and had been taken to the Cabinet, or was supposed to be taken to the Cabinet, to regularise this position. This Assistant Minister should not start to tell us history. He should tell us how far he has gone with this new move, so that these polytechnics can be saved from collapse.

Mr. Kiangoi: Mr. Deputy Speaker, Sir, the issue of what has come before this House previously is in the

past, in the sense that what the Ministry promised is forthcoming. I said here last week, that the Ministry is working round the clock to ensure that comes out as soon as possible. But what the Ministry promised cannot relate to salaries which have already accrued and are not current.

Mr. Michuki: On a point of order, Mr. Deputy Speaker, Sir. Is the Assistant Minister in order to mislead this House that, what was promised to this House will be done as soon as possible, when he knows that it will not be done, given the fact that the Government Budget is now being prepared and this has not been included in it?

Mr. Kiangoi: Mr. Deputy Speaker, Sir, I do not know whether the hon. Member has details of the Government Budget being undertaken now, but I have said "as soon as possible."

Mr. Obwocha: Mr. Deputy Speaker, Sir, if I understood the question well, the Assistant Minister said that, currently, the problem has been caused by the current board, including the chairman. He confirms that these employees have not been paid their salaries because the board itself has not worked out the modalities to pay them. Could he tell us when a new board will to be constituted, so that it can work out the salary arrears and so on, for these workers?

Mr. Kiangoi: Mr. Deputy Speaker, Sir, the first board was constituted in 1994 and the second board in 1997. I believe this is done after every three years and the next board will be constituted sometime next year.

Mr. Wamalwa: Mr. Deputy Speaker, Sir, whereas the Assistant Minister is right in asserting that the payment of non-teaching staff is the responsibility of the board, I think he stops short of looking into reasons why the board has not been able to pay these non-teaching staff. The fact is, the board has been unable to pay its staff because the board members, including its chairman, have misappropriated property belonging to this institute; that is, grade cows, maize that was produced on the farm, and all sorts of things that the board could have sold to pay the non-teaching staff. Is the Assistant Minister right to say that, that is not their responsibility, and they would abandon this non-teaching staff to the rigors of a corrupt board?

Mr. Kiangoi: Mr. Deputy Speaker, Sir, one of the main reasons why the non-teaching staff have not been paid is because of under-enrolment. I am glad that this question is being raised by hon. Wamalwa because the blame should be shifted to the local community. They did not take their children to train in this institution, although it has very good facilities; therefore, there is under-enrolment in that institute. There are only 170 students in an institution which was meant to cater for 600 students. There is also the issue of over-employment, and this is being encouraged by the local leaders who demand that their children be employed there. In fact, there are 30 employees catering for 170 students only. You can see that, even the money raised cannot be enough for their salaries.

Mr. Wafula: Mr. Deputy Speaker, Sir, the Assistant Minister looked at me squarely and said that I do not understand. He has further confirmed that the institute is poorly managed. Could he tell this House when that board will be dropped so that a new board is selected?

Mr. Kiangoi: Mr. Deputy Speaker, Sir, I have already said when the next board is likely to be put in place. The Ministry will investigate the serious issues that have been raised by hon. Wamalwa about the misappropriation of funds. If it is found that, indeed, there is misappropriation of funds, then the Ministry will take the necessary steps which will include dissolving the board. But until then, the matter stands as it is.

Mr. Deputy Speaker: Mr. Kitonga's Question for the second time?

Question No.003

MURDER OF MR. KIEMA MWISUVE

An hon. Member: He is still not here!

Mr. Deputy Speaker: Question dropped.

(Question dropped)

QUESTION BY PRIVATE NOTICE

CHOLERA OUTBREAK IN WAJIR DISTRICT

Mr. Keynan: Mr. Deputy Speaker, Sir, I beg to ask the Minister for Health the following Question by Private Notice.

(a) Is the Minister aware that there is an outbreak of cholera at Arbajan and Giriftu Trading Centres of Wajir?

(b) If the answer to "(a)" above is in the affirmative, what has the Ministry done to contain the situation?

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

(a) I am aware of an outbreak of malaria and a few cases of malnutrition which were reported at Arbajan and Giriftu trading centres of Wajir District. I am not aware of an outbreak of cholera. However, a team of medical personnel did visit the area after receiving a signal about this outbreak on the 22nd April, 1999. However, no cases of diarrhoeal diseases were found after testing and surveying the area.

(b) Arrangements are in place to ensure that there are enough drugs and other requirements to ensure that services are rendered without any problem.

Mr. Keynan: Mr. Deputy Speaker, Sir, the Assistant Minister is contemptuous of the very existence of my people and, by extension, my presence here because as late as Sunday, there were no drugs sent to that area. Giriftu has about 4,000 people who were internally displaced as a result of the Bagalla Massacre. These people have literally been relying on hand-outs from the International Committee of the Red Cross and the Government. Every day, we have been losing two people. What is the Assistant Minister talking about? Is it in order for the Assistant Minister to mislead this House when we know that they have colluded to make our people believe that there is an advanced team of medical experts when they knew that the President was going to visit the area? Nothing has been done and what the Assistant Minister has said is nothing but untruths.

Mr. Criticos: Mr. Deputy Speaker, Sir, I was asked to comment and give a reply on the outbreak of the cholera disease, and this is what I have done.

Mr. Shill: Mr. Deputy Speaker, Sir, always, [**Mr. Shill**]

when these kind of questions are asked, the Ministry of Health tells us that medical personnel have been sent down there. Is the Assistant Minister prepared to visit Arbajan and Giriftu, because that is part of Kenya, to ascertain whether these medical personnel have arrived?

Mr. Criticos: Mr. Deputy Speaker, Sir, it will be my pleasure to visit that area.

Mr. Wanjala: Mr. Deputy Speaker, Sir, it seems the Government of Kenya, which is headed by the KANU party, is not taking care of the health of its citizens. It seems cholera is looming all over the country. A week ago, I asked a Question about cholera and this KANU Assistant Minister told us that they have put the necessary machinery on the ground to contain the situation. Could the Assistant Minister tell us exactly how much money has been put in place to ensure that cholera campaigns are done in the constituencies that have been affected by cholera?

Mr. Criticos: Mr. Deputy Speaker, Sir, I am not aware of any KANU Assistant Ministers. I know we are Government Assistant Ministers. Secondly, what the hon. Member is asking is a totally different question, and I do not have the information on how much money has been set aside for cholera campaigns. I do not have the figures with me because I came here on a different issue. But I am ready to furnish the hon. House with the information.

Mr. Gitonga: Mr. Deputy Speaker, Sir, since this is a very serious matter, when is the Assistant Minister going to visit Arbajan and Giriftu and bring the reply to this House?

Mr. Criticos: Mr. Deputy Speaker, Sir, I will have to make the necessary arrangements with the Permanent Secretary and the Minister---

Mr. Shill: On a point of order, Mr. Deputy Speaker, Sir. Is it in order for the Assistant Minister to say that he is going to make the necessary arrangements while he is in charge of that Ministry? He claimed to have sent some personnel to that place.

Mr. Deputy Speaker: Order! That is a question.

Mr. Shill: Mr. Deputy Speaker, Sir, he had promised that he was going to visit---

Mr. Deputy Speaker: Order! Hon. Gitonga asked him to state when is going to visit these places, and he was in the process of answering that question. Let him finish.

Mr. Criticos: Mr. Deputy Speaker, Sir, I will make the necessary arrangements to visit the area, after briefing the Minister, within the next two weeks. I would also like to state that for the seven years I have been in this House, I have never misled it.

Mr. Gatabaki: Mr. Deputy Speaker, Sir, could the Assistant Minister confirm or deny that the only reason why the Government has not taken the people of North Eastern Province seriously is because two hon. Members of Parliament, among them hon. Keynan here, have refused to defect to KANU?

Mr. Criticos: Mr. Deputy Speaker, Sir, I think that is hon. Gatabaki's view and I do not think I should

answer him.

Mr. Deputy Speaker: What disease is he talking about?

Mr. Criticos: Mr. Deputy Speaker, Sir, I am not aware of it.

Mr. Anyona: Mr. Deputy Speaker, Sir, we are talking about an epidemic, and it is very kind of the Assistant Minister to offer to visit the area. But, surely, to say within two weeks time, when all the people will be dead, does not make sense. Could the Assistant Minister visit there this week, or early next week, and bring us an answer?

Mr. Criticos: Mr. Deputy Speaker, Sir, like I said in my earlier reply, we are aware of malaria outbreak. However, we still sent a team there on 22nd April, this year, and the report they gave was that there were no cases of diarrhoeal diseases. However, I have accepted to visit the area myself next week.

Mr. Keynan: Mr. Deputy Speaker, Sir, while I empathise with the Assistant Minister from the scandal-prone Ministry of Health, and whose Minister has evaded answering Questions since the last General Elections--- I have never seen the Minister for Health answering any Question here, and I remember the last time when he was here---

Mr. Deputy Speaker: Order! Ask your question.

Mr. Keynan: Mr. Deputy Speaker, Sir, I know what the Assistant Minister has said lacks substance, and I am challenging him to tell the House when he is going to visit Giriftu and Arbajan. I am willing to give him transport from here even tomorrow, so that he sees the situation for himself. Could he tell the House when he will be ready to travel?

Mr. Criticos: Mr. Deputy Speaker, Sir, the hon. Member should allow me to give him proper arrangements tomorrow because, obviously, I have to go and brief my Minister to set a date which is convenient to both parties.

Mr. Deputy Speaker: Next Order!

POINTS OF ORDER

ILLEGAL ALLOCATION OF PLOTS IN NAIROBI

Mr. Muchiri: Mr. Deputy Speaker, Sir, on 10th November, last year, the Minister for Local Authorities promised to table the minutes of the Nairobi City Council meeting which allocated 11,146 plots to the residents of Nairobi. That process of allocating plots is still continuing. Could the Minister table those minutes? The issue, as it stands, is that, these plots were illegally allocated, and the minutes have since not been tabled in this House.

Mr. Deputy Speaker: Nobody from the Ministry of Local Authorities? When that matter was raised by hon. Muchiri, the Minister for Local Authorities promised to bring those minutes within two weeks. You will appreciate that we have spent more than two weeks. So, could the Leader of Government Business ensure that the Ministry of Local Authorities complies?

ERADICATION OF HYACINTH FROM LAKE VICTORIA

Mr. Kajwang: Mr. Deputy Speaker, Sir, I wish to seek a Ministerial Statement from the Minister for Natural Resources on the progress made, if any, on the eradication of the water hyacinth weed from Lake Victoria and specifically, the contract awarded to some American company to harvest and control the spread of the weed. While giving that statement, could he indicate to the House the impact of the invasion of the water hyacinth on Lake Victoria, especially on the fishing industry and navigation?

MAXIMUM WITHDRAWAL AT GUILDER BANK

Mr. Kamande: Mr. Deputy Speaker, Sir, I wish to seek a Ministerial Statement from the Ministry of Finance as to why Guilders Bank International has conditioned its depositors to a maximum withdrawal of Kshs5,000 for the last six months, whereas we know that it has not been put under statutory management.

The Assistant Minister for Finance (Mr. Arap-Kirui): Mr. Deputy Speaker, Sir, we will check those facts and respond, hopefully, next week.

REPAIR OF ROADS IN NYAMIRA

Mr. Obwocha: Mr. Deputy Speaker, Sir, you remember when you were in the Chair last week, the "organ-grinder" from the Ministry of Local Authorities promised that they were going to lay on the Table of this House the map for the roads they had repaired in Nyamira---

Mr. Deputy Speaker: They did it this morning.

Mr. Obwocha: Thank you, if they did; I was not here.

Mr. Deputy Speaker: You can have a look at it and see whether it relates to what is on the ground. Next Order!

PROCEDURAL MOTION

EXTENSION OF TENURE: SELECT COMMITTEE
ON CORRUPTION IN THE PUBLIC SERVICE

The Vice-President and Minister for Planning and National Development (Prof. Saitoti): Mr. Deputy Speaker, I beg to move the following Procedural Motion.

THAT, this House directs that the Membership of the Select Committee appointed by the House to deal with issues of alleged corruption in the Public Service before the prorogation of the National Assembly in December, 1998, remains unaltered and that the Committee continues with its hearings and investigations.

Mr. Deputy Speaker, Sir, really, there are two points to make here. One, this Motion is being brought in as a procedural Motion because this House did actually set up this Select Committee. Two, the fact of the matter is that the Committee was unable to finish its work. Therefore, it requires more time for its deliberations and to be able to complete its Report and bring it to this House. It is in that context that I brought in this Motion.

Mr. Deputy Speaker, Sir, I beg to move.

The Minister for Agriculture (Mr. Mudavadi): Mr. Deputy Speaker, Sir, I stand to second the Motion and say that it is very important to give the Select Committee ample time to complete its work, so that it can, hopefully, make some substantive recommendations to this House on the way forward on this matter.

Mr. Deputy Speaker, Sir, I beg to second the Motion.

(Question proposed)

Mr. Anyona: Mr. Speaker, Sir, I would like to contribute to this Motion mainly in the context of the effectiveness of Parliament and its committee system.

We have realised that if Parliament chooses to transact its business on the Floor, we will never be able to address issues in depth. That is why we are trying to move into the committee system. Therefore, it is important that these Committees are established and start to operate on a sound footing. Now, Parliament will be setting a very bad trend if it sets up Select Committees and then it, itself, and the Select Committees go to sleep, leaving matters to drag on until a Session comes to an end; then, when a new Session comes, we again come to the House and ask for more time.

Mr. Deputy Speaker, Sir, I have two reasons for being opposed to this kind of trend. One, resources are sunk into the operations of Select Committees. Two, we lose a lot of valuable time, particularly on issues of corruption. Now, in this particular case, I would like to make the following observations. The Select Committee was set up on 1st July, 1998; we are now in May, 1999. The mandate of that Committee, in accordance with the procedures of this House, came to an end on 6th April, 1999. In accordance with Standing Order No.160(3), a Committee of this House is allowed to operate even when Parliament is in prorogation.

So, in this particular case, the Committee had 10 full months to do its work. For the Committee to come back 10 months later and seek an extension of time to complete its work without giving any substantial reasons is tantamount to short-changing Parliament and the country. This House cannot rightly complain about the ineffective usage of this country's resources by the Government when we, as Parliament, are doing exactly that. When this Committee and others were in existence, they spent certain resources. This country is entitled to know how those resources were spent.

For example, how much money has already been spent on this Committee during the last 10 months it has been in existence? What amount of work was covered during that period of time? What amount of work is yet to be done? We should know these details, so that we can be able to fairly say on behalf of this country that, that

money was well spent, and that we can afford to allow the Committee some more time and expenditure. We must be told clearly why the Committee did not complete its work after working for 10 months.

Mr. Deputy Speaker, Sir, I think, in future - it may not be the fault of this particular Committee - we shall have to set up these Committees, as I have said, on our own footing. When we set up Committees of the House in future, for the purpose of economy and efficiency, we must set a time-frame within which these Committees shall report back to the House. I have already made proposals to the Speaker of the National Assembly to this effect. We must say that the Committee shall report back to the House within such a period of time. If a Committee happens to be unable to report back within that time, it should come back to the House and seek extension of time. However, the Committee should be required to justify why it should be allowed that extension of time.

If we allow Committees to continue conducting their business the way they are doing now, we shall be giving them a blank cheque to go out there, take their sweet time and come back here to ask for extension of time. We shall be betraying the interests of our people if we condone and support that kind of operation in these very tight economic circumstances. For instance, because the Leader of Government Business is not in a position to tell us why this has happened, I would like to know from the Committee itself why it happened. This is a very important Committee, and we want it to set up an example on how Committees of this House can be used to eradicate corruption in future.

I believe that this Government, or any other Government that will come after this one, cannot stop corruption on its own. I do not believe that the Kenya Anti-Corruption Authority (KACA) will in itself stop corruption. I think the only body that can stop corruption in this country is Parliament, because Members of Parliament are representatives of the people. That is why we want this Committee to be able to provide a *modus operandi* for the future, so that when we set up a similar Committee, we can be sure of coming up with results that will help us to solve this problem. While supporting this Motion, I do hope that the Chairman of the Committee, and its Members, can justify before this House and before Kenyans why they need more time, and tell us how soon they can come up with their Report.

Mr. Deputy Speaker, Sir, I beg to support the Motion.

Mr. Nyauchi: Thank you very much, Mr. Deputy Speaker, Sir, for giving me time to contribute to this Motion. I wish to say that the Committee be allowed extra time to continue with its work because, one, the 10 months within which the Committee has been in operation is a very short time.

Mr. Deputy Speaker, Sir, corruption has been practised for a very long time. We all know that, more often than not, corruption involves extremely intelligent and very well-connected people. The Committee was to begin its operations by setting up a secretariat. It takes between two and four months to identify the culprits, summon them, investigate them, *et cetera*. All these things need time. Of course, 10 months may appear to be a lot of time but, really, it is a very short time. However, I would like to suggest that the Committee comes back to the House and gives us an interim Report, so that we can be able to know whether the Committee is on the right track or not.

Mr. Deputy Speaker, Sir, I support.

Mr. Obwocha: Mr. Deputy Speaker, Sir, I happen to be a Member of this Committee which was established on 1st July, 1998. There are no provisions in our Standing Orders to give an interim report to this House. So, I do not know in what manner hon. Anyona is advocating that we give an interim report. I am sure you will give our Chairman, hon. Musikari Kombo, an opportunity to say the amount of work we have done because there were mandates for that Committee to identify the areas of corruption; the beneficiaries of corruption, and the ways we can eliminate this. So, we have done some amount of work. I wish hon. Anyona was here because and I wanted to tell him this on his face---

Mr. Deputy Speaker: Address the Chair!

Mr. Obwocha: Hon. Anyona is one of the obstacles to this Committee! When we had organised a meeting to try and see how we could have capacity building per Members of Parliament, he is the same fellow or MP who wrote to the Speaker complaining that we had gone to get this information together. And we wanted to facilitate and build the capacity of the Committee. So, he himself, is an obstacle to this House, instead of helping the people of Kenya get to the root of corruption.

Mr. Deputy Speaker, Sir, I would like to support this Motion by saying that we have done the preliminary work. We have made the preliminary interviews; we have collected memoranda from the public, and I am sure the Chairman will say this, and we have done quite a bit of work. So, all we are asking the House is to give us time to complete our work. But I would have liked also, in the same breath, to have asked that we be given some specific period, say six months or one year, to finish the job.

With those few remarks, I beg to support this Motion.

Mr. Angwenyi: Thank you, Mr. Deputy Speaker, Sir. I would like to support that Motion; the extension of the period for that Committee. However, the period should not be too long. We should give them about six months, at most, because if it is too long, by the time they complete their work, this country will not be there to mend. Corruption will have "eaten" our country completely. So, I would like to urge all Members of this Parliament to give them support, information and the capacity, so that they can conclude their work within six months.

Mr. N. Nyagah: Mr. Deputy Speaker, Sir, first of all, I would like to take this opportunity to thank the Select Committee for a job well done. I, in person, have been summoned on three occasions to appear before it, but because of the large number of people that have been summoned, I have been unable to appear before it, and I look forward to being summoned tomorrow after this is over.

Mr. Deputy Speaker, Sir, I think the question of giving an interim report does not arise because the Committee is not in existence at the moment, and what we are trying to do is to create this Committee to be in existence. Let me also take this opportunity to thank the Clerk and his staff for a job well done. We know that during the period when this Committee was meeting, there was great need of his staff to work with the Akiwumi Commission, in PAC and PIC and hence, the reason that this Committee was unable to do certain things that it ought to have done.

I want to make the shortest remarks on any Motion like I have done, and I support and we give them one year, and I know they will give us good results in future.

Mr. Deputy Speaker: Hon. Members, really, this was a Procedural Motion seeking to extend the life of a Select Committee. I do not know, but can we really debate too long on it. May I seek the indulgence of the Chairman of the Committee to wind up this short debate before I put the question.

Mr. Kombo: Mr. Deputy Speaker, Sir, thank you for the chance. I just want to assure the House that from the time the Committee was set up, neither Parliament nor the Committee went to sleep as alleged by hon. Anyona. We did work and as hon. Nyagah has pointed out, we worked with the help of the Clerk, even at the time he did not have a Vote in the Accounts for this Committee when we started working, but he made sure we worked.

We had three mandates, one was to investigate the nature and causes of corruption in this country. The second mandate was to look at the key perpetrators, and the third mandate is to try and come up with a suggested Bill to deal with corruption. We have dealt with these issues, particularly mandate number one, very exhaustively and comprehensively. We would be ready, if there were provisions for an interim report, the Committee would certainly give that interim report. But because there are no provisions in the Standing Orders, we are constrained. But we are ready, and a good job has been done in that area.

Mr. Deputy Speaker, Sir, we have also received overwhelming memoranda from the public; really a lot which we need to digest, look at, peruse and so forth. Lastly, we were also hampered in moving forward, especially in taking evidence, because the HANSARD facilities were overstretched. As you know, we have only two rooms in Parliament that have those facilities. We had the PAC and PIC working and, therefore, we were constrained to move with the speed that we would have liked to. We have gone public and said we would like to clear this matter as quickly as possible. I can assure the House that the Committee will work with speed.

With those few remarks, I beg to support.

(Question put and agreed to)

MOTION

ADOPTION OF SESSIONAL PAPER NO.2 OF 1999: LIBERALISATION AND RESTRUCTURING OF TEA INDUSTRY

THAT, this House adopts Sessional Paper No.2 of 1999 on the Liberalisation and Restructuring of the Tea Industry laid on the Table of the House on 8th April, 1999.

(The Minister for Agriculture on 4.5.99)

(Resumption of Debate interrupted on 4.5.99)

Mr. Michuki: Mr. Deputy Speaker, Sir, when the House rose yesterday, I was on my feet contributing to this Motion on the Sessional Paper presented by the Minister for Agriculture. At that time, I was expressing my concerns regarding the formation of a company to be the central authority to deal with processing and marketing of tea. In paragraph 10--- I wish the Minister would listen. Paragraph 10(3)(iv) the structure of the company: The Minister says, amongst other things, that this step, which is to restructure, will lead to the process of incorporation of a private "Kenya Tea Development Agency Limited".

In his introduction of this Paper, the Minister did not elaborate how far he had gone in thinking as to the formation of this company, and I dare say that this Paper has a lot of areas which it has not clarified. First of all, the point that I made yesterday was that, so far, within the regulations issued by the Minister or within the Act or any other document, there is nowhere that the ownership of tea is identified with the smallholder. Therefore, in his mind as I understand him, the Minister is proposing to have this huge company that would allegedly own the tea. Now, this tea belongs to the smallholder, until it has been paid for, to him.

[Mr. Deputy Speaker left the Chair]

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

Mr. Temporary Deputy Speaker, Sir, the processing in the factory, the transportation and marketing, all those who do that work are doing it on behalf of the farmer and they are doing it as an agent and ,therefore, it is wrong for the Minister to propose that this company will have such big assets. He seems to be full of the idea that, this will be the largest tea trading company in the world. The company will have no tea to trade with and, in fact, unless we treat the ownership of tea as belonging to the farmer and define it within the Act and any other document where we want to refer to the grower, we will be putting the farmer in a terrible situation. This is because the formation of the company takes the farmer straight into the corporate taxation, at which he will be charged at the existing rates of tax of 32.5 per cent. This, I am sure, is not what is intended. Therefore, the tea from these small holdings, which do not exceed 0.8 of an acre belongs to the farmer. It cannot, therefore, be taxed in the hands of a corporate company such as the Minister is proposing, and I hope that this distinction will be made in declaration of policy.

Mr. Temporary Deputy Speaker, Sir, you may remember that we have battled in this House - I think the last time we did this was last year - trying to remove the presumptive tax on farmers, and one of the persons who were being affected by this tax, was the smallholder; that is, the peasant farmer. We did that in realisation that he is a poor person, and here we are, coming up with a proposal that places him in the same league with the Shell Company, Kenya Commercial Bank and with all these other big companies that pay corporate tax. Therefore, I think we can avoid this if the Minister agrees that tea belongs to that smallholder; that the factory has no tea, and that the agency he wants to create will have no tea. It is doing this on behalf of individual farmers who take their tea to their own factories because the farmer only has shares in the factory. The factory does not own the tea grown by the farmer. It is the other way round.

Mr. Temporary Deputy Speaker, Sir, so, I am proposing that the Minister should give this very serious thought. In fact, it was never intended right from the very beginning, and it was highly controversial when KTDA was being started because nowhere in the world had tea been grown by small farmers. It took a long time for the then Director of Agriculture, Swyerton, and many other people to prevail on the British Government and the CBC to accept that, with this collective and co-operative effort, tea could be grown. It was agreed, even with the World Bank - I would propose to the Minister that he should refer to the agreement that financed tea from the World Bank and CBC, this tea would not be taxed.

Mr. Temporary Deputy Speaker, Sir, before I move to another area, the contribution of tea to this economy has already been stated here, which is over Kshs20 billion a year. Tea has become the greatest earner of foreign exchange in this country. It has overtaken tourism which has been ruined. It has overtaken any other crop or any other export crop. Therefore, it is a pity that the tea farmer has been neglected. The roads in the tea areas are in pathetic condition and it is only fair that the Minister should come up with a proposal as to how this "cow" which is producing so much milk, will be fed, and how it will be taken care of, and how it will get the veterinary services that are required. This is because, taking foreign exchange worth Kshs20 billion and not putting anything back in those tea areas. To leave the farmers to do the roads by themselves is unfair and inequitable, and it is not really the behaviour that should justify the existence of a Government to which taxes are being paid even by those farmers.

Mr. Temporary Deputy Speaker, Sir, therefore, would the Minister also state what he would do to

improve these tea areas which are contributing so much to the public coffers? At the same time, it is important to mention here that, in the whole of this liberalisation and development of agriculture, we would have preferred the Minister to bring a Sessional Paper here on all the sectors of agriculture touching on sugar, rice, maize and all the crops that we have, and if I dare suggest, already, literature in this area exists by way of Sessional Paper No. 1 of 1986. Therefore, it is rather odd that this issue should be isolated within a fairly large sector, and the isolation is presented in the manner that is here in this Paper.

Mr. Temporary Deputy Speaker, Sir, we have been fighting within COTEPA; we have been fighting within KUSTO for change and liberalisation of this industry, and I am very disappointed that the Minister says in his document in the same paragraph that I mentioned, and particularly sub-paragraph 2:

"The board of the company will delegate its executive authority to the chief executive and the management".

What I want to emphasise follows, and that is:

"In effect, only minor restructuring changes will be needed in the existing structure of the current KTDA".

Therefore, it is quite evident that, what the Minister is presenting to us with all those efforts that have been made to bring ideas to the Ministry, is the old KTDA as it existed with very minor changes, and I think this is not what we expected.

Mr. Temporary Deputy Speaker, Sir, the employment of extension officers has always been the responsibility of the Government, not the taxpayer, and to begin taking away the staff for which the Government pays in furtherance of this important industry is actually to ignore, or even to contradict, what is contained in this Paper; that this is the most important industry that we have in this country.

Mr. Temporary Deputy Speaker, Sir, I would plead with the Minister, therefore, that this proposal should be withdrawn because like any other sector of agriculture, the tea farmers are entitled to free extension services from the Government as it has been since time immemorial. Let us not go on record that the current Minister for Agriculture, who I know is a friend of very many people, was the one who did this in order to produce the results which will follow. Because without extension services provided by the Government, we are now putting another burden on the tea grower.

Mr. Temporary Deputy Speaker, Sir, also, on page 26, this Paper says that the appointment of brokers would be the responsibility of this huge company, which is going to be a very big burden to the farmer. In the discussions we held with the Minister on many occasions, we made it quite clear that the wish of the farmer is that every factory should be in a position to appoint its own broker. It may not even choose a local broker, if it so requires, but the freedom of choice should be left in the hands of each factory, and not this new form of KTDA, which looks like "a crocodile eating its own tail", because that is what it is. It is moving round trying to catch its own tail because it is the same KTDA that the Minister is bringing up here. Let us move away from the idea of the KTDA; let each factory choose its own broker.

Mr. Temporary Deputy Speaker, Sir, there is the question of payment to farmers. Last year on 14th July, I wrote to the then Minister for Finance, hon. Nyachae, requesting that I have a meeting with him and the Minister for Agriculture, to discuss how we could pay the farmers and, at the same time, contribute to the elimination of rural-urban migration. I tried to say then that the farmer who is being paid at the rate of Kshs6.00 per kilo per month; the one who picks the lowest kilogrammes of tea - 400 kilogrammes, to make him stick to his farm where he gets only Kshs2,400 at Kshs6.00 per month--- Those are the majority of the farmers. The minimum wage here in Nairobi is Kshs2,650 and I thought that by increasing the monthly income of the farmer, he would stay on his small- holding to earn that income, which would be higher than the minimum wage in Nairobi. My expectations were not to be because that meeting never materialised. However, I have handed that letter in the last three or four weeks to the Minister for Agriculture to look at.

Mr. Temporary Deputy Speaker, Sir, my proposal is that there is no way that the price of tea would be below US\$1 per kilo. Therefore, if we pay US20 cents Kshs12 - we will still have US80 cents per kilo to distribute at the end of the day by way of bonus. If we paid US\$20 at the rate of conversion of Kshs60.00 per dollar, we are talking about Kshs12, which gives the lowest - paid tea farmer Kshs4,800 a month. It would be illogical, therefore, for that farmer to abandon his small-holder tea where he would earn Kshs4,800, to come and look for minimum wage in Nairobi of Kshs2,650. Despite these efforts and the need for us to have concerted efforts to begin eradicating poverty, we seem to be creating the opportunity for peasant farmers to be even poorer. I can see no justification, no matter what mathematics or calculations one does; why we cannot pay Kshs12 per kilo per month. Indeed, already, factories have announced an interim payment of an average of Kshs3.00 to Kshs3.50, which means they have recognised that before the end of the year, they would be paying Kshs9.50. What is the difference between Kshs12 and Kshs9.50? Therefore, there are policies or statements that this Government is anxious to

eliminate poverty and yet, the means with which we can eliminate poverty, particularly in all tea-growing areas, are not acceptable despite the fact that we proffer these opinions. Would the Minister consider this as a matter of urgency?

Mr. Temporary Deputy Speaker, Sir, one other point I want to refer to is about additional factories. The Minister mentioned about additional factories that are either on the drawing board, or would come to the drawing board in the not too distant future. I find that in the list that the Minister has, he has omitted a factory that was to be built in Kangema at a place call Kiawambogo or Kiruri; the choice had not been made, but the proposals had been forwarded to the KTDA and to the Ministry. I wonder why this factory has been omitted. Before Kangema was subdivided into Mathioya and Kangema, Kangema had as much tea as there was in the rest of Murang'a District. Therefore, in planning for those factories, we do feel that we should be included within the list. We should be considered seriously because we are very committed to tea growing.

Mr. Temporary Deputy Speaker, Sir, under the current marketing arrangements, the expatriate companies which farm tea in this country take their tea to be sold together with tea from small-holders in Mombasa. So, they sell their tea in Mombasa. At the same time, their head offices overseas, like London, in the case of Brooke Bond, come to the Mombasa Auction to buy tea, which they will go and then sell overseas. Therefore, it is to their interest that prices in Mombasa should remain low because, first of all, they would repatriate their earnings, which are not subject to tax in this country, by bidding for lower prices for their own tea, together with the other tea that they buy. Therefore, this is a conduit for making asset transfer to their head office. This matter should be looked at because it would have the benefit of raising the prices of tea at the Mombasa Auction. At the same time, it would make sure that what should be taxed here is taxed here and not transferred through the auction in Mombasa. This matter should be seriously considered.

Mr. Temporary Deputy Speaker, Sir, I have only one point to make now. On page 15 of today's *Daily Nation* newspaper, I can see that it had been incorporated into the media of rumour spreading. I am actually the hon. Member who is alleged to have bought 90,000 seedlings at the alleged expense of farmers in Murang'a. The fact of the matter is that, apart from 500 cloned tea seedlings, which I bought from Kangochi in order to propagate my own tea, I have no other tea seedlings from the areas that supply KTDA farmers. I hope the *Daily Nation* will give equal treatment to what I am saying, because this matter is being exaggerated. The tea seedlings that I have planted this season - 80,200 - were got from Riara ridge; from a farm of a friend of mine called Gordon. I want to lay on the Table the receipts with which I have collected these seedlings, and even the cloned tea which I bought. It was receipt No. 1141212 TN1368 and---

The Temporary Deputy Speaker (Mr. Imanyara): Mr. Michuki, your time is up.

Mr. Michuki: I hope the matter will be clarified as stated.

(Mr. Michuki laid the receipts on the Table)

The Assistant Minister for Agriculture (Mr. Karauri): Thank you very much, Mr. Temporary Deputy Speaker, Sir. I know that I belong to the Ministry of Agriculture as its Assistant Minister. I am not standing here to reply because that will be done by the Minister himself. But as a farmer and a representative of a tea farming community, I want to make only two points lest I go into areas which the Minister will deal with.

As a farmer and a representative of an area which grows tea, I would like to see a day when all roads leading to tea plantations will be tarmacked. The cess money that we are talking about, that is supposed to go to the farmers, the people have said that it should not go to the county councils. I agree with that because this cess money is there to finance the tarmacking of roads leading to tea farms. I am looking forward to a day when the Government will borrow sufficient funds on a long-term basis. These funds can be recovered from the cess money that is collected from tea farmers. When we talk about the tea sector earnings, in a year, Kshs20 billion or even Ksh30 billion, we are talking about 60 per cent of what tea will have produced. This is because about 40 per cent of our tea is wasted because of bad roads. The lorries that are transporting tea from the weighing bases, the so called "Kibandas," mostly throw off the tea produce because they cannot make their way to the tea factory. By tarmacking these roads, we will improve the foreign exchange earnings by another 40 per cent and, therefore, enhance the ability of the farmer to grow more tea, earn more, and alleviate poverty.

Mr. Temporary Deputy Speaker, Sir, at the same time, I would wish that the tea committees will be formed so that the money that we are paying goes to the farmers; to the hands of the people we know, and a proper organisation. If that money was to be borrowed for the purposes of tarmacking roads leading to tea plantations, then, we would know that the money is in a secure place where the payments will be made from.

My second point, because I said that I will be very brief, is that I would like to appeal to farmers, generally, and the hon. Members who come from tea growing areas, to shun the habit of boycotting tea picking.

Even when there is a problem, maybe of payments, or agitation that the farmer should be paid more; or if something has gone wrong in a factory or with KTDA, I want to appeal to hon. Members from the tea growing community to try to educate people about that. When the farmers stop picking their tea, the loss goes to them. The politician who is agitating for boycott so that he or she may win some political mileage does not lose anything. He or she can only gain, but the tea farmer loses a lot in terms of manhours and cash that would have gone towards educating the children and alleviating poverty generally in the area. So, it should be the duty of all us, as leaders, to educate these farmers that boycotting tea picking is a great loss to them and they should not listen to politicians who maybe, because he or she has been defeated in an election of directors, would want to win over farmers, so that he or she gets farmers to his or her side.

In any case, we have a Minister who is willing to listen to the farmers anytime. Since I joined the Ministry of Agriculture, I have not heard of a time when the farmers wanted to see the Minister, hon. Mudavadi, and he refused to see them. So, when the Minister is open to these farmers, they should come to him and discuss issues with him and negotiate. So, boycott of tea picking should be a thing of the past.

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

Mr. Kibicho: Mr. Temporary Deputy Speaker, Sir, this Sessional Paper does not represent a major policy shift from the existing arrangements as far as the tea sector is concerned. You will notice that this Paper deals mainly with four major players of the industry - the KTDA, the Kenya Tea Board, the Kenya Tea Research Foundation, Nyayo Tea Zones and the Estates. If you look at this Paper, you will notice that it recognises that KTDA, as presently constituted, is *de facto* owned by the farmers and it is only *de jure* owned by the Government. I say so because the Government does not put any money to develop KTDA. KTDA has been developed with money which has been raised by farmers.

Line 10, according to this Paper, talks of the formation of Kenya Tea Development Agency Limited, and, maybe, have farmers, through their factories, owning shares in this organisation. That, by itself, will not make the tea farmer earn more money than he or she does today. If you look at the bottom line of the whole thing, you will notice that the Kenya Government, due to liberalisation, is for competition. In this research, it hints that this Paper does recognise that, when it comes to marketing of tea through KTDA, it will compete with others as far as marketing is concerned. But here there is a catch. They say that so long as the loans are not paid, you cannot contract anybody else to manage your factories. If that is the case, it means that whatever is happening today will continue, because most of the factories in Kenya have got loans and it appears, that as if it will take a long time before these loans are repaid.

Mr. Temporary Deputy Speaker, Sir, I think the Minister should not over-engage road construction companies. If one company is re-carpeting one road, it should not be given tenders for other roads. They should be given to other companies in order to enhance competition. Unless KTDA is subject to competition, then it is not going to be efficient, and if it is not going to be efficient, then you cannot expect the farmers' income to rise. This industry can only assure the farmers of better income if it is efficient. Efficiency can only be achieved through competition. There will be no competition here as long as this clause remains in this Sessional Paper.

Mr. Temporary Deputy Speaker, Sir, there are five companies that have been cited in this document, and they are all private companies and they will be managed by KTDA under contract. They will never get out of that arrangement until they clear the loans therein. So, when is this competition going to come about, and when is KTDA going to be subject to competition so that efficiency can come about? If this document is going to be implemented in its present form, the tea farmer in Kenya is going to be worse off than he is today. In this document, the Government is proposing that investors who are not tea growers will be able to buy equity in factory companies. Under all circumstances, we have people, whose security is in capital, coming in; buying all the equity in a factory and determining what a farmer gets. The end result is that the farmers are going to abandon the growing of tea, and tea is not going to be important any more as a cash crop or as a foreign exchange earner. The Minister must read very carefully the implications of this particular proposal.

Mr. Temporary Deputy Speaker, Sir, for a long time, the tea farmers have continued to manage their tea through their factories, and they have had a sense of belonging that, that was their factory. But the moment another person comes in with his capital, that will be the end of it. In this country, factories are falling one after the other. What was the Government doing with this kind of proposal when it knows that it is only tea which is remaining as a cash crop in this country? Sugar cannot be sold; rice is going to waste, and all other crops are going to waste because of the lack of markets. When the Minister comes to reply, I would like him to tell this House the number of companies that have loans and how many companies are going to benefit from that proposal which says that KTDA may not manage your factory if it has got no loans. How many companies do not have loans?

Mr. Temporary Deputy Speaker, Sir, tea as a crop has transformed the lives of the citizens of this country.

This history has been there for sometime and farmers in these areas have been doing very well until recently, when KTDA came under scrutiny by the farmers, who started to complain that it was not delivering. When this was going on, another organisation sprung up and that is what the Minister is calling the "Kenya Small-Scale Tea Growers Association." If we adopt this document the way it is and give legitimacy to this organization, which is neither a professional body nor a trade union movement, it is going to be in direct collision with farmers. Those who support this organization will come and say that KTDA has brought this organization. If the Kenya Small-Scale Tea Growers Association is allowed to operate, then the rules of that organization must be agreed upon by the stakeholders. The stakeholders here are the farmers. How do you put up an organization here to come and audit you? That is impossible! We cannot take Kenyans for granted. At the end of the day, those farmers are so powerful that if they rise against the Government, there is nothing they will do. So, whatever happens on this document, I would like the Minister to get that organisation out of this document because it is neither a farmers' organization nor a professional body.

Mr. Temporary Deputy Speaker, Sir, you will notice that this document is only playing with figures. It is creating a situation where farmers are going to be empowered. It means that for the farmer to appreciate the situation, he must know the difference between electing a person as a member of the Board, because he happens to occupy a particular position in life, and electing somebody who is competent. As long as the understanding of Kenyan farmers about corporate management is at the level which it is in now, then this provision is going to help nobody. This will be possible only if the Government spends money to educate Kenyan farmers right now and tell them that they have to get proper people as directors of this company. But if we leave it as it is, then these people will be manipulated by politicians. Whereas there is no better method of running a corporate company other than through directors, the farmers must be empowered not only by numbers, but also through civic education so that they know that they have to put the right person who must be in charge of that organization. Today, KTDA has off-loaded some of its duties to the factories. Tenders of up to Kshs250,000 are now being awarded at the factory level. How much influence has the manager on the site when awarding this tender, and how much influence does the Board have on this matter? How much knowledge does that person have so that he is the final authority on this matter? This is a very important crop, and we cannot afford to get a Sessional Paper like this one which is saying nothing and is repeating what is happening today. This does not show the change of affairs as things stand today! One would have thought that farmers who are in charge of their affairs would have been given a chance to discuss this document.

Mr. Temporary Deputy Speaker, Sir, this document should have been translated into a language which the farmer understands. By so doing, they would be able to present their problems and solutions to the problems faced by people in the tea producing areas. There is nothing really here. If we look at KTDA as of now, there are some elected Board members. Today, there are five private companies which have been incorporated into KTDA. It sits there and makes decisions. If we do not address these issues more seriously, this country is going to be in trouble as far as farming is concerned. We had similar problems in 1988. We adopted it and as a result, the production of coffee fell from 120,000 metric tonnes to what it is now, 50,000 metric tonnes.

Mr. Temporary Deputy Speaker, Sir, I do not want to say more than that. But I would like to tell the Minister that he should not take this Paper as it is. He should ask professionals to look at it and advise him what is new inside it. What is new? We have a Tea Board. It is there! We have a Tea Foundation. It is there! We have the East African Tea Trade. What else do we have? What new organ are we creating to shape the policy as far as tea farming is concerned, apart from repeating the same? This document did not come from the Government because it thought it was the opportune time; it came because we demanded that we want a policy Paper on tea. But if the Minister sat in his office and allowed the officers to go round and produce what has come today in another language, we have done a lot of disservice to this country.

The Assistant Minister for Agriculture (Mr. Karauri): On a point of order, Mr. Temporary Deputy Speaker, Sir. I feel that the hon. Member is misleading this House and the country. The Sessional Paper was tabled in this House more than a month ago. It is a public document and it is open to tea farmers and experts to debate about it and make recommendations. He has said that the Paper is done by the Government alone and the people are not involved. The people are involved by way of making the document public. They can debate the document and Members of Parliament can make recommendations for incorporation.

The Temporary Deputy Speaker (Mr. Imanyara): Order! What point of order are you raising?

The Assistant Minister for Agriculture (Mr. Karauri): I said that he is misleading this House by saying that this document was done by the Government only.

Mr. Kibicho: Mr. Temporary Deputy Speaker, Sir, the Assistant Minister did not listen to what I said. I did not say that this is not a Government document. I just said that it is very dangerous if the Minister just sat and asked his officers to produce a document, which they produced using another language, but still remained the

previous one. There is nothing new here! Just look at it!

The Minister for Agriculture (Mr. Mudavadi): On a point of information, Mr. Temporary Deputy Speaker, Sir. A lot of consultative work was done in the preparation of the document. Workshops were held in different tea-growing areas of this country. The people were able to make some contributions. What we are doing by making this document public is to enable those who may not have participated in those workshops make their views known to us. I would just like to assure the hon. Member that the process here was not to necessarily bring in something new. What we are doing here is to introduce the restructuring of the tea industry. If there is something new in the process, well and good. If it means dismantling some of the organisations that exist, so be it. I hope this helps in getting you to understand. I highly doubt whether you had looked at it carefully.

Mr. Kibicho: Mr. Temporary Deputy Speaker, Sir, whatever the Minister is saying--- I will now go systematically. If you look at the functions of the KTDA as proposed, are they different? Can you say there is a new policy? Look at the functions of the Tea Research Foundation and the East African Tea Trade; what is the change? What we are saying is that this document does not contain any change of policy.

Anyway, I have made my point. I would like the Minister to note what I have said. I would like to look at the Nyayo Tea Zones. This document is proposing that the land be leased. We are now on the liberalised economy. I would have expected the Minister to go further and propose that the land will be sold to the people for farming. This will make the people feel that it is their property and maximise production. But when you talk about leasing the land to farmers or factory companies, it is not good. I suggest that the Minister should go further and propose that the tea zones be sold out completely. The reason why we are saying so is simple. First, the corporation has failed to generate income to the Government. It is one of the corporations that every year, Parliament votes money to assist because it has failed. Secondly, since we are all geared towards private ownership, selling it out completely would be the best option.

Mr. Temporary Deputy Speaker, Sir, when all this is done and finished, tea production in this country will never improve unless the waste of tea is controlled. You can never control tea waste unless you ensure that the tea reaches the factory the same day it is picked. There are areas in this country where tea does not reach the factory for two to three days. The reason is that the roads are very bad. We know that this cannot be done by the KTDA or the Tea Board. But we understand that a policy decision was made as far as cess money is concerned. Somebody decided that this money must be managed by the county councils. The farmers have refused with this money. This is a problem that requires to be solved immediately. The type of losses that this country is incurring are too much when the people are arguing over how to utilise the money. I have in mind areas like Kirinyaga. When I checked last time, I was told that there was Kshs40 million in the bank. The roads are impassable and tea and coffee roads have not been repaired simply because there are arguments between the farmers' representatives and the councillors. Why can the Minister not take action quickly? This is an important aspect of our economy.

Mr. Temporary Deputy Speaker, Sir, I do not want to repeat myself, but I would like to be on record by saying that so long as taxation on tea goes up, the people will see no reason to grow this crop. In the last Budget and this Paper, we have a proposal that the KTDA, being a major farmers' representative is no longer going to tax reliefs. Therefore, it means that the farmers' income is going to be eroded that much. Those are organisations which borrow a lot of money in a year, which require some duties. This is an organisation where taxes can be very punitive. We would like to ask the Minister to consider that part of it. Since the Government does not have a policy for subsidising the farmers - it is only rice where they enjoy such relief - they should be encouraged, especially when we take into account the kind of foreign exchange a crop like tea brings to this country. There is no logic in making the farmers get even less by merely paying this money to Treasury.

Mr. Temporary Deputy Speaker, Sir, in a place like Kirinyaga, where we have factories which are not far from each other, one factory might have a lot of tea whereas another has very little tea. Why does the KTDA not practise what it used to practise a long time ago, by transferring tea from factories which have a lot of tea, to factories which do not have a lot of tea, to avoid losses? We also have factories which are close to the forest. If you look at a factory in Nyeri, near the Aberdares, its payment to farmers in the last bonus was higher than all the factories in Kirinyaga. The reason was that they used timber as fuel. The Government should encourage the use of wood fuel as opposed to the use of petroleum to run those factories so that the cost of production can be reduced.

Unless those areas where costs can be reduced are taken into account, this Paper will not help farmers. I would ask the Minister to think more seriously so that tea does not go the same way as sisal, sugar and other crops.

With those few remarks, Mr. Temporary Deputy Speaker, Sir, I beg to oppose.

The Minister for Water Resources (Mr. Ng'eny): Thank you, Mr. Temporary Deputy Speaker, Sir. I rise to support the Motion. This Sessional Paper before this House is one of the most important Papers that have ever been brought to this House. About 25 years ago, if you considered the tea industry, it was virtually a

monopoly of multinationals. The local people, or Africans, had virtually no claim in the tea industry. But, today, they produce 50 per cent of the total production of tea in this country. We have all heard of the phrase which refers to tea as "black gold." Truly, tea is Kenya's black gold because it is a very important crop. It provides income for both small and big farmers. It earns foreign exchange for this country. It also generates revenue for this Government. Overall, it is a very important socio-economic activity for Kenyans.

Mr. Temporary Deputy Speaker, Sir, I would like to take this opportunity to congratulate the Minister for bringing this important document before this House so that we discuss and support it. I would also like to congratulate the KTDA for doing a marvellous job since it was established in 1964. Maybe, in the process, it has had some problems---

QUORUM

Mr. P.K. Mwangi: On a point of order, Mr. Temporary Deputy Speaker, Sir. Is there a quorum in the House?

The Temporary Deputy Speaker (Mr. Imanyara): No, we do not have a quorum. Ring the Division Bell.

(The Division Bell was rung)

The Temporary Deputy Speaker (Mr. Imanyara): We have a quorum now. You may proceed, Mr. Ng'eny.

The Minister for Water Resources (Mr. Ng'eny): Thank you, Mr. Temporary Deputy Speaker, Sir. As I was saying, the KTDA did a very excellent job for a long time in this country. During the course of those long years of contribution to the economy of this country, tea has grown to such an extent that the Government has seen it wise to restructure the entire tea sector with a view of improving its performance. Restructuring of the tea industry will include the KTDA and its associates. This Sessional Paper has come at the very right time in our development process. Kenyans are always fond of criticising, but we should, at the same time, recognise good contribution and talents.

We should also recognise the fact that, today, Kenya is one of the largest tea producing countries in the world, thanks to the Government efforts through the KTDA. The problems which are facing the industry of late are due to global situations. The problems are none of Kenya's, the Ministry of Agriculture's or the KTDA's making. It is important to introduce measures in the form of restructuring our enterprises in order to compete effectively. We should restructure our organisations so that they can anticipate and compete with the world situations.

In the past, it was necessary to have public sector intervention, and I believe, as we are talking now, that in such sectors it is necessary to have public sector intervention. But there are other sectors which need to be restructured gradually. They should not be restructured revolutionarily, but evolutionary. This is because if we restructure them revolutionarily, we shall encounter a lot of problems. As we all know, anything which is done revolutionarily is always not in the best interest of the people who are affected. This is because a lot of things are bound to be over-looked, whether legal, administrative or financial. That is why this Sessional Paper has come at the right time when the Kenyan masses are ready to receive it.

In fact, the people of my constituency are eagerly waiting for this Paper to be passed by this House. This is so because there is only one tea factory which serves my constituency and two other neighbouring constituencies, namely, Belgut and Kipkelion. I carried out a survey the other day to establish how much green tea we produce, or we would have produced. I was surprised because one of the neighbouring factories was prepared, if it had the capacity, to take 80,000 kilogrammes of green tea per day. When I made my calculations, I found that Kshs1,600,000 is lost every day due to non-delivery of that quantity of tea. This is because a kilogramme of green tea is fetching Kshs20.

Mr. Temporary Deputy Speaker, the people of my constituency welcome this Paper because it will liberalise the tea industry. We are now in the process of liberalising our tea industry, and I believe that we shall take the first opportunity to establish as many factories as possible in that area. I believe that the potential we have in that area is twice, if not three times, of all the factories run by the African Highland and Brooke Bond Limited. Therefore, you can imagine how potential that area is, in tea production. This not confined to Kericho, Bomet and Buret Districts alone, but the whole of Kenya.

Therefore, this Sessional Paper is very good because it will open up avenues for tea farmers to decide on how they would like to run the industry. They will decide on the people who will be board members of a particular

tea factory. They will also decide on the mode of transportation for their raw tea. They will decide on who they would like to sell their produce to. They will further decide on many other aspects related to the industry. I think and believe that if that is done, then Kenya will be a much richer country. In fact, I would like to say that tea is one of the most successful cash crops in this country. We should support this crop by all ways and means so that our country can produce high quality tea. If we had another cash crop and encouraged our farmers to grow it like tea--- If we had five cash crops grown in this country like tea, we would be talking of a different story. I am sure that with the assistance of the Government and wananchi, we will gradually move towards that direction. I can now see where we are moving to.

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

Mr. Murungi: Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me this opportunity to contribute to the Motion on Sessional Paper No.2 of 1999. For the information of my cousin, who is there, Meru produces the highest quality tea in the world, including my two factories, namely, Kinoro and Imenti.

I would like to support this Paper wholeheartedly because I think we need to thank the Minister for Agriculture for bringing this Paper to this House for debate. This Paper is a product of a long struggle between we, hon. Members from tea growing areas, who go under the name of COTEPA, and tea farmers on one side, and the Government and the KTDA on the other side.

Since 1934, tea farmers in this country have operated under oppressive colonial dictatorship because of the colonial agrarian regime. As part of the liberalisation process, which we must see as part of the multi-party democracy in the country, the President has, since 1992, been promising total freedom to tea farmers in this country. The President has been saying that his Government will not control the tea industry in Kenya, but, todate, this has remained a distant dream. The Sessional Paper before this House today is intended to realise that dream of freeing the tea industry from Government control. But, I am sorry, we have to send the Minister back because the Sessional Paper contains major conceptual errors, and it does not provide an adequate framework to de-link the Government from the tea industry in this country. The Minister will have to go back and correct these errors before this House can accept this Sessional Paper as a framework for liberalisation and restructuring of KTDA.

Mr. Temporary Deputy Speaker, Sir, looking at part 1 and 2, which deal with the historical background, it is quite clear that these parts were written by a pedestrian historian. In the 1970s, we used to have a professor at the University of Nairobi, Okot P'Bitek, who used to criticise fellow professors because of reducing history to hawking.

There were many history books at the time, saying how all the Bantus migrated from Congo through Tanzania *et cetera*, and how the Nilotes came from Sudan to Kalenjinland, and so on. But what these historians did not tell Kenyans was why the people migrated from Congo to East Africa, and why they were moving from the Nile areas into the highlands in East Africa. Now, what you find in this Paper are mere historical statements that tea was introduced in 1903; there was a Tea Act in 1934 and 1960. There is really no analysis. We are not being told why these changes were being introduced and what purposes were to be served by these laws. What the historian who wrote this section missed out is the whole conceptual framework of colonial capitalism and the colonial political economy, because this is what was being served by the tea ordinances during the colonial period. As it is today, the small-scale tea sector is the last pocket of colonialism in this country, and that is why I would like to see the process of liberalisation as part of a

decolonisation process. For the last 40 years, tea production has been undertaken by peasant farmers under very oppressive and harsh conditions created by draconian colonial laws, which were inherited at Independence without any amendments. I am talking of the Tea Act originally enacted in 1934, and the Agriculture Act which was implementing the Swynerton Plan in 1955. In fact, the whole basis of the Swynerton Plan was a continuation of the colonial economic structure in an era where Africans would be--- Although we have captured the instruments of political power, the colonial political economy; the economic structures of colonialism, were still maintained under these laws, and I am happy that we have the opportunity to review them today. So, that is why we are talking about the context of decolonisation.

Mr. Temporary Deputy Speaker, Sir, part three of this Paper gives the major objectives to be achieved in the tea industry. Although the objectives are good, we are talking about increasing the processing capacity, generating, financing, enhancing processing technology, and expanding international markets. These are good objectives, but one finds a fundamental flaw. There is no linkage between this technical achievement and the human being. There is nothing among the objectives to show that the primary objective to be achieved in the tea industry is to improve or raise the living standards of the common man in this country. The maximisation of returns by the farmer does not feature anywhere among the objectives to be achieved by the tea industry and I think this a major flaw. That is why there have been riots by farmers because, whereas we are concerned about statistics; how we are doing well in international tea trade, we do not seem to be paying sufficient attention as to

whether our poor peasant farmers are benefiting from all these institutions that we are creating. It is the peasant farmers who spend cold nights in bandas waiting for tea lorries during the rainy season. They are the ones who have made Kenya the leading exporter of tea in the world. The farmers are not doing so because they are good church goers. They are not doing so as a matter of charity. Our farmers are doing so because they are driven by the profit motive. It will be useless to expand the tea industry in this world and make Kenya a leading exporter, if this improvement does not make a positive difference in the lives of our farmers. We have been doing an analysis of the cost of maize flour and tea. Whereas the sale of one kilogramme of tea in 1990 could buy one packet of maize flour, you need about two kilogrammes today to buy that one packet of maize flour. So, as far as the daily life of the farmer is concerned, we seem to be moving backwards instead of forwards, as far as the tea industry is concerned. We are wearing ties and reading reports; you might think we are doing well. But talk to your mother at home who is picking this tea. Talk to your father and your cousins, and they will tell you they are not making anything; they cannot even afford school fees and whatever they get, it all goes back to the circle. It goes to pay medical bills and school fees. and it leaves them with nothing. So, they are like people who are operating outside the tea market system.

Mr. Temporary Deputy Speaker, Sir, this morning, we were talking about gender. We were debating a Motion in this House on the creation of a gender commission. I think one area that this gender commission is going to focus on, is on agriculture, because the peasant women in Kenya produce at least, 80 per cent of the agricultural products in this country. In fact, 80 per cent of the tea pickers in Kenya are women. The men are busy attending meetings and other celebrations, and, especially, in my own community, tea picking is considered a women's business. What is lacking is gender sensitivity. As far as these policy objectives are concerned, are we improving the lives of women who are picking tea?

Talking about participation in the decision-making, you find that women have no say either at the farm, the factory level or even at KTDA. In the entire country, we do not have a single woman who is a director, either in our factories or at KTDA, and this is a very, very great shame; that half of the population of Kenya is not represented in this tea industry which we are all very proud of. I think we should be trying to achieve a situation where at least, one-third of all the factory directors are women. Even if they do not come through elections you have to find a way of co-optation of women. That is the way this country can move forward. I know we have problems in Meru because the women cannot join Njuri Ncheke, but we have to address these issues. If we are really serious about eliminating all forms of discrimination against women, the economic empowerment of women, and increasing the visibility of women in the management of the institutions of this country, then we want to see women taking up leadership positions in areas like factories run by KTDA.

Looking at the composition of tea boards as shown under Sections 5\6 and 7, I think this is the greatest disaster in this Sessional Paper. One of the colonial strategies of penetrating our economy was through the imposition of the classical commodity board. The tea board was first and foremost a colonial instrument for control and exploitation of our farmers. It is our view that in a liberalised economy in this country the tea board has no role to play; it is out of place and should be scrapped. Our recommendation is that all these sections; sections five, six and seven should be deleted from this Paper and the functions which are purportedly given to the tea board should be given to other institutions. Even elementary history will show that the basic tool for exploitation of our farmers was through this colonial marketing monopoly board. The strategy was simple. First, the small-scale farmers collect all the produce and then sell it through the board. Then the board sells the produce which is collected on monopoly basis at the international market. After collecting the market prices at the international level, the board comes and underpays the farmer. They survive by keeping the difference of the price between the international market and the peanuts they pay the farmer. This is what we call the surplus. The colonial bureaucracy and all these parastatal chiefs survive on that surplus.

The struggle that we have in this country is that when the farmers come up and they want to reduce the surplus, because they want to earn more; if the farmers earn anything closer to what these commodities fetch at the international market, then the surplus will be reduced. Therefore, the parasite elite will have nothing to eat. There is a big struggle between the elite, who survive on this surplus, and the farmers who want to maximise their returns. The farmers would like to earn more from their returns and reduce the amount of surplus available to be appropriated by the elite. On the other hand, the elite would like the surplus to increase, and this will reduce the earnings to go to the farmer. This struggle is what has created tension in the entire agricultural sector. That is why rice farmers are fighting with the rice board in Mwea. That is why tea farmers are fighting with KTDA. It is a struggle for this surplus.

Because the elite have political contacts, when tension arises in this struggle, the elites call the police. All the teargas in Mwea was there because it is not the poor peasant farmers who called in the police. It is the board which wants to take the rice by force. Those who are interrupting the flow of the surplus are seen as enemies to the

elite. That is why the entire country today is in a permanent state of repression in our rural areas. This applies to sugar-cane, maize, tea, coffee and rice, because we are all struggling for the surplus. If you analyze the role of the police, they are called in to protect the elite in enjoying the surplus and in supporting them to exploit the farmers. It came out very clearly in the coffee riots in Nyeri where people borrow money using the coffee co-operatives, then they pay the police to come and beat up the farmers who come to ask what happened to their money. We cannot allow this to continue, and this exploitation of our farmers must stop. The role of the classical, colonial monopoly marketing board in tea is shared by two organisations; the Tea Board of Kenya and the KTDA.

The Tea Board controls production. For you to plant tea, you need a licence from the Tea Board. The KTDA controls the creation of the surplus. It has the monopoly for selling tea. One organ controls production and the other one collects all the tea produced by the small farmers and markets it on monopoly basis. When the money comes, it does not go to the farmer. It goes to a KTDA account. The Government survives on this. In fact, for the last one year, KTDA played a major role in balancing the books of the Government at the Treasury. The Central Bank calls the KTDA every day to find out how many dollars have come. I know that Prof. Ongeru, having come from a medicine background, does not understand what happens at the Treasury.

The Minister for Local Authorities (Prof. Ongeru): On a point of order, Mr. Temporary Deputy Speaker, Sir. May I be educated and enlightened on how medicine dovetails into the Tea Board of Kenya and tea growing? Can he elaborate on that?

The Temporary Deputy Speaker (Mr. Imanyara): Prof. Ongeru, is that a point of order, or are you seeking information?

Mr. Murungi: Thank you, Mr. Temporary Deputy Speaker, Sir. Let us move on. I would like to make this observation. During the colonial period we had the following marketing boards, Coffee Board, first established in 1932; the Passion Fruit Board, established in 1937; the Pyrethrum Board established in 1938; the Sisal Board, 1934; the Wheat Board, established in 1952, and the Cotton Board, established in 1954. Then we had a Tea Board established earlier but also re-established in 1960. If you look at all these boards, you will see that their roles are the same; their functions are very similar. Beyond the general management and stabilisation of the commodity industries which they were supposed to support, the boards exercised control over production, then processing and then marketing. In all these boards, the Africans were kept out of the marketing. Africans produced commodities. If you looked at the people who were selling the commodities, it was inevitably the white people.

Mr. Temporary Deputy Speaker, Sir, before Independence, the Africans had no say on how their produce was disposed of. After Independence, we replaced the whitemen on a walk in, walk out basis. Those few Africans who had some education replaced the white people in manning the boards. So, the system of exploitation continued. What we did was to Africanise the exploitation of our poor farmers. So, poor farmers continued producing, and the elites continued marketing and eating. Another thing we noticed about these boards is that the most powerful voice in the board was always the Government. This is because there is no board where you do not see the Permanent Secretary (PS), Ministry of Agriculture, or the Director of Agriculture. So, this was the link; the Government participation in control and exploitation of our farmers. This is the reality that faces us today. If you look at the Tea Board that we have, you will see that, in fact, even as we make reforms, these are the members of the Tea Board: The chairman of the board will be appointed by the Minister from among tea producer members of the board, and then there will be the PS, Ministry of Agriculture. The Government representatives in the board will be senior officers not below the level of Deputy Secretary, who should be familiar with Government policies.

Mr. Temporary Deputy Speaker, Sir, Section 6(2) states that the membership of the board shall be: (a) The chairman who will be elected by members of the board and appointed by the Minister. (b) Permanent Secretary, Ministry of Agriculture. (c) Director of Agriculture. (d) One member appointed by the Minister to represent the tea trade sector. (e) Six members appointed by the Minister after consultation with the organisation representing small-holder tea growers. (f) Five members appointed by the Minister. (g) Chief executive Kenya Tea Board, and one person to represent the Nyayo Tea Zones Development Corporations, *et cetera*.

Are we really talking about de-linking the tea industry from the Government when the Minister, the PS, the Director of Agriculture and all those are calling the shots? This is almost borrowed, word-for-word, from the classical colonial marketing and commodity boards, and we cannot allow it, 35 years after Independence. Mr. Minister, you have to go back and tell your officers not to come and fool around with us. The Members of Parliament understand that this is not 1963; it is 1999. We cannot re-allow colonialism through the back door by using a Paper that purportedly calls itself a Liberalisation and Restructuring of the Tea Industry.

Mr. Temporary Deputy Speaker, Sir, if you look at the functions of the Tea Board, they are also not convincing. In a liberalised economy, why do you need to license tea growers? We are going to be members of our

local factories there; for example, Kinoro and Imenti factories. So, we do not need registration by the Government; we shall be registered as shareholders of our factories. Why does the board need to control pests and diseases? Who controls pests and diseases of the maize and the potatoes? The Ministry of Agriculture is going to do that and we do not need a specialised agency. We have companies like East Africa Industries or Firestone which have their own research development departments. So, if we are talking about reforming the KTDA, this is a role which should be done efficiently by KTDA. We are talking about the Tea Board doing marketing and promotion of tea abroad. Even today, the Tea Board is just wasting farmers' funds. The Kenya Tea Development Authority is always making missions to United States, Germany and United Kingdom to promote tea. The Government is the most inefficient body to do this promotion work. We should leave this to the KTDA or another agency which will be paid by the farmers' companies. So, the functions to be performed by the Tea Board are not convincing and we can do without them. They are just an excuse for the parasite elites to continue "eating" from our farmers.

Mr. Temporary Deputy Speaker, Sir, the scientific technical and marketing functions that are currently being assigned to the Tea Board can be performed very efficiently by the restructured KTDA. So, we do not need the Tea Board, and my request and suggestion is that we delete any reference to the Tea Board.

With regard to the KTDA, we are very happy that it is being restructured and de-linked from the farmers' small-holder companies. What we would like to see is a real de-linkage which makes KTDA an agent of the smaller holder companies, instead of the vague round-about situations which KTDA is trying to create, in order to continue owning the farmers tea and selling it as its own. We want a very clear provision in the Paper which shows whether there is financial de-linkage between the small-holder companies, and KTDA. The Kenya Tea Development Authority should be a specialised company providing high quality services to the small holder companies especially with regard to financial management, technical aspects of production and marketing, but they should be hired by the companies. So, we would like to see very clearly that, as a matter of fact, there is a financial de-linkage from KTDA, so that, once the tea is sold, money is paid to the companies, and the companies pay KTDA for their services.

Lastly, there is a question of freedom of association within the tea sector; the Kenya Small Scale Tea Growers Association. As you know, that association was formed by KTDA and was rushed for registration through the Attorney-General, whereas for a long time they have refused to register COTEPA saying that it is dangerous to the good Government of Kenya. We would like our farmers to have an organisation which is separate from the director. The management and the farmers should be separated.

With those few remarks, I wish to give qualified support.

The Assistant Minister for Information and Broadcasting (Mr. Ekirapa): Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me this opportunity to contribute on this Sessional Paper No.2 of 1999, on the liberalisation and restructuring of the tea industry in Kenya. I want to take this opportunity, first of all, to congratulate and thank the Minister for Agriculture for timely coming up with this Sessional Paper, which has been long overdue.

Mr. Temporary Deputy Speaker, Sir, I would like to support this Paper because it paves the way for us to be able to deliberate, discuss and be able to give guidance on what should be done in the tea sector. Tea is a very key agricultural produce in this country, as well as a key foreign exchange earner. Production of tea has not been exploited to the maximum in some parts of country because of the bottlenecks which have existed hitherto. There are also management problems which have been created by the set-ups which we are now trying to discuss, so that we can liberalise and restructure.

Mr. Temporary Deputy Speaker, Sir, control in the past has been mostly centralised, and I think this has had a lot of very heavy overheads to the detriment of the tea farmers. Therefore, I think, by presenting this Sessional Paper, there is an opportunity for us to look into this, so that these overheads which have been incurred in the past can be avoided at all costs. This would enable the farmer to reap maximum benefits from tea.

Mr. Temporary Deputy Speaker, Sir, there have been a lot of problems in tea growing areas, where there is very poor infrastructure, and hence it is very costly to deliver the tea. As a result, returns to the farmers have been negligible. This is one aspect that needs to be addressed. We should look into ways of making sure that what the farmers earn from tea, part of it is ploughed back to improve the infrastructure in the tea growing areas. There is the agricultural produce cess on tea. Again, the inherent bureaucracies have created bottlenecks which have made it extremely difficult for farmers to benefit from the cess money. In this particular case, the role of the Local authorities, especially county councils, should also be addressed. I support the view that the law needs to be amended in order to regularise the Government's directive that cess funds for tea be channelled through respective farmers' organizations, to maintain roads in tea-growing areas. This would require the formation or creation of effective tea committees, through which this cess money would be channelled.

Mr. Temporary Deputy Speaker, Sir, I come from an area where we have started growing tea, and there

are a lot of problems, as I have said, about roads. This is the major cash crop. In fact, when people started growing tea, I think they thought they were going to make a lot of earnings from it. Some of them went to the extent of uprooting coffee. When they uproot coffee and find that at the end of the day, they cannot reap what they expected, it becomes very pathetic. In this particular case, I support the view that Government and the KTDA should relinquish the role they have hitherto played in the day-to-day management of individual tea factories or companies, so that the factories are able to run their own affairs in order to determine their own destiny. The Kenya Tea Development Authority should only play the marketing role.

Mr. Temporary Deputy Speaker, Sir, extension services are necessary, but the suggestion that they should be done by the tea companies themselves should be upheld. This would help to minimise the cost of running the tea industry in the country.

With those few remarks, I beg to support.

Mr. Muite: Mr. Temporary Deputy Speaker, Sir, the essence of any good legislation is appreciation from the word go, either of the evil that is sought to be legislated against, or some defined objective which that piece of legislation is seeking to achieve. You cannot have a good piece of legislation unless you study the situation and identify the evils and weaknesses under the present set-up, and then you say: "I am now going to come up with a piece of legislation in order to legislate and eradicate these weaknesses or this evil." Alternatively, it would be that you want to achieve a particular objective and, therefore, come up with a piece of legislation to achieve, or to attain, those objectives. If you do not have clarity of thought upfront on those two issues, you cannot come up with a good piece of legislation. So, the question here is: Has the Ministry of Agriculture identified the weaknesses in the present structures as far as the tea industry is concerned in this country? And, is this Sessional Paper, and the subsequent Bill, designed to close or eradicate those weaknesses? Secondly, what exactly is the Ministry of Agriculture seeking to achieve, because, the term "liberalization" is a very general term? Exactly what in liberalization are they seeking to achieve that is not there at this moment in time?

Mr. Temporary Deputy Speaker, Sir, I would like to say that in identifying the present weaknesses of the structures that are there in the tea industry, we need to study the complaints of the farmers. I was pleased to hear the Minister say that they held seminars across the country. I have not come across any hon. Member of Parliament from tea growing areas who is aware that these seminars were actually held. Even if they were held, it does not appear that a debate was instigated so that the tea farmers in Kisii, for example, could hear the complaints of the tea farmers in Meru, so that you sensitise the debate.

Mr. Temporary Deputy Speaker, Sir, of course, for any legislation to be successful, it needs to carry the people for whose benefit it is being enacted. In other words, this top to bottom style of management has got to be restructured in this day and age. We need to start from the bottom. We need a public debate that is going to involve the farmers. It is the wearer of the shoe who knows where it pinches. We must involve the farmers across the entire country, even when you are trying to do something good for them. Let us not be paternalistic. Listen to them, educate them and get ideas from them as to what their complaints are before you come up with a Sessional Paper and, therefore, a good piece of legislation. So that, when you then enact something which is for their benefit, you carry them with you, and they see it as their piece of legislation. But when you do it from up there, they regard it as yours; you do not involve them. They do not see the subsequent Bill or Act as theirs. They always feel alienated. So, this public debate is very critical. If that sort of public debate had been conducted, the Ministry of Agriculture would have discovered that, in fact, if you are talking about liberalization in the context of marketing, the tea farmers in this country do not have major complaints about marketing. There are many brokers who collect tea from the factory and arrange for the sale of that tea by auction in Mombasa. The marketing is not the problem of the tea industry in this country. So, if we are talking about liberalization with regard to marketing, that is satisfactory at the moment. Appoint more brokers by all means, but retain the marketing by public auction in Mombasa.

Mr. Temporary Deputy Speaker, Sir, the major complaint is with the Kenya Tea Development Authority (KTDA). On this one, the first complaint is about the State Corporations Act, which gives the President the power to appoint the Chairman and the Managing Director of the KTDA. The rest of the board of the KTDA is irrelevant. The people who actually decide what is to be done are the Chairman and the Managing Director, both of whom are presidential appointees in terms of the State Corporations Act. That is the major weakness. So, the KTDA needs to be an agent of the farmers. Now, the KTDA has turned itself into the master of the farmers. That is where the problem is.

The Minister for Agriculture (Mr. Mudavadi): On a point of order, Mr. Temporary Deputy Speaker, Sir. I do not want to derail the hon. Member from his line of argument. However, I would like to correct him that the Chairman of the KTDA and the Managing Director are not appointed by the President. They are elected from within the Board of directors after the board members' elections and nominations to the board.

Mr. Muite: Mr. Temporary Deputy Speaker, Sir, I have heard a lot of complaints. I probably do not want to be personal. For example, if farmers had a say in deciding who should be in the management of the KTDA, the current Managing Director would not be there. He would be thrown out immediately. I also suspect that the same fate would befall the Chairman. The liberalisation we want is that which will absolutely turn the KTDA into an agent of the farmers. We do not want it to be the one to lord it over the farmers. It should be the farmers to say what should be done.

Mr. Temporary Deputy Speaker, Sir, the other major complaint is that the KTDA fiddles around with funds when they construct factories. The farmers are complaining about the cost of construction of factories. Through such projects, a few people within the management of the KTDA and the Government make a lot of money at the expense of the farmers. So, we must construct more factories as the acreage under tea crop is increasing. However, the construction of factories should not be an opportunity for other people to enrich themselves, either in the KTDA, or in the Government. That is the complaint of tea farmers.

In the last Parliament, we had some Parliamentary Questions in this House which alleged that a certain Malaysian packaging company charged tea farmers, through the KTDA, ten times more for the cost of wrapping materials, instead of the KTDA buying the same material cheaply. When we talk about liberalising the tea industry, these are the areas we need to investigate. Tea in this country is owned by the farmer, who is also a member of a particular tea factory. The KTDA does not own any tea; it does not own any farm. Therefore, it does not own any tea factory.

So, we want to restructure the KTDA and make it accountable to the farmers. I agree with that entirely, if this Sessional Paper is seeking to make the KTDA's role that of providing services such as technical services regarding the manufacturing of tea, or the construction of factories, or things which are too expensive to be undertaken by one factory. That is the role the KTDA should play, and not to control the tea industry, the factories and its marketing.

When the tea is marketed by the broker, the purchase price should go directly to the factory, which should, in turn, remit the money immediately to the farmers. Each factory should have an agreement with the KTDA as to how much money it should pay to the KTDA after they receive the money. However, the problems of the tea industry start when the money is received by the KTDA, because the KTDA regards the money as its own. It regards the tea industry as its own. The KTDA deducts amounts of money that are totally unproportional in terms of marketing fee charges and that sort of thing. So, we should aim to increase the take-home-pay by the tea farmer in this country. We should, therefore, analyse and examine where the amount of money the farmer takes home gets reduced, and we close those loopholes. I commend the Minister for stating that we need to re-examine the tea industry in this country.

Mr. Temporary Deputy Speaker, Sir, when we examine this Sessional Paper, we are moving in the wrong direction. We are moving in the direction of even more and more control. For example, I have seen here companies incorporated under the Companies Act, and that they should immediately start paying tax. What is the rationale, if we are trying to promote the tea industry in this country? It would appear that even with all the messes currently obtained in terms of stealing the farmers' money, the farmers in this country will be worse off when we pass this Sessional Paper and it is followed by an Act of Parliament, because KTDA, according to the recommendations in this Sessional Paper, will then start paying tax. Are they paying tax for income that they are going to earn? They are not the owners; they are not the ones to market the tea. If we are moving towards liberalisation, then we should not be actually creating room for a monopoly; that it is only KTDA that is going to do the marketing. Let each broker collect tea from a particular factory and have nothing to do with KTDA. Let that tea be taken to Mombasa as tea collected by the broker from a particular factory. And let it be sold by auction and let that money go directly to that factory or the other factories serving other areas. That tea should not come to KTDA. When we say now that KTDA is going to be a monopoly for the marketing of tea, we are actually moving in the opposite direction from liberalisation. We are moving backwards; we are not moving forward in terms of liberalising.

The other major complaint is that KTDA, at the moment, is actually permitted to sell farmers' tea directly by private treaty. There are two avenues of selling tea in this country; there is the tea that is collected from various factories by brokers and sold by public auction, and there is no complaint about that methodology of marketing. Where there are question marks is where KTDA is also able to negotiate a private sale for a particular quantity of tea, and they sell it in London or elsewhere by private treaty. There is room for abuse there because, whoever is negotiating that particular sale with somebody in London, there is room for negotiation that the official price is going to be so much per kilogramme, but so much per kilogramme, then put it in my account in London or Geneva or what have you. There is no transparency there. That is an area that needs to be closed so that the sale can be through the broker.

Mr. Temporary Deputy Speaker, Sir, the other major complaint that I have heard from talking to farmers is in shipping, because the marketing officer of KTDA is the one who negotiates which ship is going to transport what quantity of tea from Mombasa to London or to wherever. There are Marketing Officers within KTDA who have become multi-millionaires. There are marketing officers who have been receiving up to five dollars a tonne for giving the shipping contract to a particular shipping line. These are the loopholes which we need to close in order to ensure that what the farmer takes home at the end of the day, is actually increased. As long as we are not increasing what the farmer at the end of the day takes home, we are really not helping the tea industry.

Mr. Temporary Deputy Speaker, Sir, as long as we are not increasing what the farmer takes home at the end of the day, we are not helping the tea industry in this country at all. And if we increase what the farmer is taking home at the end of the day, then we are going to eliminate things like we saw in Uhuru Park, at Freedom Corner, the other day, where some 70-year old men and women were being teargassed, and they were coming to protest the debt of tea money by KTDA. They should be listened to. There is no need of the police moving in. These are the people that the Minister for Agriculture should actually have called to his office, or the Minister, when he heard there was a problem, should have gone to talk to them. These are tea farmers who come under his Ministry. It would have been a very good gesture for the Minister himself to go to Freedom Corner and talk to these old men. Ongea nao. They would have gone home happy. They would have known that the Minister for Agriculture is concerned about their welfare.

Mr. Temporary Deputy Speaker, Sir, so, let us focus on the tea farmer, particularly the small-scale tea farmer in this country. Let us make it our objective. How can we increase the income that, at the end of the day, he takes home to his house in order to support his wife, his children and in order to pay school fees for them? If we can increase that, and if we can make that the objective of this liberalisation, then we shall achieve and we cannot go wrong. If we are going to increase what that small-scale farmer has at the end of the day, to spend on his family a good way of starting is for the Minister of Agriculture to scrap these things that are called Nyayo Tea Zones. They are a drain eventually on what goes to that small-scale tea farmer. They do not pay the factories. The factories are forced to process and manufacture tea that is being picked from the Nyayo Tea Zones and the only people benefitting from the Nyayo Tea Zones are the District Commissioners. It is the Provincial Administration, because nobody else knows what goes on. In fact, the original purpose of the Nyayo Tea Zones was to stop encroachment onto the forest. Well, I am not sure that, that has been achieved immediately, and if it has, it is at a very tremendous cost to the small-scale tea farmer. In any case, we are about to wipe out all our forests. They have been cut down and so, these zones have not actually acted as a buffer to the encroachment on tea forests.

Mr. Temporary Deputy Speaker, Sir, the other point that I would really like to make is purely conceptual or philosophical; which is that, it appears to be very difficult to persuade the Government to differentiate between regulation and control. When we are talking about liberalisation, liberalisation accommodates regulation because you cannot have anarchy. Even in a liberalised market, you must regulate the market and this is important because we, as a nation, do not appear to distinguish between two very important aspects, which are regulation and control. When you liberalise, you de-link the Government from control, but the Government continues to have the right to regulate. When you look at the concept in this Sessional Paper, that vital difference is lost on the Government because they are still talking about control. If you go to the Paper, it is talking about "control, control, control." Like on page 4, paragraph 5 (1) (e), for example, which is entitled: "The role and Functions of the Tea Board", you will find that it states: The control of marketing of tea is one of the objectives. We are moving away from control to regulation. So, you cannot say that one of the objectives is control, and also say that we are liberalising; where you want to appoint many more brokers. We want to keep these two concepts very clear in our mind.

Mr. Temporary Deputy Speaker, Sir, because of the failure to appreciate the difference between regulation and control, we have become a dumping ground. We have been taken over as a country by South Africa. Today, if you go to any supermarket, everything from toilet papers to whatever, is from South Africa, because of what is called "liberalisation". We have got to be very careful as we move towards liberalisation. No country anywhere in the world can afford to have anarchy in the name of liberalisation. Firstly, in the case of industry and agriculture, those countries are now talking about open globalisation of trade. Look at Germany and the USA; they controlled their agriculture and industry until they came to a point where they could effectively compete with the others. So, we need to control ours until we are in a position to actually compete with them because, if you cannot compete, you would be run over.

Mr. Temporary Deputy Speaker, Sir, one of the most dangerous things that is being debated in the Congress today is a piece of legislation which has got the support of big industries in America. This idea of free trade across the entire world is going to ruin the Third World countries because what they are looking for is cheap labour. In America, the cost of labour is regulated; you cannot pay a worker below a particular amount; this piece

of legislation says they must be free to negotiate about the salary. This is domination and colonialism through the back door, through the root of the economy. We are going to be purely providers of labour. So, even in the developed countries, for example, agriculture is one of the thorny issues as far as the European Union is concerned because no country wants to open up its doors. You have got to provide protection until your agriculture or industry is in a position to compete effectively. A crop like tea--- We are producing the best tea in this country.

When we are talking about opening or closing embassies, the Ministry of Foreign Affairs should be renamed the "Ministry of International Trade and Foreign Affairs", because the more important thing is not to go to the cocktail parties, because you are an ambassador, to talk there; the most important thing is for the Ministry of Foreign Affairs here to do an audit at the end of each year on how the ambassador in a particular country has promoted the balance of trade between Kenya and the country to where he or she is accredited. For example, South Africa does not grow any tea. There is no reason why, when we are now having a very major deficit in favour of South Africa as far as trade is concerned, we should not tell South Africa that they must buy our tea because they do not grow any tea. They must buy our tea worth so much per year in order to improve on this balance of payments.

With those words, Mr. Temporary Deputy Speaker, Sir, I do want to---

Mr. Gatabaki: On a point of information, Mr. Temporary Deputy Speaker, Sir. The hon. Member has talked about the Ministry of Foreign Affairs becoming the "Ministry of International Trade". On the same argument, I would request the President, wherever he is travelling overseas, to take experts in business and trade, and not the sycophants"he is used to taking overseas!

Mr. Muite: Mr. Temporary Deputy Speaker, Sir, I thank the Member for Githunguri. In addition to taking those experts, we are in a multiparty situation. In the next week, I do urge this Government to tell the President to take the Member for Githunguri. He would articulate issues in favour of the country. Thank you.

Mr. Mwiraria: Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me the opportunity although I have only a few minutes. But let me start by underscoring a point already ably made by my two colleagues who have spoken, hon. Murungi and hon. Muite.

Personally, I must say I was very disappointed when I looked at the objectives of the liberalisation of the tea industry. I was disappointed because the welfare of the farmer does not feature as one of the objectives of this Paper. Those of us who have been in COTEPA for several years now were primarily concerned about the take-away cash for the tea growers, particularly the small-scale tea growers. I would have really wanted this to be one of the objectives of the Paper before this

House. The Ministry of Agriculture appears to have forgotten that one of its primary responsibilities is to make agriculture expand and grow. Agriculture can expand and grow---

ADJOURNMENT

The Temporary Deputy Speaker (Mr. Imanyara): Order! Hon. Members, it is now time to interrupt the business of the House. Therefore, the House stands adjourned until tomorrow, Thursday, 6th May, at 2.30 p.m.

The House rose at 6.30 p.m.