

NATIONAL ASSEMBLY

OFFICIAL REPORT

Wednesday, 4th August, 2004

The House met at 9.00 a.m.

[Mr. Deputy Speaker in the Chair]

PRAYERS

ORAL ANSWERS TO QUESTIONS

Mr. Deputy Speaker: Hon. Members, we will start with Oral Answers to Questions.

Question No.521

COMPLETION OF KIBWASTUIYO WATER PROJECT

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

- (a) whether he is aware that Kibwastuiyo Water Project rehabilitated through the *El Nino* program was abandoned before completion; and,
- (b) when the project will be completed.

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

(a) I am aware that Kibwastuiyo Water Project rehabilitated through the *El Nino* program was substantially completed and not abandoned before completion.

(b) The project was completed substantially on 1st December, 2003.

Mr. Sang: Mr. Deputy Speaker, Sir, the habit of civil servants misleading their Ministers is so rampant in this country. I am saying so because I was at the site on Saturday, and there is no water to be pumped because the well is leaking. The Assistant Minister is now saying that the project was completed in December, but there is no water to be pumped! Can the Assistant Minister undertake to go and see the project himself so that he can take action against the civil servants who are misleading him?

Dr. Machage: Thank you, Mr. Deputy Speaker, Sir. I will, indeed, undertake to go and verify what the hon. Member has reported to the House.

Mr. Ndambuki: Mr. Deputy Speaker, Sir, can the Assistant Minister tell us how much money they spent before the project stalled and why it stalled?

Dr. Machage: Mr. Deputy Speaker, Sir, I may not be able to give the exact figure now, but I will answer the second question.

The contract was awarded in December, 2001, and it commenced in May, 2002. The period for the project was supposed to be eight months, and it was intended to be completed by January, 2003. However, the contractor fell behind schedule, and the project was not completed by January, 2003. The contractor applied for an extension of time, which was revised to 1st December, 2003. By December, 2003, 98 per cent of the physical works were complete, leaving the works on the access

road and the intake work because of the rains.

We assessed the project by June, and that is the time he had been given as an extension, he had not yet worked on the road. We, therefore, have decided that he stops the contract and relinquishes the guarantee so that we can quash it and use the money for the completion of the remaining part.

Mr. Deputy Speaker: All right, last question by Mr. Sang!

Mr. Sang: Mr. Deputy Speaker, Sir, when the Assistant Minister goes to the site, he should be accompanied by the contractor who has failed to pay all the casual workers who were employed to assist him in the project.

Mr. Deputy Speaker: Mr. Sang, before the Assistant Minister answers, you should know that, that is a completely different Question. You asked the Assistant Minister to come and see the project, now you are telling him to be accompanied by someone else. Is that fair to the Assistant Minister? Dr. Machage, what do you say?

Dr. Machage: Mr. Deputy Speaker, Sir, I have undertaken to visit the site at a time we will agree on with the hon. Member. I will come with the necessary team.

Mr. Ndambuki: On a point of order, Mr. Deputy Speaker, Sir. The Assistant Minister is telling this House that they paid the contractor, who had just given the guarantee to complete the work. Why did they pay him? People in this country are suffering because of lack of water, why did they pay the contractor the full amount before he completed the project?

Mr. Deputy Speaker: Order, Mr. Ndambuki! That is not a point of order.
Next Question by Maj-Gen. Nkaisserry!

Question No.540

REGULATION OF OVERSEAS TRAVEL BY
CABINET/ASSISTANT MINISTERS

Maj-Gen. Nkaisserry asked the Minister of State, Office of the President:-

- (a) whether he could table the list showing the number of overseas official trips made by Cabinet/Assistant Minister since January, 2003;
- (b) whether he could further inform the House the total cost of the trips tabled in (a) above and the anticipated cost of such trips in the remaining part of this financial year; and,
- (c) what administrative mechanisms are in place to determine and regulate overseas travel by Cabinet/Assistant Ministers.

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

*(Dr. Machage laid the document
on the Table)*

(a) Here tabled is a list showing the number of overseas official trips made by Cabinet Ministers and Assistant Ministers from January, 2003, to May, 2004.

(b) The total cost of the trips tabled in (a) above amounts to Kshs90,236,206.70. The anticipated cost depends on individual Ministries, based on their core functions, and is, therefore, difficult to interpolate.

(c) As an administrative mechanism, the Permanent Secretary, Secretary to the Cabinet and

Head of Public Service issued Circular No.OP/CAB/8/19A dated 30th July, 2003, which amongst other issues, directs Cabinet Ministers and Assistant Ministers to furnish their travel details to his office for consideration and clearance.

The circular regulates the size of the delegation to contain expenditure and avoid disruption of the smooth running of Ministries. The Government has also reduced allocations to external travel by half to curtail unnecessary travel. Therefore, all Ministries are expected to use the money within their budgetary allocations.

Maj-Gen. Nkaiserry: Mr. Deputy Speaker, Sir, the reason why I asked this Question was that I wanted to challenge the discreet accountability of Government resources. You have just heard the Assistant Minister say that within one year, the trips made by this Government's officials cost over Kshs90 million. As you will realise, Kenyans are suffering from hunger. What are the benefits of these visits to the country vis-a-viz the cost of the trips?

Dr. Machage: Mr. Deputy Speaker, Sir, the benefits are a wide spectrum relevant to each Ministry concerned. I may not be able to tabulate them here. I believe I would produce a very big textbook if I were to do that. I believe all these trips were essential.

Mr. Mwenje: Mr. Deputy Speaker, Sir, when the country learns that Kshs90 million has been spent by Ministers by simply going out on trips, I can assure you that they will receive some chastisement from the public. What are the economic benefits of these trips to the country? Some of the Ministers simply go for joy rides. Can we be told by the Assistant Minister how much these trips earned the Exchequer in terms of either donations or development programmes in the country?

Dr. Machage: Mr. Deputy Speaker, Sir, the hon. Member has asked a relevant question. I may not be able to give an answer now because I was not asked that question earlier. These trips were essential for this country. Attending international conferences for the development of this country and signing international treaties were some of the objectives of these trips. I believe they were censored and properly awarded by the relevant Government machinery.

Mr. Osundwa: Recently, there was a conference on AIDS in Bangkok and another one which was concluded yesterday on World Trade Organisation (WTO). The Minister for Health did not attend this conference in Bangkok, where even presidents like Museveni were present and they got many pledges from donor communities. Could it be possible that Ministers have exhausted their allocations for travel, or they have been barred from travelling outside the country for fear that this side will defeat the Government side on important Motions here?

Dr. Machage: Mr. Deputy Speaker, Sir, first may I assure this House that there is no fear that the Government side will ever lose a Motion here. Secondly, I cannot give an answer as to why the Minister for Health was not able to attend this important function, but there must have been a very valid reason.

Maj. Madoka: Mr. Deputy Speaker, Sir, I was a Minister for Foreign Affairs for one year, and know these travels are very expensive. I am wondering whether the Government should not consider allowing our various ambassadors accredited to various countries where conferences take place to represent the country. Many countries do that. Even when we have international conferences here, it is the ambassadors accredited here who represent their Governments at these conferences. Could the Government consider doing that?

Dr. Machage: Mr. Deputy Speaker, Sir, more than half of the conferences out there are attended by our ambassadors.

Mr. Munya: Mr. Deputy Speaker, Sir, another way in which Ministers overspend is by travelling by air when they are going to functions and then sending a car with several staff to the same function by road. This shows that they do not consider the cost of fuel and feeding staff at a simple function. Could the Assistant Minister consider making a regulation to the effect that

Ministers should attend functions with only one assistant instead of spending money on air tickets and a vehicle?

Dr. Machage: Mr. Deputy Speaker, Sir, I have noted the hon. Member's comment and will act on it.

Maj-Gen. Nkaiserry: Mr. Deputy Speaker, Sir, Kshs90 million can buy 100,000 bags of maize, which would feed very many hungry Kenyans today. I wanted Kenyans to know that these Ministers have no interest in their welfare. None of them has toured troubled areas. It is very unfortunate! Instead of travelling overseas, could our Ministers now travel within the country to see problems of water and hunger, so that they can allocate funds directly to needy areas?

Dr. Machage: Mr. Deputy Speaker, Sir, my Ministry will tour all hard hit areas in a comprehensive programme from next week. For now, we have officers on the ground giving us all the relevant information and necessary assistance. However, I have also noted the sentiments of the hon. Member.

Question No.627

UPGRADING OF MR. DAVID NTELLA M'IKIARA

Mr. Munya asked the Minister for Education, Science and Technology:-

(a) when a teacher, Mr. David Ntella M'ikiara, TSC No.359484 was upgraded from UT-A level to SI and why the Ministry has failed to confirm his upgrading to the Teachers Service Commission, and;

(b) when the Teachers Service Commission will adjust his salary and pay him appropriately.

The Assistant Minister for Education, Science and Technology (Mrs. Mugo): Mr. Deputy Speaker, Sir, I think we should deal with this Question from where we stopped. Or, do you want me to reply to it all over again?

Mr. Deputy Speaker: Where did you stop, Madam Assistant Minister?

The Assistant Minister for Education, Science and Technology (Mrs. Mugo): Mr. Deputy Speaker, Sir, I was on the question of what happened to the P1 teachers who were by-passed by untrained teachers (UTs) when they were upgraded to the S1 grade.

Mr. Deputy Speaker: Just deal with it the way you want.

The Assistant Minister for Education, Science and Technology (Mrs. Mugo): Mr. Deputy Speaker, Sir, let me start by saying that the Ministry has acknowledged that there was an anomaly in this promotion. However, the focus at that time was on the UTs. There had been some complaints from UNESCO and the international community that there were too many untrained teachers in the Kenyan schools at that time; they numbered almost 40,000. Something had to be done to grade the UTs. That was why it was decided that 1,200 ungraded teachers who were A-level graduates and were qualified to go to teacher training colleges had there been enough places, and also if the training of S1 teachers for humanities had not been discontinued, be given an induction course and then graded. This induction course took place in Kagumo Teachers Training College for two weeks. After that they were given the S1 grade.

It was the wish of the Ministry to also promote the P1 teachers. After consultation with the Ministry of Finance, it was found that the amount required at that time to upgrade or promote all these teachers was not available. However, the Ministry has addressed this promotion issue. Last year, we held various meetings with the Kenya National Union of Teachers (KNUT) and the Teachers Service Commission (TSC). Negotiations, of course, culminated in the promotion of these

teachers. We already issued letters to the AT4.

Mr. Deputy Speaker: I thought you were dealing with this particular teacher, Mr. David Ntella M'ikiara.

Mrs. Mugo: Mr. Deputy Speaker, Sir, with regard to this teacher, I had responded that he will now receive his salary at the end of this month. We have accordingly informed him. The problem was with regard to vetting. We needed to vet all the certificates of teachers who were promoted at that time. That is why there was a delay in adjusting the salaries. After the vetting was conducted, it was ascertained that he, indeed, merited the promotion. As I said, he will get his new salary at the end of this month.

Mr. Deputy Speaker: Mr. Munya, are you satisfied?

Mr. Munya: Mr. Deputy Speaker, Sir, the Assistant Minister is talking about promoting the P1 teachers after a while. However, we know that there is a scheme of service for non-graduate teachers which has been lying in the Ministry for many years. When will she release that scheme of service?

Mrs. Mugo: Mr. Deputy Speaker, Sir, the hon. Member knows that since we took over this Ministry, we have been reviewing terms and conditions of service for teachers. We have promoted teachers and increased their salaries, among others. All these things are in the pipeline. It is very difficult for me to specifically state a certain date when this will happen. However, we are in consultation with the KNUT. Therefore, all these things are on-going. I believe the NARC Government has done very well for the teachers within the last 18 months that it has been in power.

Mr. Deputy Speaker: I will give the last question to Mr. Karaba.

Mr. Karaba: Mr. Deputy Speaker, Sir, it looks like the Ministry of Education, Science and Technology and the TSC are not working together. As I speak now, some teachers who were employed almost one year ago have not even received their salaries to date. Is there a system which is lacking in the TSC that makes teachers to suffer? Does that mean that teachers cannot get their salaries immediately they are employed?

Mrs. Mugo: Mr. Deputy Speaker, Sir, I think that is a different Question. At the moment, I do not have the answer to that question. However, I believe we are promptly paying all teachers in this country.

Mr. Munya: Mr. Deputy Speaker, Sir, the Ministry has made it impossible to supervise schools because they have undertaken to pay teachers more than what they pay inspectors of schools. We have been talking about this issue for about six months and the Ministry has not come up with a scheme of service to make the inspectors of schools earn enough money to enable them supervise schools efficiently. When will the Ministry do this?

Mrs. Mugo: Mr. Deputy Speaker, Sir, we are also looking into that.

Mr. Deputy Speaker: Next Question, Mr. Ndolo!

Question No.541

DISPUTE OVER DANDORA
LAND LR 11379/3

Mr. Omondi, on behalf of **Mr. Ndolo**, asked the Minister for Lands and Housing:-
(a) if he is aware of a dispute over land Ref.No. LR 11379/3 between Kiambu Dandora Farmers Co. Limited and Dandora Housing Scheme Limited which was determined in favour of the former in case No.1903 of 1999;
(b) if he is further aware that the Provincial Administration is in the process of sub-

dividing the land in question in total disregard of the court ruling; and,
(c) what action he has taken to effect the court ruling to avoid imminent clash over the said land.

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

Mr. Deputy Speaker: Yes, what is it?

Mr. Mwenje: Mr. Deputy Speaker, Sir, the reason why Mr. Ndolo is not here to ask this Question is because this Question is *sub judice*. I talked with him so he is aware of the case. That is why he decided not to come and ask this Question because the hon. Member who stood to ask it, on his behalf, is the man who has been messing up this land. This land is in my constituency!

Mr. Deputy Speaker: Order, Mr. Mwenje! Cool down! First of all, Mr. Omondi informed me that he was mandated by Mr. Ndolo to ask the Question on his behalf.

Mr. Mwenje: He did not!

Mr. Deputy Speaker: Now, when you say he did not, then you have to have evidence to that effect. Could I hear the response then I will determine whether it is *sub judice* or not as you say.

The Assistant Minister for Lands and Housing (Mr. Ojode): Mr. Deputy Speaker, Sir, I beg to reply.

(a) Yes, I am aware of a dispute over land Ref. No.11379/3---

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

Mr. Deputy Speaker: Order, Mr. Mwenje! Please, you have already raised your point of order, let me hear the Assistant Minister's answer.

Mr. Mwenje: Mr. Deputy Speaker, Sir, the moment this answer is read and that is deliberately being done; it is what they want the Press to capture!

Mr. Deputy Speaker: Order, Mr. Mwenje! I am sure the Assistant Minister is aware. Mr. Mwenje, could you let me hear the Assistant Minister?

Mr. Ojode, you have the Floor!

The Assistant Minister for Lands and Housing (Mr. Ojode): Mr. Deputy Speaker, Sir, I beg to reply.

(a) I am aware of a dispute over land Ref. No.11379/3 between Kiambu Dandora Farmers Co. Limited and Dandora Housing Scheme Limited. I am also aware that the High Court made a decree on 1st November, 1999, that the land belongs to Kiambu Dandora Farmers Company Limited.

(b) I am not aware of any sub-division of the land being done by the Provincial Administration.

(c) I have not taken any action to give effect to the decision of the court since I have not been given such orders. However, the only court order issued vested the land to Kiambu Dandora Farmers Company Limited.

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

Mr. Deputy Speaker: Yes, Mr. Mwenje!

Mr. Mwenje: Mr. Deputy Speaker, Sir, I told the Chair in advance that the answer is pre-conceived deliberately for the Press to capture this Question. I have the letters showing this case is *sub judice*---

Mr. Deputy Speaker: Order, Mr. Mwenje! You are an old hon. Member of this House. However, the manner in which you are going about this is certainly not proper. This is because the Assistant Minister has only indicated that a ruling was made in court over this land. Now, maybe you are even spilling the beans. Maybe you are telling us things we do not know. Let the Question take its course? If, for any reason, it is *sub judice*, the Chair is there to determine. However, you are now trying to introduce some evidence which you have.

Mr. Mwenje: Mr. Deputy Speaker, Sir, the reason is because the---

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

Mr. Mwenje: Mr. Deputy Speaker, Sir, I am on a point of order! I am sure the Chair heard the Assistant Minister say the land belongs to so and so. That is the dispute which is before the court. So, when the Assistant Minister answers a Question here and say the land belongs to so and so--- That is the dispute before the court. It is Case No.272.

Mr. Deputy Speaker: Order, Mr. Mwenje! I really cannot understand this because you seem to have an interest in this matter. I do not understand what it is. Mr. Mwenje, let the answers be given in accordance with the manner in which it is being done. I repeat, if there is any evidence that the case is *sub judice*, the Chair will stop it.

Mr. Mwenje: Mr. Deputy Speaker, Sir, could I lay these documents on the Table?

Hon. Members: Out! Out!

Mr. Deputy Speaker: Order, Mr. Mwenje! Order! Mr. Mwenje, you are warned!

Mr. Mwenje: Mr. Deputy Speaker, Sir, I will not allow anybody to play around with that land!

Mr. Deputy Speaker: Order, Mr. Mwenje!

Mr. Omondi: Mr. Deputy Speaker, Sir, I would like to thank the Assistant Minister for giving a very elaborate answer. I would want to state in this House that Mr. Mwenje is very strongly---

Mr. Deputy Speaker: Order, Mr. Omondi! You will stick to the Question! There is nothing to do with Mr. Mwenje here! Will you ask your question? I will not allow this House to be used to settle scores.

Mr. Omondi: Mr. Deputy Speaker, Sir, the answer that has been given here by the Assistant Minister is very elaborate, except that it has failed short of stating very clearly that it was based on the documentation, figures and data which are very well kept at the lands office. I want the Assistant Minister to state here categorically that this land belongs to Dandora Kiambu Farmers Limited and that it does not belong to Dandora Housing Scheme Limited.

Mr. Deputy Speaker: What is your question?

Mr. Omondi: Mr. Deputy Speaker, Sir, my question is that I would like the Assistant Minister to---

Mr. Deputy Speaker: Order, Mr. Omondi! Do you have a question?

Mr. Omondi: Mr. Deputy Speaker, Sir, could the Assistant Minister state here that this land belongs to Dandora Kiambu Farmers Limited and not anybody else?

Mr. Serut: Mr. Deputy Speaker, Sir, is the Minister aware that, that land was acquired by the Government for purposes of extending the City of Nairobi? It was acquired together with other lands and part of it has already been developed as---

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

Mr. Deputy Speaker: Order! Sit down, Mr. Omondi! You had your time.

Mr. Serut: Mr. Deputy Speaker, Sir, part of that land has already been developed as Umoja Phase II and Kariobangi Housing Scheme.

(Mr. Omondi stood up in his place)

Mr. Deputy Speaker: The question is directed to the Assistant Minister and not to Mr. Omondi!

Mr. Ojode: Mr. Deputy Speaker, Sir, I think I had better give the background before---

Mr. Mwenje: Who has given you this case?

The Assistant Minister for Foreign Affairs (Mr. Wetangula): On a point of order, Mr. Deputy Speaker, Sir. Is Mr. Mwenje in order to menacingly point at Mr. Ojode and say: "*Hii Jaluo inaleta hapa upuzi?*" Is that in order?

Mr. Deputy Speaker: Say that again? Mr. Mwenje, is that correct? Did you say that?

Mr. Mwenje: Mr. Deputy Speaker, Sir, can you look at the HANSARD to find out whether there is anything like that? There is nothing. The Assistant Minister is simply--- I never said it.

Mr. Deputy Speaker: Order! We are hon. Members. This is the Kenya National Assembly. The way you are behaving now certainly leaves much to be desired!

Mr. Ojode: Mr. Deputy Speaker, Sir, I have been on record for having said that land matters are very sensitive, and they must be discussed carefully. I would like to give the background on that particular land, so as to inform those who are not aware. The land in question was originally LR. No.11379/3 which measured approximately 818 acres. It is located in Dandora in Nairobi area. That parcel of land has been the subject of a protracted dispute between Kiambu Dandora Farmers Company Limited and Dandora Housing Scheme since 1972. The land was compulsorily acquired, as Mr. Serut has just mentioned, by the Government in 1974, following a recommendation by the Nairobi Urban Growth Strategy Study, conducted between 1970 and 1972. That study recommended acquisition of land for the expansion of the City.

The acquisition was done under the Land Acquisition Act, Cap.295, and gazetted under Gazette Notice No.840 and 841 of 15th March, 1974. A compensation cheque No. LR/B/175828 for Kshs1,361,6---

Mr. Deputy Speaker: How long are you going to take?

Mr. Ojode: Mr. Deputy Speaker, Sir, let me just give the background. It is not long. A compensation cheque No. LR/B/175828 of Kshs1,316,980 was prepared and issued. Due to the dispute on ownership, the cheque was deposited with the Registrar of the High Court. The land has been subject to a number of court cases as listed here. There is a court case HCC No.1348 of 1972, Dandora Housing Scheme verses Kiambu Dandora Housing. The plaintiffs were suing for ownership. No ruling on that case was ever presented to the Ministry.

Mr. Deputy Speaker, Sir, HCC No.194 of 1974, Dandora Housing Scheme verses the Commissioner of Lands---

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

Mr. Deputy Speaker: No, Mr. Mwenje! Mr. Ojode, how long will you take to go through that?

Mr. Ojode: Mr. Deputy Speaker, Sir, I am just giving the number of court cases.

Mr. Deputy Speaker: How long is it?

Mr. Ojode: Mr. Deputy Speaker, Sir, it is not long. Just give me two minutes. There was another case HCC No.111555 of 1984, Dandora Housing Scheme verses the Attorney-General. The case was also challenging the acquisition of the land. Again, a ruling on that case was never presented to the Ministry. The land was vested in the Government after the compulsory acquisition. After the acquisition, the Government committed the land through the following allocations: Block 107 was allocated to the Nairobi City Council (NCC) in order to develop Umoja Phase II Estate. LR No.12562 was allocated to Civil Servants Housing Estate. The other one was allocated to Kiambu Dandora Farmers Company.

Mr. Mwenje: Mr. Deputy Speaker, Sir, you are favouring this Question because it is an LDP affair! I beg to walk out! If the Chair itself is not listening because of LDP, then you can continue!

Hon. Members: Out! Out!

(Loud consultations)

(Mr. Mwenje withdrew from the Chamber)

(Applause)

Mr. Ojode: Mr. Deputy Speaker, Sir, according to the High Court decree on November, 1999, the original owner of the land was Kiambu Dandora Farmers Company.

Mr. Deputy Speaker: Last question, Mr. Omondi!

Mr. Omondi: Mr. Deputy Speaker, Sir, I am very thankful for the answer given by the Assistant Minister. I want to add that---

Mr. Deputy Speaker: Order, Mr. Omondi! Ask your question! If you do not have it, then sit down!

Mr. Omondi: Thank you, Mr. Deputy Speaker, Sir. I think I am satisfied with the answer!

Mr. Deputy Speaker: Next Question, Mr. A.M. Haji!

Question No.518

RESETTLEMENT OF PEOPLE DISPLACED FROM
MALKAMARI GAME RESERVE

Mr. M.A. Haji asked the Minister for Tourism and Wildlife:-

(a) whether he is aware that Malkamari Game Reserve gazetted in the 1980s has not been developed;

(b) whether he is further aware that many people were displaced from the reserve but were not compensated;

(c) whether he is also aware that people have started encroaching on the area thereby creating tension with the original inhabitants displaced therefrom; and,

(d) what plans he has to develop the reserve, compensate the displaced people and avert the imminent conflict.

The Assistant Minister for Tourism and Wildlife (Mr. Khaniri): Mr. Deputy Speaker, Sir, I beg reply.

(a) Yes, I am aware that no physical development has been undertaken in Malkamari Game Reserve since its gazettment vide Legal Notice No.337 of 1989.

(b) I am not aware that people were displaced from the reserve when it was gazetted. Relevant consultations were carried out with the competent authority as required under the law, and there was no objection. The issue of compensation---

The Assistant Minister, Office of the President (Mr. Shitanda): On a point of order, Mr. Deputy Speaker, Sir.

Mr. Deputy Speaker: What is it?

The Assistant Minister, Office of the President (Mr. Shitanda): There is a near fist-fight between Ms. Mbarire and Mr. Ndile in the House!

Mr. Deputy Speaker: What?

The Assistant Minister, Office of the President (Mr. Shitanda): Mr. Deputy Speaker, Sir, there is a serious exchange between the two hon. Members and we cannot hear anything.

Mr. Munya: Mr. Deputy Speaker, Sir, I am seated next to them and I have not seen it!

Mr. Wanjala: Mr. Deputy Speaker, Sir, this one is cheating!

Mr. Ndile: He is a liar!

An hon. Member: Is that parliamentary?

Mr. Deputy Speaker: Mr. Wanjala, what did you say?

Mr. Wanjala: Mr. Deputy Speaker, Sir, I withdraw and apologise, but Mr. Shitanda is misleading the Chair that there was a near physical fight here. These are hon. Members and they were only consulting loudly.

Mr. Deputy Speaker: Order, Members! Let us get serious with the business of the House now!

Proceed, Mr. Khaniri!

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

Mr. Deputy Speaker: No! Order, Mr. Boit! The Assistant Minister will not be interrupted. Continue, Mr. Khaniri!

The Assistant Minister for Tourism and Wildlife (Mr. Khaniri): Mr. Deputy Speaker, Sir, reports have been made to the Kenya Wildlife Service (KWS) about people encroaching on the National Reserve. The communities are under an obligation to respect boundaries of the gazetted parks as the law stands. If there is encroachment, then this is illegal and I want to assure the House that I will take action if this is happening.

(d) When funds are available and the security situation improves, the Reserve will be developed and inhabitants will economically benefit both directly and indirectly from tourism as well as other community based economic activities arising from the Game Reserve.

Thank you.

Mr. Boit: On a point of order, Mr. Deputy Speaker, Sir. I wish to seek guidance from the Chair. If an hon. Member walks out in disregard of the Chair; protests against the proceedings of this honourable House, insults the Chair and walks out and everything is quiet, what is the position of the Chair?

(Applause)

Mr. Deputy Speaker: Order, Mr. Boit! You have raised a very important matter. I want to assure the House that I will be dealing with this matter of Mr. Mwenje later and the House will know.

(Mr. Omondi stood up in his place)

Listen! What is happening with hon. Members? Mr. Omondi, we have just dealt with your Question and finished with it. Now you are interrupting Mr. M.A. Haji's Question!

Mr. M.A. Haji: Mr. Deputy Speaker, Sir, the Assistant Minister has not given a very satisfactory answer. Where Malkamari Game Reserve is situated is one of the most arable places in that district. It used to be a habitat for a lot of wildlife but as the situation is, that wildlife is not there any more. The land has been encroached on and cultivation has taken place. My problem is that the original owners of this area were forcibly removed by the Government in the pretext that a game reserve would be developed. However, the development has not taken place. This is over ten years and other communities have decided to settle in that place. That is my problem and the question to the Assistant Minister is this: What is he doing to compensate the original owners of that land or remove these people who have settled there and develop this Game Reserve?

Mr. Khaniri: Mr. Deputy Speaker, Sir, I have stated that my Ministry or rather the KWS is not aware of any encroachment on this particular parcel of land. I also said that I am going to

investigate this and if we find out that indeed, people are encroaching on this particular piece of land, we will take the necessary action.

On the issue of compensation, I said that no compensation was ever discussed. We carried out consultations with competent authorities and it was mutually agreed that we establish a game reserve in this particular area; Malkamari.

Mr. Bahari: Mr. Deputy Speaker, Sir, it is not only Malkamari Game Reserve that has been gazetted and nothing is going on there. There are many game reserves in this country, including one in my constituency, which have been gazetted for over 20 years and there is no development going on there in terms of conservation. Could the Assistant Minister direct proper development of those game reserves and ensure that livestock is not kept out of there? This is because that is the only sustainable way to encourage conservation in future.

Mr. Khaniri: Mr. Deputy Speaker, Sir, if the hon. Member cared to listen, I gave the reasons why we have not developed this particular Game Reserve. If he has a question regarding a different one, let him put it forward and we will respond.

Mr. Deputy Speaker: Last question!

Mr. M.A. Haji: Mr. Deputy Speaker, Sir, this slogan of "when funds become available" and the issue of insecurity have been used by successive Governments to deny us development. I ask the Assistant Minister when the last insecurity problem was reported in North Eastern Province. I want to state here that North Eastern Province is---

Mr. Deputy Speaker: Order, Mr. M.A. Haji! Just ask a question!

Mr. M.A. Haji: Mr. Deputy Speaker, Sir, this slogan of "when funds become available" has been used to deny us development. When will funds be available to develop this place?

Mr. Khaniri: Mr. Deputy Speaker, Sir, I want to agree with the hon. Member that we have noted that the security situation is improving. That was one of the reasons why the establishment of this Game Reserve was delayed and we are happy to note that the security situation is improving. I said that as soon as we are given sufficient funds from the Treasury, I do not know when, we will go ahead and develop this particular Game Reserve.

Thank you.

Mr. Deputy Speaker: Next Question, Mr. Osundwa!

Question No.647

INTRODUCTION OF SIGN LANGUAGE ON
LOCAL TELEVISION BROADCASTS

Mr. Osundwa asked the Minister for Information and Communications whether, in view of the increasing number of deaf and dumb people in the country, he could consider introducing sign language on local television broadcasts.

The Assistant Minister for Information and Communications (Mr. Were): Mr. Deputy Speaker, Sir, I want to state that the answer which we had brought earlier is different from what I am going to present now. However, I beg to reply.

For a long time, there has been no law in this country or in our statute books under which I would have compelled local television stations to introduce sign language. The only Act which existed before was the Kenya Broadcasting Corporation (KBC) Act passed in 1998 which did not have this provision. However, in December last year, this House passed the Persons with Disabilities Act which requires that this is done. We are instructing all the television stations to adhere to this requirement.

Thank you.

Mr. Osundwa: Mr. Deputy Speaker, Sir, I want to thank the Assistant Minister for the answer. The answer he had given to me yesterday was at variance. I am happy that he has now gone back to the books and discovered that there is a law in this country compelling him to force television stations to introduce sign language on television broadcasts. I have an interest in this Question because I am hosting 2000 deaf and dumb students in a school called Mumias Secondary School for the Deaf. I am very happy! However, could the Assistant Minister give me a deadline? This is because this House passes legislation and the Government goes to sleep on it. Could he now give me a deadline when all television stations will introduce sign language to benefit the people I am representing?

Mr. Were: Mr. Deputy Speaker, Sir, we have given instructions to television stations to do this and it is my hope that maybe, within three months, it will be done.

Mr. Deputy Speaker: Very well! Next Question, Mr. Mwanacha!

Question No.065

STREET LIGHTS FOR KEROKA TOWN

Mr. Mwanacha asked the Minister for Local Government when he will install street lights in Keroka Town in order to boost security in the Town.

The Assistant Minister for Local Government (Mr. Kamanda): Mr. Deputy Speaker, Sir, I beg to reply.

The Ministry has no immediate plans to install street lights in Keroka Town. However, Keroka Town Council has made provision in their estimates for Kshs3 million towards Keroka Town Council electrification in 2004/2005 Financial Year.

Mr. Mwanacha: Mr. Deputy Speaker, Sir, while I thank the Assistant Minister for the answer, he needs to know that Keroka Town has experienced a lot of fraud from officers who have stolen money from the council. The only deterring action taken against them is transfers. The Assistant Minister is aware of that. Could he tell us how Keroka Town Council which hardly collects enough money for its salaries will be able to provide Kshs3 million for electrification of its streets?

Mr. Kamanda: Mr. Deputy Speaker, Sir, in 2004/2005 Financial Year, the Ministry has provided Kshs6,140,000 through the Local Authorities Transfer Fund (LATF). The Keroka Town Council can use part of it and it has confirmed that through its own resources, it can still fund the street lighting in Keroka Town.

Mr. Angwenyi: Mr. Deputy Speaker, Sir, the Ministry has never been able to manage the Local Authorities Transfer Fund (LATF) money. If I ask him to explain how the amount that was given to Keroka Town Council last year was spent, the Assistant Minister cannot explain. If I ask him whether, for the last ten years, the accounts of Keroka Municipal Council have been audited, he cannot answer. Could the Assistant Minister undertake to authorise Keroka Town Council to use all the LAFT funds it will receive this financial year to provide street lighting?

Mr. Kamanda: Mr. Deputy Speaker, Sir, it is the responsibility of the local councils and leaders in those particular areas to work hand-in-hand. The Ministry disburses the LATF money as we receive it from the Ministry of Finance. However, we are very soon going to amend the laws on the disbursement of LAFT money, so that it can go directly to the leaders instead of going to local authorities, so that the leaders can have a hand in it.

(Applause)

Mr. Owino: Mr. Deputy Speaker, Sir, the Minister may not have an immediate plan for Keroka Town, but this is a problem in most of our towns. Does he have any programme to install street lighting in some of the towns in Kenya?

Mr. Kamanda: Mr. Deputy Speaker, Sir, town councils are corporate bodies. We only chip in to advise them. In case the hon. Member has a problem with the officers managing the town council, we can assist him.

Capt. Nakitare: Mr. Deputy Speaker, Sir, is the Assistant Minister in order to tell this House that the Ministry of Local Government has no direct responsibility over town councils? Kitale Municipal Council has the worst street lighting programme. There is no electricity in Matisi, Kipsongo, and even in Kitale Town. The town is densely populated. What plans does he have to provide electricity to this town, alongside Keroka Town?

Mr. Kamanda: Mr. Deputy Speaker, Sir, this is the first time I have heard that Kitale Town has no street light. We are going to work with the officers on the ground. We will advise them to ensure that there are street lights in Kitale Town.

Mr. Mwanicha: Mr. Deputy Speaker, Sir, some of the projects started by municipal councils are cash cows. There is a project in Keroka Town, where 50 per cent of the contract sum has been paid although only 15 per cent of the work has been done. What is the Assistant Minister going to do to ensure that this time round, the funds are utilised properly?

Mr. Kamanda: Mr. Deputy Speaker, Sir, I am not aware of that project, but I will look into it.

QUESTIONS BY PRIVATE NOTICE
CONTRACT FOR CONSTRUCTION/EQUIPMENT
OF POLICE FORENSIC LABORATORY

(Mr. Kajwang) to ask the Minister of State, Office of the President:-

(a) Could the Minister explain the circumstances under which the Government entered into a contract with third parties for the construction and equipment of the Forensic Laboratory for the Police?

(b) How much money was involved and how were the suppliers and contractors identified?

(c) Could the Minister table the contract and correspondence in respect of the contract and give reasons why the contract was cancelled?

Mr. Deputy Speaker: Is Mr. Kajwang not here? His Question is dropped.

(Question dropped)

Next Question, Mr. Muiruri! Mr. Muiruri was here a while ago.

ARREST/PROSECUTION OF
MR. JAMES MUIRURI

(Mr. Muiruri) to ask the Minister of State, Office of the President:-

(a) Is the Minister aware that Mr. James Karanja Muiruri was on 14th March, 2004, arrested and detained in Makindu Police Station until 5th April, 2004, without being

charged?

(b) If the answer to (a) is in the affirmative, under what circumstances was the said person arraigned in court, charged with indecent assault and now in remand prison having spent a further 23 days in police cells?

(c) What action does the Minister intend to take against the officers involved in the illegal arrest, detention and malicious prosecution of the said James Muiruri?

Mr. Deputy Speaker: The Question is dropped!

(Question dropped)

Next Question, Mr. Ngoyoni!

ADMISSION OF MARSABIT APPLICANTS
IN MEDICAL COLLEGES

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

(a) How many applicants from Marsabit District were admitted to the various medical training colleges in the country in the year 2004?

(b) Could the Minister justify the imbalance in view of the fact that the admissions favoured some districts over others?

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

(a) Six applicants from Marsabit District were selected for admission to the Kenya Medical Training College (KMTCs) during the 2004/2005 academic year. These are to be distributed to the KMTC's various campuses countrywide.

(b) The selection of candidates who had applied for various courses in the KMTC was based purely on academic qualifications. Every district was allotted chances depending on the vacancies apportioned per district. Marsabit District was, therefore, allotted the maximum number of chances apportioned per district. However, it was realised that the number of applicants received from Marsabit District was small. No applicants were received at all for certain courses.

Mr. Ngoyoni: Mr. Deputy Speaker, Sir, for record purposes, the applicants who were selected from Marsabit District were not six but four. Secondly, could the Assistant Minister tell the House how many chances were given to each district? While responding to a similar Question by the Member for Tharaka yesterday, he said that each district was allotted 15 training chances. You can see the kind of disadvantage we have been subjected to. Could he tell the House the number of training chances allotted to each district and what he is going to do to Mr. Marsabit District, which is disadvantaged?

Mr. Konchella: Mr. Deputy Speaker, Sir, I said that six chances were given to Marsabit District based on the applications received and the academic qualifications of the applicants. I would like to advise the hon. Member to inform his constituents to apply for the 14 courses that are offered by the KMTC. If they apply for only a few courses, they cannot be considered for the courses they have not applied, because they may opt not to take up the chances.

Mr. Ngoyoni: Mr. Deputy Speaker, Sir, in view of the fact that Marsabit District is among the marginalised districts of this country, could the Assistant Minister consider lowering the entry grades for applicants from those areas to the KMTC?

Mr. Konchella: Mr. Deputy Speaker, Sir, the current policy of the Ministry is to select

candidates on competitive basis. However, we will consider special cases, particularly those of candidates with special needs and orphans, if such cases are brought to the attention of the Ministry.

Mr. Muiruri: On a point of order, Mr. Deputy Speaker, Sir. I had just gone out for two minutes, and I even greeted you. Would you, please, allow me to ask my Question?

Mr. Deputy Speaker: Mr. Muiruri, I can rescind my decision in view of your explanation. Can you ask the Question now?

ARREST/PROSECUTION OF
MR. JAMES MUIRURI

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

(a) Is the Minister aware that Mr. James Karanja Muiruri was on 14th March, 2004, arrested and detained in Makindu Police Station until 5th April, 2004, without being charged?

(b) If the answer to (a) is in the affirmative, under what circumstances was the said person arraigned in court, charged with indecent assault and now in remand prison having spent a further 23 days in police cells?

(c) What action does the Minister intend to take against the officers involved in the illegal arrest, detention and malicious prosecution of the said James Muiruri?

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

(a) I am aware that Mr. James Muiruri was arrested on 14th March, 2004 in Nakuru, and later transferred to Makindu Police Station, where he was arraigned before court on 2nd April, 2004.

(b) The said person was reported at Nakuru Central Police Station to have had carnal knowledge of a complainant without her consent at Makindu Town on the night of 13th March, 2004. He was, therefore, charged with the offence of indecent assault, contrary to Section 155(1) of the Penal Code. The case was withdrawn on 26th April, 2004, under Section 87(A) of the Criminal Procedure Code to allow further investigations and the suspect was released. He is not, therefore, in remand prison as alleged.

(c) Miss. Sofia Chaka Nyae reported a complaint against the suspect at the police station, and the police officers acted within the law in effecting the arrest. However, disciplinary action has been taken against the police officer who failed to arraign the suspect before court within reasonable time following his arrest.

Mr. Muiruri: Mr. Deputy Speaker, Sir, this man is not related to me although he shares a name with me, but he comes from my constituency. He is a truck driver. Contrary to the Assistant Minister's answer to part (a) of the Question, Mr. Muiruri was arraigned in court on 21st April, 2004, and not on 2nd April, 2004. He was arrested on 17th March, 2004, spent 38 days in police cells and a further seven days in remand at Machakos Prison. The said lady was his girlfriend. He was arrested with her in Nakuru. This matter is beyond the Assistant Minister's answer. It is a matter of human rights and torture. By the time he came out of remand prison, after the *nolle prosequi* was entered, he was already very sickly. What action has the Assistant Minister taken against the Officer Commanding Police Division (OCPD) and the officer in charge of Makindu Police Station, and---

Mr. Deputy Speaker: Order! Mr. Muiruri, you have asked your question. Let the Assistant Minister answer.

Mr. Mungatana: Mr. Deputy Speaker, Sir, first of all, the offence was committed within the jurisdiction of Makindu Police Station in Sultan Hamud. The arrest was effected in Nakuru

within the jurisdiction of a different police station. In the process of moving the accused person from Nakuru to Makindu Police Station to be charged in court, some time elapsed. So, the connectivity there can be explained. However, there was a definite delay in taking the accused person to court from Makindu Police Station, of seven days, as the hon. Member has noted. As I have stated, we have taken disciplinary action against the officers involved.

Mr. Chepkitony: Mr. Deputy Speaker, Sir, people in police cells are always subjected to torture, inhuman treatment and kept in intolerable conditions. Could the Government ensure that people in police cells are kept under hygienic conditions? It is known that police officers pour water in the cells to subject the suspects to inhuman conditions. What action will the Assistant Minister take to stop this behaviour?

Mr. Mungatana: Mr. Deputy Speaker, Sir, I admit that the conditions under which many accused persons are kept in police cells are not probably what we would expect as a Government. We have some financial constraints, but we are addressing the issue and we hope that the situation will, eventually, improve to a more humane standard.

Mr. Manoti: Mr. Deputy Speaker, Sir, we all know that most innocent Kenyans are put in police cells and finally, they do not get anything from there. In most cases, police cells are so congested to an extent that many people die inside there. For example, in Gucha Police Station, two people died in the police cells because it is so small and yet they put so many people in there. Could the Assistant Minister undertake to expand police cells, which are so small? Otherwise, he should instruct his police officers to give free bonds to the accused persons, if the police cells cannot accommodate them.

Mr. Mungatana: Mr. Deputy Speaker, Sir, I have taken note of the hon. Member's request as far as Gucha Police Station is concerned. We shall look into that in future budgetary allocations.

Mr. Muiruri: Mr. Deputy Speaker, Sir, I would like the Assistant Minister to look into this matter more seriously. Even in murder cases, suspects are detained in police custody for only 14 days. In this particular case, this man was in police custody for 38 days. What action has the Assistant Minister taken against the Officer Commanding Station (OCS), Makindu Police Station? The allegedly assaulted lady was this man's girlfriend. There was no rape or forced carnal knowledge. She was his girlfriend. It seems she was also a girlfriend to the OCPD. It appears there was a collision of love affairs between the two of them.

Hon. Members: Shame!

Mr. Deputy Speaker: Order! Mr. Muiruri, you should not behave like that! Have you asked a question now?

Mr. Mungatana: Mr. Deputy Speaker, Sir, the information I have is that there was an offence of carnal knowledge against the will of the complainant. She recorded a statement in Nakuru Police Station. It is upon that, that we have moved to investigate. We will be willing to consider all this other information that the hon. Member is giving us. Under Section 87(a) of the Penal Code, once more evidence is adduced, then action will be taken.

Mr. Deputy Speaker: Next Question, Mr. Mwanzia!

PAYMENT OF TEACHERS'
MEDICAL ALLOWANCES

Mr. Mwanzia: Mr. Deputy Speaker, Sir, I have not received a written answer to my Question.

However, I beg to ask the Minister for Education, Science and Education the following Question by Private Notice.

In view of the threatened strike by teachers, could the Minister confirm, as a matter of urgency, that teachers would be paid their medical allowances at the end of this month without fail?

The Assistant Minister of Education, Science and Technology (Mrs. Mugo): Mr. Deputy Speaker, Sir, I apologise to the hon. Member, if has not received the written answer.

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

I wish to confirm that the teachers' medical allowances have been paid together with their July, 2004, salaries, which is in accordance with the second phase of the negotiated teachers' salary award.

Mr. Mwanzia: Mr. Deputy Speaker, Sir, if it is confirmed that this has been paid, then I wish to thank the Assistant Minister.

Mr. Kagwima: Mr. Deputy Speaker, Sir, I want to join Mr. Mwanzia in thanking the Assistant Minister. However, when will the next phase of the negotiated teachers' salary increment be implemented? The Ministry has done a good thing by paying the teachers' medical allowances, but there is another phase remaining.

Mrs. Mugo: Mr. Deputy Speaker, Sir, this is part of the negotiations that I said are going on. We are working on all these and we hope to implement the next phase of the salary increment as soon as possible.

BREAKDOWN OF KPA EMPLOYEES

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

(a) Could the Minister table a list showing the number of people employed by the Kenya Ports Authority since January, 2003, both on contract and on permanent and pensionable terms?

(b) Could he also inform the House the names of the employees sent overseas for further studies on KPA scholarships under the period in question?

(c) Could he further inform the House the regional representation of all those persons employed by the Authority?

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

(a) I table before this august House two lists as follows:-

(i) List A contains the names of 54 members of staff who were employed on permanent and pensionable terms by the Kenya Ports Authority (KPA) during the period from January, 2003, to 31st July, 2004.

(ii) List B contains the names of 255 members of staff who were employed by the Authority on contractual terms during the same period. In both instances, the names, dates of employment, position, district and nationality of the members of staff are indicated.

(b) I table before this august House another list marked C, indicating the names, designation, grade, course attended, duration and country where the course was undertaken for employees sent overseas for further studies on the KPA scholarships from January, 2003, to 31st July, 2004.

In 2003, 57 members of staff received overseas training in a wide range of courses. This year, 28 members of staff have received overseas training.

(c) The regional representation of the staff employed during the same period in question is as follows:-

Permanent Staff

<u>Province</u>	<u>Number of Staff</u>
Rift Valley	3
Nyanza	9
Western	2
Central	5
Coast	33
Eastern	2
Nairobi	0
North Eastern	0
<u>Total</u>	<u>54</u>

The number of staff employed on contract basis is as follows:-

<u>Province</u>	<u>Number of Staff</u>
Rift Valley	20
Nyanza	35
Western	49
Central	19
Coast	110
Eastern	18
Nairobi	4
North Eastern	0
<u>Total</u>	<u>255</u>

*(Mr. Ligale laid the documents
on the Table)*

Mr. Shakombo: Thank you, Mr. Deputy Speaker, Sir. I doubt the sincerity of that list which the Assistant Minister has just laid on the Table. For instance, in the last two months, it was only people who were sent by Ministers to the Kenya Ports Authority (KPA) who have been employed. Those people are over 33. For example, the Minister for Transport sent four people; Mrs. Kilimo - six; Vice-President and Minister for Home Affairs - six; Mr.

[Mr. Shakombo]

Kamanda - five; Mr. Ligale - three; Mr. Akaranga - three; Mr. Mwiraria - three and Dr. Murungaru sent two people. I wish to lay on the Table this list, so that the Assistant Minister can go and check his records.

(Applause)

(Mr. Shakombo laid the list on the Table)

Mr. Deputy Speaker: Order, Mr. Shakombo! I need to look at that list first!

Mr. Shakombo: Mr. Deputy Speaker, Sir, is it fair for the people of Coast Province not to be employed at the KPA, which is like a milking cow to them? It is only the children and relatives of prominent people who are employed by the KPA. Is that fair?

(Applause)

Mr. Ligale: Mr. Deputy Speaker, Sir, I have not seen that list which has my name and has been laid on the Table by the hon. Member. I have not sent any single person to the KPA, in any period, to be employed by the organisation. That list must be fake. The number of staff I have read out here shows by a very wide margin, that the largest number of people at the KPA are from Coast Province.

Mr. Deputy Speaker: Order, hon. Members! The document which Mr. Shakombo has laid on the Table is a photocopy and is unsigned. It is not authentic whatsoever. Therefore, it is rejected! Mr. Shakombo, what is the source of this document in which you have mentioned names, including the Assistant Minister's name? This document is not authentic! What is your position?

Mr. Shakombo: Mr. Deputy Speaker, Sir, my position is that I can get the original document which is signed. I believe in that document because those people have been employed by the KPA.

Mr. Deputy Speaker: Order! The House cannot be treated to documents which are not authentic. Therefore, this document is rejected!

Mr. Angwenyi: On a point of order, Mr. Deputy Speaker, Sir. About two weeks ago, I raised a point of order with regard to leaflets. This Parliament is becoming the gutter Press in this country. People come up with leaflets casting aspersions over Members of Parliament and Ministers. The Chair must come up with sanctions against people who peddle leaflets in this Parliament; otherwise, it will become the gutter circulation for leaflets.

Mr. Deputy Speaker: Order, Mr. Angwenyi! You are quite right, in the sense that you cannot just go anywhere, collect documents, come and lay them on the Table of the House and at the same time implicate hon. Members in matters which you have no proof on. Therefore, this is a very serious matter. Mr. Shakombo, you know the rules of the House. You cannot just come to the House, lay papers on the Table which you collected from wherever and implicate hon. Members in matters like this. So, I ask you to withdraw what you have just said and apologise to the House.

Mr. Shakombo: Mr. Deputy Speaker, Sir, I still believe that, that is the true position at the KPA. We can even bring those human beings if need be.

(Laughter)

Mr. Deputy Speaker: Mr. Shakombo, if you do not withdraw your allegations since they are not backed by any authentic documents, I have no alternative but to declare you disorderly. Therefore, I will give you another chance to withdraw your remarks and apologise to the House.

Mr. Shakombo: Mr. Deputy Speaker, Sir, for the time being, I apologise. **Mr. Deputy Speaker:** Order, Mr. Shakombo!

(The Vice-President and Minister for Home Affairs was applauded as he entered the Chamber)

Order, Mr. Vice-President and Minister for Home Affairs! Mr. Shakombo, will you withdraw your remarks unconditionally and apologise to the House? Will you do that?

Mr. Shakombo: Mr. Deputy Speaker, Sir, I apologise.

Mr. Deputy Speaker: Mr. Shakombo, withdraw and apologise!

Mr. Shakombo: Mr. Deputy Speaker, Sir, I withdraw and apologise.

Mr. Kingi: Mr. Deputy Speaker, Sir, the Assistant Minister has said that 33 people from Coast Province were employed on permanent terms. He has also said that 110 others were employed on contract basis. Could he confirm whether those are indigenous Coastal people or they are people who have just settled there?

Mr. Ligale: Mr. Deputy Speaker, Sir, I have laid the list on the Table. It is up to the hon. Members to come and confirm whether those people are indigenous people from Coast Province or they have settled there. The list is available.

Mr. Twaha: Thank you, Mr. Deputy Speaker, Sir. In all fairness, how many coastal people are employed in the Kenya Sugar Authority (KSA), Kenya Tea Development Agency (KTDA) and Coffee Board of Kenya (CBK) and the Kenya Sugar Research facility in Coast Province? Those organisations are run by people from Nyanza and Western Provinces and not the Coastal people.

Mr. Deputy Speaker: Look at the Order Paper, Mr. Twaha! The Question which the Minister for Transport has been asked concerns the KPA. Now, you want the Assistant Minister to talk about the KSA? In the first place, he is not in charge of the KSA. Mr. Shakombo, ask your last question!

Mr. Twaha: Mr. Deputy Speaker, Sir---

Mr. Deputy Speaker: Order, Mr. Twaha! Mr. Shakombo, ask your last question!

Mr. Shakombo: Mr. Deputy Speaker, Sir, I will give the chance to---

Mr. Deputy Speaker: Order! That is not in order!

Hon. Members: No!

Mr. Deputy Speaker: Hon. Members, it is the Chair which decides who asks a question! Let us move on to the next Question by Mr. Koros!

NON-PAYMENT OF FARMERS BY KCC

Mr. Koros: Mr. Deputy Speaker, Sir, I beg to ask the Minister for Co-operative Development and Marketing the following Question by Private Notice.

(a) Is the Minister aware that farmers who delivered their milk to the Kenya Co-operative Creameries (KCC) have not been paid for the last three months?

(b) When will the farmers be paid?

Mr. Deputy Speaker: Is anyone here from the Ministry of Co-operative Development and Marketing? There is nobody here from that Ministry. I will defer this Question until tomorrow afternoon. Mr. Koros, I have no alternative other than deferring your Question until tomorrow afternoon, since nobody is here from the Ministry of Co-operative Development and Marketing.

(Question deferred)

Let us move on to the next Question by Dr. Ojiambo!

CROCODILE MENACE IN FUNYULA DIVISION

Dr. Ojiambo: Mr. Deputy Speaker, Sir, I beg to ask the Minister for Tourism and Wildlife

the following Question by Private Notice.

(a) Is the Minister aware that the headgirl of Sigalame Primary School in Funyula Division and two head of cattle were eaten by a killer crocodile at Khuluchi Owa Dieri on River Sio on 4th July, 2004?

(b) What urgent measures is the Minister taking to address this problem?

(c) When will the Minister compensate the parents of the deceased and the owners of the cattle for their loss?

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

(a) I am aware that the headgirl of Sigalame Primary School in Funyula Division and two head of cattle were eaten by a killer crocodile in Khuluchi Owa Dieri on River Sio on 4th July, 2004.

(b) It is the mandate of the Kenya Wildlife Service (KWS) to protect people and their property from wildlife. In realisation of this, the KWS has intensified patrols in the conflict areas. Efforts have been made to create awareness among the local community on animal behaviour in order to reduce such incidents.

(c) The victim will be compensated as soon as compensation forms are filled and brought to my Ministry to be processed for payment. I have instructed the warden on the ground to trace the family and assist them to have the forms filled and necessary steps followed to ensure they reach those concerned for endorsement.

Dr. Ojiambo: Mr. Deputy Speaker, Sir, I would like to thank the Assistant Minister for that answer. However, I would like to ask him to state, definitely, what measures he will institute to bar this crocodile from reaching the people who come to fetch water. The Ministry has done a lot to protect other communities from the wildlife. Could he do the same? He should also tell this House exactly whether he will build a barrier there to stop these animals from crossing over and disturbing the residents. Secondly, could he also state exactly---

Deputy Speaker: Dr. Ojiambo, that is enough for now!

Mr. Khaniri: Mr. Deputy Speaker, Sir, as I stated earlier, the KWS has intensified patrols in the conflict areas. As to the hon. Member's request for building a barrier, we will look into that.

Dr. Khalwale: Mr. Deputy Speaker, Sir, to the best of our knowledge, there are no serious tourist activities that take place along River Sio. Could the Assistant Minister tell this House what economic value crocodiles in River Sio have to the local community and the nation? If there is none, would he eradicate all of them?

Mr. Khaniri: Mr. Deputy Speaker, Sir, that is the hon. Member's personal opinion. As far as my Ministry is concerned, there is tourist activity. We have just recently opened the Western Circuit. I am sure tourist activities will increase around that area.

Prof. Oniang'o: Mr. Deputy Speaker, Sir, traditionally, when a wild animal takes human life it is looked for and killed. I am just wondering whether there is such a policy in KWS and whether this crocodile, in fact, has already been killed.

Mr. Khaniri: Mr. Deputy Speaker, Sir, that is true. That is exactly what we instructed them to do.

Mr. Deputy Speaker: But, Mr. Khaniri, if there are many crocodiles in that place and they have not killed that particular one, how will they identify it?

(Laughter)

Mr. Khaniri: Mr. Deputy Speaker, Sir, I am not very sure about that, but our wardens are well-trained to do so.

Dr. Ojiambo: Mr. Deputy Speaker, Sir, as the Chair said, it is not one crocodile that is in that water causing this damage. There are more than one lives that have been already consumed by those crocodiles. It is good to know whether those crocodiles can be gotten rid of. Secondly, could the Assistant Minister tell this House what is in that package of compensation that this family can expect now that they have lost their only hope for future economic support?

Mr. Khaniri: Mr. Deputy Speaker, Sir, my answer to the first question as to whether we can get rid of the crocodiles, is "no". We will try to protect human life from these crocodiles. Secondly, as to the compensation, the rates of compensation for human life are stipulated in the Wildlife Conservation and Management Act of 1989. The maximum compensation for loss of human life is Kshs30,000 as per this Act. I know that is very little, but no money is enough to compensate human life. We are in the process of reviewing this Act to improve on these figures.

Mr. Deputy Speaker: Hon. Members, that is the end of Question Time! Next is a Ministerial Statement---

Mr. Kajwang: On a point of order, Mr. Deputy Speaker, Sir. I do not want to interfere with your ruling, but I was late. What happened to my Question by Private Notice?

Mr. Deputy Speaker: It was dropped because you were not there!

Mr. Kajwang: Mr. Deputy Speaker, Sir, could I seek your indulgence to reinstate it and put it forward?

Mr. Deputy Speaker: Order! If you wish to do that, you see the Chair in its Chamber.

Mr. Kajwang: Thank you, Mr. Deputy Speaker, Sir.

Mr. Deputy Speaker: Now, there is a Ministerial Statement.
Proceed, Madam Minister!

MINISTERIAL STATEMENT

EVICITION OF KIOSK OPERATORS FROM KNH LAND

The Minister for Health (Mrs. Ngilu): Mr. Deputy Speaker, Sir, I wish to issue a Ministerial Statement which was requested by Mr. Angwenyi on the situation in Kenyatta National Hospital (KNH) in the area of Masandukuni. The following is the sequence of events leading to Masandukuni evictions.

On 29th December, 2003, and pursuant to a High Court ruling by Justice Aluoch dated 6th November, 2003, the KNH management, acting in conformity with the letter and the spirit of that ruling, gave the Masandukuni kiosk operators a three-month notice to vacate the hospital land by 31st March, 2004. Upon the receipt of this notice, the kiosk owners moved to court on 23rd March, 2004, under the certificate of urgency, seeking orders to quash the hospital's notice. The hospital defended itself in the matter and challenged the legality of the stay orders granted earlier citing, among other things, the kiosk operators' lack of right in instituting the judicial proceedings against a hospital. Due to the court's lack of jurisdiction to adjudicate the matter and the applicants abuse of the court process, the matter was duly heard and determined by Acting Judge, Justice Isaac Lenaola, who in his well-reasoned ruling dated 6th July, 2004 gave judgement in favour of the hospital, while on the other hand, dismissing the operators' application in total and nullifying the proceedings thereafter.

This paved the way for KNH to effect its notice to the kiosk operators to vacate the hospital's land by 31st March, 2004. As at 20th July, 2004, when the hospital moved to reclaim its rightful property, the operators had seven months adequate notice within which to comply and

relocate their businesses. It is worthy to note that the hospital had been ordered by the National Environment Management Authority (NEMA) to restore the environment around Masandukuni area. The Nairobi City Council had also ordered the hospital to demolish any illegal structures within its premises. The hospital had, therefore, to obey these notices. Otherwise, it would have been prosecuted under the Public Health Act and the Environment Management and Co-ordination Act, 1999, which Acts, provide very strict sanctions against defaulters. Moreover, it is the statutory duty of the hospital board and the mandate granted under the State Corporations Act to protect the public land from grabbers. To this end, the hospital has acquired title deeds to all its lands.

Thank you.

Mr. Deputy Speaker: I will give a chance to Mr. Angwenyi and Mr. Serut. Then the Minister will respond to both questions!

Mr. Angwenyi: Mr. Deputy Speaker, Sir, the issues at Kenyatta National Hospital (KNH) affects seven Ministries. The first one concerns the Ministry of Health and the Minister has responded. The second one concerns the Ministry of Lands and Housing. It is about the policy on land ownership by Government institutions. The third one concerns the Office of the President, Department of Internal Security. It is with regard to the goons who were mobilised by a Government Minister to bring down a fence belonging to a Government institution. The fourth one concerns the Ministry of Education, Science and Technology. It is about businessmen and businesswomen selling illicit drinks to children in nearby schools. The fifth one concerns the Attorney-General who never implements decisions to protect Government institutions. The sixth one concerns the Ministry of Education, Science and Technology where an Assistant Minister led a group of people to grab land belonging to a Government institution.

Mr. Deputy Speaker, Sir, therefore, maybe---

Mr. Deputy Speaker: What is your question, Mr. Angwenyi?

Mr. Angwenyi: Mr. Deputy Speaker, Sir, my question is this: Have Government policies on collective responsibility, protection of Government assets, peace and protection of our people been thrown out of the window by this Government?

Mr. Deputy Speaker: Last question, Mr. Serut! Then the Minister will respond to the two questions!

Mr. Serut: Mr. Deputy Speaker, Sir, I would like to seek some clarification on the current position as regards the occupation of that particular piece of land, in view of the fact that, a Government Minister led some squatters to rebuild their structures! Have they settled there? What is the Minister going to do?

Secondly, it is the issue of title deeds to all Government district hospitals and health facilities. What is the Minister doing to ensure that all medical institutions have acquired title deeds, so that they are not invaded by strangers as was the case at KNH?

Mr. Deputy Speaker: Madam Minister, you may respond to the two questions!

The Minister for Health (Mrs. Ngilu): Mr. Deputy Speaker, Sir, the reason why KNH took that action was because of all the reasons that Mr. Angwenyi has given. First of all, it was quite insecure for all the workers within the hospital compound and patients. In actual fact, it had become a terrible sight! Patients were leaving the wards and going to Masandukuni area to eat *nyama choma* and drink alcohol! Others were even smoking bhang in that area. School-going children, whose parents work at KNH, had also started doing similar things. That was reported to the Board of KNH and action had to be taken.

Mr. Deputy Speaker, Sir, on the occupation and ownership of the land, it now belongs to KNH and a title deed has been issued. It did not belong to Masandukuni people. In fact, Masandukuni started way back in 1970s as small *kiosks* which only sold milk and sugar to the

employees of KNH. But, later it became a big den; selling all sorts of things including *nyama*, alcohol and others. The worst that happened before we got those people out was when we had cases of people being killed and women raped. So, it had become a total menace for those living in the area.

On the ownership of other hospital lands, I agree that it is important to secure all of them, by ensuring that they have title deeds. We are in the process of doing that to ensure that grabbers would not encroach on our land.

Mr. Angwenyi: On a point of order, Mr. Deputy Speaker, Sir. Is the Minister in order to answer Mr. Serut's question half-way? Have the grabbers vacated the land which they were given by the Minister of State, Office of the President in charge of Special Programmes? Does special programmes include grabbing land?

Mr. Deputy Speaker: Madam Minister, Mr. Serut is asking: What is the current status of the land, in view of the recent events?

The Minister for Health (Mrs. Ngilu): Mr. Deputy Speaker, Sir, they have now vacated the piece of land and moved to another place. KNH has secured the piece of land.

Mr. Deputy Speaker: Next Order!

Mr. Mbau: On a point of order, Mr. Deputy Speaker, Sir. I wish to thank the Minister for Health for that Statement. But when Mr. Angwenyi sought that Ministerial Statement from her, I also did the same from the Ministry of Energy. The Minister for Health has brought hers while I have not received any from the Minister for Energy! This House is about to go on recess!

Mr. Deputy Speaker: Order, Mr. Mbau! What are you complaining about?

Mr. Mbau: Mr. Deputy Speaker, Sir, I want the Minister for Energy to issue a Ministerial Statement in this House, so that I can relax!

Mr. Deputy Speaker: Mr. Mbau, you are asking why you have not received a Statement from the Minister for Energy. Is that the issue?

Mr. Mbau: You are correct, Mr. Deputy Speaker, Sir.

Mr. Deputy Speaker: Very well! The Chair requests the Minister for Agriculture to brief the Minister for Energy that, that Statement is required urgently!

Next Order!

MOTION

INCREASED INVESTMENT IN LOCAL SUGAR FACTORIES

THAT, in view of the fact that the local sugar industry is under constant threat of collapse due to the importation of cheap sugar, and in view of the Government's stated objective of alleviating poverty levels by increased job opportunities; this House urges the Government to increase investment in the local sugar factories in order to broaden the range of products obtainable from the cane plant and improve their efficiencies and, hence, enable locally-produced sugar compete favourably with imported sugar.

(Mr. Mwanicha on 28.7.2004)

(Resumption of Debate interrupted)

on 28.7.2004)

Mr. Deputy Speaker: Mr. Mwancha, you were on the Floor. You have 16 minutes to your credit.

Mr. Mwancha: Thank you, Mr. Deputy Speaker, Sir. The protection that the Government has given the industry will only last for the next three years. After that, our borders will be opened for cheap sugar to come in. We will have no way of preventing cheap imported sugar to come into this country. The question we need to ask ourselves is: Where does the cheap sugar come from? What do they do in those countries, so that their sugar is cheap? As a matter of fact, Kenyan sugar is supposed to be the cheapest in the world. Why? We have cheap labour in this country. Our sugar-cane grows from rainfall and our temperatures are fairly high. That means our sugar-cane matures within a reasonable period of time - about 20 months.

Mr. Deputy Speaker, Sir, despite that, and because of inefficiencies in sugar production, we still have cheap sugar coming from elsewhere. There are well over ten to 15 products that can come out of the sugar-cane plant. Unfortunately, in Kenya, we only produce sugar as the main product. In many countries, sugar is only a by-product. To list but a few, in Brazil, for example, gasoline, out of the alcohol made from sugar, is the main product that comes from the sugar-cane plant. Sugar is only a by-product. The bagasse from sugar-cane is used to generate steam which is directed to run turbines to produce power. In Sao Paulo, Brazil, the steam generated from sugar-cane is used to run turbines which produce all the power that is used within that State and other surrounding cities. From sugar-cane, we can get rum, fibre boards for making cabinets, paper of very high quality, yeast, methylated spirit, industrial spirit, xylitol sugar which is very popular with diabetic patients, molasses and many other products.

Mr. Deputy Speaker, Sir, the purpose of this Motion is to urge the Government to mobilise resources so that, from now henceforth, the sugar industry in this country, which benefits over six million people, is not threatened with being wiped out by cheap sugar imports from other countries. In Iran, the pulp from the cane, which forms about 32 per cent of the cane plant, is used to make high quality paper. In India, all office furniture and school desks are made out of fibre board that comes out of the cane plant. In Jamaica, Cuba and Puerto Rico which are pretty much developing countries like Kenya, sugar is just a by-product. Their main product is rum which is exported world wide. That is the direction we need to take so that we do not keep on barring sugar that comes to this country from outside. There is no way, we hon. Members can say that we do not want cheap sugar to come into the country. Everybody wants cheap sugar. Personally, I would want cheap sugar as long as it is quality sugar.

[Mr. Deputy Speaker left the Chair]

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

Mr. Temporary Deputy Speaker, Sir, unless we do something to improve the products that come out of the sugar-cane plant, our sugar industry which takes care of about 6 million Kenyans, will be wiped out. I had an occasion to work in the sugar industry. The inefficiencies in the sugar factories are very high. For your information, efficiency in the sugar factories means increasing the amount of sugar generated from a litre of juice. The situation in our sugar factories is that the machines used right from the stage where the sugar-cane is prepared to go to the mills to the extraction of the sugar-cane juice and to the centrifugal chambers where the sugar is crystallized, are

highly inefficient. Most of the juice is released into the bagasse which contains a lot of lost sugar. Other sugar contents are left to flow into the sewage. Because of that, our sugar extraction is very low and that is why all the time we complain that the sugar-cane farmers are not being paid their dues. Unless the Government ensures that there is efficiency in the sugar factories, it will continue to incur debts owed to the farmers. There is over Kshs10 billion that the Government owes farmers today. The Government can pay the farmers that money in a short while, but if it does not increase investments in this industry, it shall go back in the same indebtedness and go round in circles. I, therefore, urge the House to support this Motion. It is not a Motion from hon. Members from the sugarbelt areas, rather it is about sugar that we need in our tea in the morning. It is about revamping our sugar factories for the sake of our country's economy.

Mr. Temporary Deputy Speaker, Sir, with those remarks, I beg to move the Motion and request Prof. Olweny to second it.

Prof. Olweny: Mr. Temporary Deputy Speaker, Sir, I rise to second this Motion. The importance of the sugar industry in this country, with regard to employment creation and revenue generation, is a fact that is well-known. It is an industry that supports about 10 million people in this country - the workers, the farmers who grow sugar-cane and associated industries, the people who do business around and within the sugar-cane growing areas and the milling plants. All these people benefit from the sugar cane industry in one way or another. The Government gets a lot of revenue from this industry through taxation.

As hon. Mwanicha stated, this is an industry which has got a lot of potential for diversification and yet we have ignored that in this part of the world. The sugar industry, it is documented and well known, is diversified. Countries like Brazil, Cuba, India, some European countries and Australia, obtain sugar as one of the by-products. In Cuba, sugar is simply a by-product and not a main product. That is why those countries I have mentioned are a threat to us. The other products that are produced in this industry are used to support the production of sugar which to us is an expensive affair. As has been indicated, it is a well-known fact that there are several by-products that we can get from the sugar industry. We know of the brown sugar that is produced in this country. In fact, it is the only product known to Kenyans that come from the sugar industry. There is white sugar which we so often import into this country yet refined sugar used to be produced at the Miwani Sugar Company before it collapsed. So, already, to an extent, in this country, the sugar industry has been diversified although it has not been given the support to strongly and effectively diversify.

Mr. Temporary Deputy Speaker, Sir, with regard to fertiliser, there is the filtered mud which is produced by the millers and it is one of the best fertiliser you can ever have. Today, it is not even sold by the millers. It is instead dumped while farmers can get it for free. The millers can also sell it for money. Molasses has been known to have great potential for many by-products including gasohol. Sometime back, this country used to produce gasohol which was used in the fuelling of vehicles. This practice stopped as a result of sabotage. The gasohol used to be produced locally because agrochemical companies produced alcohol which was blended with petrol to produce the gasohol. Bagasse has potential for charcoal. Today, in Chemilil, that is being done. Next to Chemilil Sugar Factory, there is a small plant that produces charcoal from bagasse. This is what many Kenyans do not know. Bagasse can be used to produce electricity, and Kenya has the potential for producing 50 megawatts of electricity from bagasse for this country. Those are just a few products. Most of the products have been mentioned by hon. Mwanicha.

For some of us who visited the Chemelil Sugar Factory stand during the Agricultural Show that ended in Kisumu last week, there was a demonstration of how sugarcane leaves and tops can be used for zero-grazing, and that is diversification of the sugar industry. All we have had in this

country previously is the lack of political goodwill to develop this industry well. But political goodwill is coming up now, and I am impressed with what the President said when he went to open the show in Kisumu. If we have the political goodwill and the Government injecting money into this industry, it has the potential to produce all these products. This will help in the generation of employment, it will boost the economy and make sugar a cheaper commodity to produce than it is today.

One of the problems that has hindered the diversification of this industry is corruption which we have had previously. We are happy that the Minister for Agriculture is fighting it today vigorously. Once it eases off and the Government also gives the political goodwill, which is now coming up for this industry, then we shall have the way forward for diversification which will make this industry more profitable than it is today.

Another thing that has hindered this industry from progressing is heavy taxation. Sugar is food, why do we levy Value Added Tax (VAT) on this item? Why do the farmers and millers have to be taxed to produce food in this country? Why are maize, tea and coffee farmers not being taxed? Yet we need sugar to drink tea or coffee. In fact, coffee and tea are drugs! Sugar is not a drug. Why do we tax this commodity? The Government needs to address that issue so as to boost this industry. If we boost this industry, we have 10 million Kenyans and the economy of this country to benefit.

Sugar is being imported into this country from countries like Brazil, which is the largest exporter. In that country, we have import tariffs and subsidies. Thailand, which is the second-largest sugar exporter, also has import tariffs and subsidies. Australia, the third-largest exporter of sugar also has import tariffs and subsidies. The European Union (EU), the fourth-largest sugar exporter also has import tariffs and subsidies. South Africa which is the eighth-largest exporter of sugar also has import tariffs and subsidies. So, we can see that sugar imported into this country from wherever it comes from, is subsidized, and we have left ours to limp. We have left our sugar to compete against sugar that is subsidized outside there and which is produced by industries that are highly diversified. So, most of these major exporters of sugar which are known across the world even have single-desk marketing. They also have various forms of Government support for that industry. So, we need political goodwill and Government support for this industry to be more productive and to be able to diversify as we are asking the Government to do today.

The cost of sugar and sugarcane production can be very low if well managed. It is an issue of management which is causing us a problem. In fact, sugarcane is cheaper and more profitable to produce than maize, wheat, rice, cotton, barley, groundnuts and all other major crops. So, all we are asking for is support from the Government so that this commodity is cheaper and more profitable to produce. Then there will be a boost for the economy and to that particular sub-sector.

With those few comments, Mr. Temporary Deputy Speaker, Sir, I beg to second.

(Question proposed)

The Assistant Minister for Foreign Affairs (Mr. Wetangula): Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me an opportunity to contribute to this Motion.

First of all, I would like to thank hon. Mwanicha for bringing such a good Motion to this House. I represent a constituency where half of my constituents are sugar growers who depend on sugar for their livelihood. This over-dependence on sugar has impoverished many of my people and people in the general sugar belt. We are told that close to 7 million Kenyans depend on sugarcane farming, either directly or indirectly.

Mr. Temporary Deputy Speaker, Sir, the sugar industry in this country has gone through very difficult times which are sometimes borne out of mismanagement, and more often, because of inappropriate technology that is in place. Sugarcane farming in this country appears to have been

set up strictly for the production of white sugar to the extent that even a valuable by-product like molasses is not put to good use. When you go to a sugar factory, you will find that apart from the white sugar, the following by-products are found:- Bagasse, which is the refuse that comes out of the cane after crushing; molasses, from which power alcohol and electricity can be produced.

If you go to a country like Brazil, you will find that 60 per cent of its fuel for cars is derived from power alcohol produced by its sugar factories. The same can be done here. I have been to Mauritius and know that there is a company which is slightly smaller than Mumias Sugar Company (MSC), but produces 75 megawatts of electricity as a by-product. In certain countries like the Sudan and Egypt biogas is used for production of pulp and paper. If we did what all these countries do, white sugar would be a by-product from the sugar factories. The cost of sugar in the country would be a lot lower than it is and locally-produced sugar would compete favourably with imported sugar.

Mr. Temporary Deputy Speaker, Sir, we have always wondered why sugar from Brazil, produced under the same circumstances as ours, freighted thousands of kilometres to East Africa, lands in Kenya at about half the ex-factory price of our sugar. I believe this is the philosophy behind the Motion by Mr. Mwacha. If you go to sugar-growing areas, you will see that farmers get absolutely nothing from the crop. If the factories were more innovative, they would first of all sell biogas to the pulp industries. We have two major pulp industries in the country. We have Pan Paper and Raiply Mills. If those companies were able to purchase biogas and use it for the production of pulp and paper, that would generate additional income to the sugar factories. Secondly, it would arrest the wanton destruction of trees that these two companies are involved in.

If companies like the MSC and other sugar factories were to produce energy, it would most likely be cheaper than the thermal generated power that we purchase from plants like Omat in Mombasa. The investment would be smaller than what is required to build a hydro-power plant. The cost of electricity in the country would go down because we would have more power in the national grid. As a result, the gridline would be extended to rural areas under the Rural Electrification Programme. This would, in turn, help to arrest the rural-urban migration and generate jobs in the rural areas.

Molasses is another by-product. There was an intended mega-molasses plant in Kisumu, which was surrounded by other mega-stories of corruption to the extent that for 20 years the molasses plant never took off. I hope this molasses plant will eventually be completed, so that it can convert molasses from the sugar factories into power alcohol for powering cars and production of other beverages.

If the factories were able to then generate income from the sale of biogas, power alcohol and molasses all the benefits would go towards increasing payment for raw cane to the farmer. The second major benefit would be the reduction of the net cost of sugar to the consumer. The third benefit would be the general increase in employment opportunities and wealth creation in the country that this NARC Government is committed to achieving.

Currently, a sugar-cane farmer is paid just about Kshs1,300 per tonne of raw cane. If all these benefits accrued from sugar factories we would increase the price paid to the farmer up to Kshs3,000 per tonne of cane. This would enable the cane farmers to afford to pay school fees for their children, lead decent lives and engage in food production, which they so much need. Above all, it would help them engage in businesses that would reduce poverty.

Mr. Temporary Deputy Speaker, Sir, the Motion is calling upon the Government to increase investment in the sugar factories. This can only be limited to those factories that are Government-owned. Business is now driven by the private sector. I would have liked Mr. Mwacha to generally ask those involved in the running of the sugar factories to increase their capital investment, broaden their production lines and engage in the production of more products from the factories. It is not just

the Government that has invested in the sugar industry. A factory like the MSC is now quoted on the Nairobi Stock Exchange. We are talking of the innovation of management that will change the scenario.

I want to salute the management of the MSC for taking the lead, to the extent that it is now already selling some electricity to the national grid. However, it can do much better, and the MSC has the capacity to produce up to 80 megawatts of power that will transform into wealth for the farmer.

With those remarks, I beg to support.

Mr. Osundwa: Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me the opportunity to contribute to this Motion. First of all, I would like to thank the Mover for a well-thought-out Motion, which seeks to revamp the sugar industry. I represent an area which produces 65 per cent of the sugar required in this country. Therefore, I thank Mr. Mwanacha, who does not necessarily come from a sugar-growing area, but has seen it fit to bring this Motion to this House. The MSC, which is in my constituency, is among the seven sugar factories in this country. I want to give the Minister for Agriculture a few statistics. The MSC alone pumps into this economy Kshs8 billion annually. I will go ahead and give a breakdown of this amount. Cane farmers earn Kshs2.5 billion annually from their cane sales. Cane transporters in the area earn Kshs1.4 billion a year from the MSC alone.

The Government reaps Kshs1.2 billion in form of Value Added Tax (VAT) from Mumias Sugar Company (MSC). The suppliers, of course, some of them supply air, but are paid Kshs900 million a year. The Sugar Development Levy (SDL), is what the Minister recently used to pay Nzoia Sugar Company (NSC) and other factories which are not doing very well was Kshs540 million a year from MSC---. This industry is also a major employer in Western and Nyanza provinces. Of course, other employees come from all over the country. The salaries paid amount to Kshs420 million a year. Then we have the usual cane cutters who pocket Kshs360 million a year. This adds up to Kshs8 billion. Is this an industry that any serious Government would want to kill? Obviously, the answer is "no". So, I support this Motion, which is calling upon the Government to look for sources of funds; especially off-shore funds, because local money is so expensive, so that we can revamp this industry. As Mr. Wetangula said, we can generate a lot of electricity if we use the seven sugar factories to produce power.

Mr. Temporary Deputy Speaker, Sir, this Government intends to import electricity all the way from South Africa. We are currently importing electricity from Uganda. Of course, I do not know if the Government ever thinks it fit to conserve the much needed foreign exchange. We can conserve this much needed foreign exchange if we can generate power locally, so that whatever funds will be used to bring in electricity from outside, can be used for other purposes that would alleviate poverty in this country. So, sugar-cane farmers are just like any other farmers in this country. However, they are discriminated against. As the previous hon. Members said, sugar-cane is the most taxed crop in this country; is around 27 per cent. Coffee is not taxed. I do not know whether it is because it is grown around certain mountains. Tea is also not taxed--

Mr. Angwenyi: On a point of order, Mr. Temporary Deputy Speaker, Sir. Is the hon. potential Vice-President in order to say that coffee is not taxed when, in fact, it is taxed very heavily? Why can he not talk about sugar?

Mr. Osundwa: Mr. Temporary Deputy Speaker, Sir, I will confine my contribution to sugar as Mr. Angwenyi would like me to. However, we are asking this Government to zero-rate sugar.

The Assistant Minister for Foreign Affairs (Mr. Wetangula): On a point of order, Mr. Temporary Deputy Speaker, Sir. Is Mr. Angwenyi in order to impose exaggerated ambitions that Mr. Osundwa does not have, by calling him a potential Vice-President?

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

Mr. Osundwa: Mr. Angwenyi, please, sit down! I hope you will give me some few minutes to finalise my contribution.

The Temporary Deputy Speaker (Mr. Khamasi): Order, hon. Members!

Proceed, Mr. Osundwa!

Mr. Osundwa: Mr. Temporary Deputy Speaker, Sir, one of these days I will aspire to that office, but not now.

I was emphasising a point that, in fact, for the first time I would like to thank the NARC Government for doing something. The Minister for Trade and Industry secured a four-year safeguard period to protect our sugar industry. I thank Dr. Kituyi. The other day, when he was responding to Questions on behalf of other Ministers here, I thought he should have been elevated to something else. However, that is beside the point. The safeguard period that we secured from COMESA, we have already eaten one and a half years into it. However, there is no evidence on the ground to show that we are restructuring this industry.

I also would like to thank the Minister for Agriculture; many people think we do not talk, we are very good friends. Sugar is the only area that I am willing to put my neck on the axe because farmers in my constituency plant nothing, but sugar-cane; 100 per cent sugar cane. They do not even grow tomatoes or maize. So, the Minister has tried, unlike other Ministers who used to pay lip service to this industry. At least, there is some light. However, my major worry is that when the safeguard period ends, and we have not restructured this industry and since it is not extendible, and Mr. Mwiraria has not lowered the taxes, then it means the four years we asked for will be for nothing. So, I would like to thank the two Ministers for at least showing that they are doing something to reduce the heavy burden on the farmers.

Mr. Temporary Deputy Speaker, Sir, I would like to ask the Minister for Agriculture to do away with the middlemen in this industry. We have companies called Mumias Outgrower Company (MOCO) and Nzoia Out grower Company (NOCO), among others. The services offered by these outgrower companies are more expensive than if I individually was offering the same services. So, I am imploring the Minister for Agriculture to at least, listen to the cry of the farmers, remove these sticks between the millers and the farmers, so that the farmers can reap from their efforts.

Another thing I would like to ask the Minister for Agriculture is to revive the Kenya Farmers Association (KFA), so that we can get tractors and other implements cheaply. These tractors, of course, attract no duty. We are told they are imported duty-free. However, if an individual acquires a tractor, he wants to maximise it by exorbitantly charging the services offered to the farmers. Some years back, we used to get tractors and spare parts from KFA. Also, using this opportunity, I would like to ask the Minister for Finance, why on earth would he allow us to import tractors duty-free and levy duty on spare parts? This makes no sense! Let him think of removing duty on spare parts so that, at least, tractors and spare parts are cheap.

Mr. Temporary Deputy Speaker, Sir, I listened very carefully to the President's Speech during the official State opening of this House. He said that the Government will source for money from outside to revamp the livestock industry; an amount of over Kshs4 billion. The same Government should go out there and source for funds and put this money in the sugar industry. They should treat sugar-cane farmers in the same way they are treating livestock farmers in the ASAL areas. If we get this money, more employment opportunities will be created, poverty will be eradicated and there will be no malnutrition suffered by people in sugar-cane growing zones, as it is today. So, I would like the Minister to take my point and impress upon the Government that there is need, as the Motion seeks, to look for sources of funds and put in this industry.

Mr. Temporary Deputy Speaker, Sir, I can see my time is up, but let me briefly comment on

the issue of imports. I would like to thank the Minister again; today I am just thanking the Minister, for standing firm against sugar importers. I am very happy with the steps that the Minister is taking. Of course, I know he is sitting among "hyenas" and putting his life in danger because of the sugar industry, but he is trying. So, Mr. Kirwa, keep it up! We are happy and we shall support you.

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

The Assistant Minister for Environment and Natural Resources (Prof. Maathai): Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me this opportunity to contribute to this Motion. I would like to congratulate Mr. Mwanicha for bringing this Motion. It is a Motion about cash crops. I would like to contribute generally on the issue of cash crops in this country.

First and foremost, we must recognize that cash crops were introduced to this country by the colonial settlers. For many years, the natives were not allowed to grow these crops. So, we developed a system which was very favourable to the original white settlers who introduced coffee, sugar, tea and all the other cash crops in our country.

Mr. Temporary Deputy Speaker, Sir, since we became Independent, that foundation became entrenched. We, as the people in charge of leadership, have not done enough to change the way cash crops are managed. That encourages a system where farmers or ordinary *wananchi* who till the land and sweat under the sun, to hand over their crops managers. That system was introduced under the pretext - and I presume to a large extent that I am not completely wrong - that those farmers could not understand and handle very complex marketing systems of cash crops. So, they formed co-operative societies or companies and appointed board members to manage the cash crops on behalf of the poor and illiterate farmers.

Mr. Temporary Deputy Speaker, Sir, I would like to say that, unless we break the system that was introduced to manage the crops on behalf of the farmers, or introduce a new culture into the management of our cash crops, our people will continue to till the land and sweat like slaves in their own country! It is the few people who manage those companies or co-operatives, and the few people who invest in them in terms of providing machinery and skills that benefit. We have continued to use our people as slaves. I do not know how I can emphasize that enough! If you are a representative of the people who grow cash crops, whether it is pyrethrum, sugar, coffee or tea; if you truly feel for your people, then you will feel pain when you know that when those farmers deliver their crops to the so-called board members to manage, process and market - or hand over the cash crops to a marketing company - unlike any other business anywhere in the world, they pay themselves whatever they want and hand over whatever is left to the farmers. We have situations where farmers have been handed over a negative figure. They are told: "You delivered your crop; it was processed and marketed, but you gained nothing!" There can be no greater economic injustice than that.

Mr. Temporary Deputy Speaker, Sir, when we speak as Africans or developing countries and say that the developed countries are unfair to us; that we do unfair trade with them; they do not want to give us a fair price; I dare say that in our own country, we treat our own farmers no better. We actually treat them very unfairly. We exploit them. I want to challenge the leadership of this country: We are in the Government now and we can change. I know that some Ministers, like the Minister for Co-operative Development and Marketing and the Minister for Agriculture, are trying very hard to bring change. But I have not seen enough change. We want to see even greater change. We want to see farmers being paid for their produce. We would like to see farmers deciding on how much they should pay their board members, millers who mill their produce and the Government as taxes. There is no justice if those farmers are charged by--- How can you, in any situation, hire a person and that person decides how much he will pay himself?

In our taxation system, all of us file tax returns. Then, we are told by the Kenya Revenue

Authority how much we owe the Government. Why is it that cash crop farmers cannot be paid their dues, so that they could file their income tax returns like everybody else? Why do we decide how much farmers will pay in taxes, even before they have received their pay? That is something, in my simple ignorance as a lay person, I do not understand. As a person who represents people who have cash crops, I feel pain when they come to me in their poverty. We now have a famine and they cannot buy food. We are now commissioning our own money to buy them food. That sounds like when the international community engages in unfair trade with Africa! We remain poor and they are happy to come and give us aid. We tell them we do not want aid. We want fair trade where our people will not want those handouts. That is part of the reason why we did away with *Harambees!* We want to give them dignity! We want them to feel good about themselves. We want them to sweat over their sugar, coffee and tea, and then get their rightful dues! Then, they can pay their directors, millers, income tax and keep for themselves what is theirs. It is completely unfair! It is reminiscence of slavery to continue treating *wananchi* economically unfairly.

Mr. Temporary Deputy Speaker, Sir, the buck stops with us, leaders. I call upon Ministries concerned with that sector to overhaul the management of our cash crops, so that farmers could be treated fairly by getting their dues. Only then, shall we begin to bring this country towards the vision that we have for our people.

Mr. Temporary Deputy Speaker, Sir, this country is very insecure and we all know that. I do not know of any country in the world where there is economic injustice and security. That is because the poor will not die as the rich engorge themselves. The rich in this country live in houses which are burglar-proof. Sometimes, they even put cement at the roof to prevent thieves from entering from above. The doors are enforced. There is massive security at the gates, around the houses and in the streets. That is partly because 52 per cent of our people live under the poverty line. They earn less than a dollar a day, according to the United Nations (UN). With that kind of a people, we shall never have security in this country. Any country that supports inequities will definitely suffer insecurity. Therefore, it is in our interest as leaders to promote economic justice.

With those few remarks, I beg to support.

The Temporary Deputy Speaker (Mr. Khamasi): Order! The Chair has received a notice to amend this Motion. I would like us to dispose of that amendment. I would like to ask Mr. Omingo to move his amendment.

Mr. Omingo: Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me this opportunity to move an amendment to this Motion.

Most of my farmers grow sugar-cane and it is important that we pave way to empower farmers. When you look at the Motion, there is an element that is not appealing in the current financial management dispensation, of the Government not getting involved in business. If we look at line No.4, there is this business of "the House urges the Government to increase investment." Increasing investment really means that we want the Government to have a bigger bite in our management of the sugar industry. That must stop in line with the thinking now that the Government should divest.

Mr. Temporary Deputy Speaker, Sir, I, therefore, beg to move that the Motion be amended as follows:-

By deleting the words "increase investment in the local sugar factories" in the fourth line, and inserting in place thereof the words "assist in mobilising resources and involve private sector participation in the sugar industry capacity reform."

I am saying this with the view that the Government has actually failed in most cases to run its affairs. What we have seen is a replica of looting through this kind of management of the sugar industries. If I take you back, the current management of sugar factories is that: the Government

owns 74 per cent in M/S Muhoroni Sugar Company, and I know the problems. In M/S Chemelil Sugar Company, it owns 95 per cent; M/S Nzoia Sugar Company, 93 per cent; M/S Sony Sugar Company, 94 per cent and M/S Mumias Sugar Company, 20 per cent. I am sure that if we look at results at the end of day, we know for sure that private entrepreneurs are better business managers than the Government itself.

I want to suggest that this House accepts this amendment so that the Government pulls out of management of resources, and so that it can guarantee private investor participation. For instance, if the Forensic Science Laboratory which was actually guaranteed by the Government - although we were guaranteeing oxygen - was done properly and the foreigners, donors or supporters brought in actual financing for the purpose of running these affairs effectively, it was a good idea. However, the intent of that was to defraud! If the Government could stand firm on that and say that: "We want to guarantee our farmers, give them an atmosphere to manage and run their affairs, manufacture what they need and introduce new brands in this particular industry," then we would see a rejuvenated sugar sector. Most importantly, the Minister should also accept the fact that they do not have money. I am sure that he will agree that they do not have the money to build this capacity and they must involve the private sector. What is most critical is that a sugar factory like M/S Sony Sugar Company does not have sufficient capacity to actually crush cane. Most sugar-cane rots in the farm; it is never collected and even harvested. Therefore, we will find a farmer having sugar-cane and instead of harvesting twice a year or during a particular harvesting period, he harvests once and the crop goes to waste.

Hon. Members of this House also know that when we involve ourselves with bureaucracies; that the Government now should run the factories more than they own them, it will mean that the "correct boy" from my constituency as a Minister, will get a job. We have seen it here! In all parastatals where the Government has interests in, we find it has its "blue-eyed boys". That happens to the extent that we realise that there is no professionalism applied in management of the sugar industries or any other parastatals. What actually happens is that there is loyalty to the appointing authority. We must stand up to the obligations of the National Assembly to give people the independence to turn round the sugar industry. The only way we can do it is to ask the Government to stand surety as our father for those factories and encourage foreigners to come in; those who have the reasons to participate in running the show. The Government should also assure us that it will help us run the show most efficiently.

Mr. Temporary Deputy Speaker, Sir, why do we import white industrial sugar? It is because there is only one factory that has the capacity to do that. If we diversify and assist this industry with capacity to run the show in line with what their abilities are, I am sure that the importation will really not be an issue. Again, private participation does not mean abdication of responsibility. This is because we can privatise and from the back-door manage the affairs through a remote control, sometimes to an extent that we also kill the factories! We are saying that we believe through the Privatisation Bill that is coming, the Government will run away very quickly from running the affairs of this nation. It is a very bad manager; that we know. The Government does not ordinarily balance its balance sheet usually as a private entrepreneur. That is why in the Budget you can see printing errors and for sure the Budget balances. That is really a mockery of the entire financial management. For those of us who have read accounting, it will never balance if you do not "cook" figures. If the Government balances the accounts like that, it ensures the fact that we want to perpetuate graft and those are back-door ways of doing things.

The most critical thing that Kenyans must also appreciate is the involvement of a particular community around a factory. The Government should encourage people to invest by buying shares from the factory and that they also have an interest in even reporting if an anomaly happens in the

factory. That is why if the locals and interested parties are given a free hand to manage the affairs, we shall turn round the local industry.

With those few remarks, I will ask Mr. Oparanya to second the Motion.

Mr. Oparanya: Thank you very much, Mr. Speaker, Sir. I rise here to second the amendment.

An hon. Member: With some more amendments!

Mr. Oparanya: Are there more amendments?

(Laughter)

Mr. Temporary Deputy Speaker, Sir, I am sorry.

The Temporary Deputy Speaker (Mr. Khamasi): Order, Mr. Oparanya! We are discussing the amendment as advanced by Mr. Omingo. That is what you are seconding!

Mr. Oparanya: Yes, Mr. Temporary Deputy Speaker, Sir. That is why I am rising to support the amendment.

The sugar industry had reached a state of chaos as a result of destructive politics that have seen corruption and mismanagement in the industry. Farmers have suffered because of this corruption. Sugar-cane farmers have experienced a lot of poverty and because of corruption and mismanagement, the growth of the sugar industry has been declining. As the industry is now, we know very well, as mentioned by Mr. Osundwa, it supports seven million people. I happen to represent a constituency which entirely grows sugar-cane. It depends on sugar-cane entirely! I have 25 sub-locations and they all grow sugar-cane. This industry, at the moment, supports directly and indirectly about 500,000 people in employment, and it contributes Kshs12 billion to the economy, of which M/S Mumias Sugar Company alone contributes Kshs8 billion. It saves foreign exchange because if we were to import the entire sugar requirement, we can imagine what foreign exchange we would use. However, this industry still has the potential to create 25,000 jobs. We can imagine that! We have been talking of 500,000 jobs and this is an industry that, if well supported, can create employment of 25,000 people per annum.

This industry can save this country Kshs5 billion annually in generation of electricity. M/S Mumias Sugar Company alone is capable of producing 350 megawatts, which can support rural electrification in this country. This industry can save Kshs1.8 billion in fuel, if we enhance our planting to the level of Brazil. Therefore, this industry should be supported at all costs.

Mr. Temporary Deputy Speaker, Sir, even before we support the industry to a level where the Government can divest from it, we need to sustain the structures that we already have. We cannot attract foreigners to invest in this industry unless we sustain the infrastructure that we already have. We must fight corruption and mismanagement in this industry. We have heard severally that the Sugar Development Levy Fund has been misused, but up to now, nobody has been jailed for misusing these funds.

I thank the Minister for Agriculture for controlling sugar imports. We have been given the four-year safeguard period, but there has been interference in what the Minister has been doing. The Kenya Revenue Authority (KRA) has no business giving licences for importation of sugar. These are people who want to kill this industry. According to the Sugar Act, only the Kenya Sugar Board can regulate the importation of sugar. That Board should be supported to regulate the importation of sugar. Unless we control the influx of cheap sugar into the country, we will have a problem in divesting, because our sugar factories will continue making losses. In this regard, I thank the President for raising duty on imported sugar from 100 per cent to 120 per cent. In fact, he should have raised it to the highest level allowed by the World Trade Organisation (WTO), which is 125

per cent.

Mr. Temporary Deputy Speaker, Sir, if this industry must help to create employment and attract foreign investors, we must deal with sugar-cane outgrowers, who have made the industry a lot money. I come from an area where Mumias Outgrowers Company (MOCO) operates. This company makes a loss of about Kshs100 million every year. They have now accumulated losses of Kshs400 billion. This is farmers' money. If we have to attract investors, we must ensure that these outgrower institutions operate efficiently. We cannot attract investors to this industry unless we develop the infrastructure within the sugar belt.

Despite the fact that the infrastructure is bad, farmers are taxed cess at the rate of 1 per cent. The cess money collected is misused. I expect the Minister for Finance to bring a Bill to this House to change the law and ensure that cess money is combined with the District Roads Committee (DRC) money, so that it is managed from a common kitty.

The Minister for Agriculture has to deal with the problem of delayed payment to farmers for cane delivered. Farmers have suffered. Previously, we had Kshs2.1 billion outstanding payment to farmers. The Minister has managed to pay only Kshs800 million. Out of that amount, Kshs 556 million came from Mumias Sugar Company. The Minister should ensure that the farmers are paid on time.

The Government owns shares in the majority of sugar companies. It owns Muhoroni, Chemilil, Nzoia and Sony sugar companies. We are grateful that it has divested from Mumias Sugar Company. We will compare the profits that Mumias Sugar Company will make against the profit of these other companies which the Government owns and manages.

We will urge the Government to relinquish the ownership of Mumias Sugar Company. The Government has no business doing business. It has business in governing this country. So, it has to organise to attract foreign investors to invest in these industries for the benefit of farmers. We will not make any profit in this industry so long as the Government controls the majority shareholding. The sugar industry is capable of creating other by-products, as mentioned by my colleagues, for the benefit of farmers.

The loaning system in the industry should be improved. The Sugar Development Levy gives this country Kshs1.4 billion in a year. Previously, this money used to be mismanaged. However, there are now checks and balances to ensure that this money is properly utilised. This money should be ploughed back into the industry for the benefit of the farmers.

With those remarks, I beg to second.

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

Mr. Kosgey: Mr. Temporary Deputy Speaker, Sir, I support the amendment, because it does not alter the spirit of the Motion. It does not matter whether increase in investment will be from the private sector or from the Government, where we do not have foreign investment. This is desirable.

On the outset, I wish to state that I come from Chemilil area. Farmers in Nandi District supply 70 per cent of the sugar-cane that is milled at Chemilil. So, we stand here to speak as representatives of sugar farmers. We have a *locus standi* in the sugar industry. Because Mumias Sugar Factory produces the largest amount of sugar in the country, most Kenyans assume that all the sugar-cane comes from Western Kenya.

Mr. Temporary Deputy Speaker, Sir, we need to produce cheaper sugar and pass over the

benefits to both farmers and consumers. We are told that this country produces expensive sugar. Why is that the case? We have to analyse the process of sugar-cane production in this country, right to its milling and marketing. We need to plant high-yielding and early maturing sugar-cane varieties. We need to go back to research and ensure that we plant the right sugar-cane varieties. We also need to venture into irrigation. A few farmers in Chemilil area have introduced irrigation sugar-cane farming. Their sugar-cane now matures faster and are realising high-yields. Therefore, as the Minister looks into this very important sector, he needs to analyse the process of sugar-cane production in this country.

When it comes to milling, we know that every ten tonnes of sugar-cane crushed produces one tonne of sugar. We need to improve the cane crushing efficiency, so that we can realise a tonne of sugar from eight tonnes of sugar-cane. That way, we will manage to produce cheaper sugar.

Mr. Temporary Deputy Speaker, Sir, we also need to increase the capacities of the factories, so that the farmers can deliver their cane in good time. The maturing period should be within 18 months or less. In other countries, there is early maturing sugar-cane, and within 14 months, they deliver their cane to the factories. In this country, Sugar-cane takes 24 to 36 months in the fields because of two reasons, namely, the poor varieties and congestion in the factories. This is a chicken and egg situation, where farmers cannot deliver their cane to the factories because the crushing capacity is low. So, they have to stop growing more cane because they cannot deliver it to the factories. As a result, the factories run short of cane. This becomes a vicious circle. We need to expand the factories.

I know that Mumias Sugar Factory has introduced a diffuser. We need to know how effective the diffuser is in Mumias Sugar factory, so that we can introduce them in other factories to increase the extraction of cane. We can convert eight tonnes of cane into one tonne of sugar. We need to know the actual efficiency of that diffuser. Factories have been trying to reduce their costs. One of the most ridiculous things that they tried is to reduce the price of cane from Kshs2,300 to Kshs1,700 in order to produce cheaper sugar. This is the most awkward way of doing things, by trying to get almost free cane to manufacture sugar. They should look for ways and means of ensuring that the farmers are always taken care of. In this case, the farmers are always at the receiving end. If somebody wants to manufacture cheaper sugar, they just reduce the price of cane. That is not the answer to the problems in the sugar sector.

Mr. Temporary Deputy Speaker, Sir, as has been said, we also need to make use of the bagasse, which is a by-product of Sugar-cane, to produce electricity to run the factories and, therefore, produce cheaper sugar. We should also sell the excess electricity to the national grid. By so doing, the factories will earn some money and they will be able to reduce the cost to the farmers as well as to the consumers. We also need to produce power alcohol, which can be used to run cars. There are also other by-products, like yeast, which are very important and are used internationally for baking and manufacturing vitamins. In this way, we can run our factories cheaply and produce cheaper sugar for the benefit of the farmers, as well as the consumers.

Most of the sugar produced in this country is mill white. We also need to add a refiner in some cases, so that we can save the 100,000 tonnes of cane that is required to produce confectionary and industrial sugar. We need to produce industrial sugar because it sells at a higher price and reduces the cost of production of our sugar.

There are many taxes which are imposed on the farmers, such as the Presumptive Tax, Value Added Tax (VAT) and the Development Levy. The Minister for Agriculture has tried his best. At this point, we must point out that he has lived up to the promise of being a friend of the farmer. We must commend him for this. However, there is still more to be done to streamline the sugar sector in this country. There should be proper working relationship and co-ordination between

the Ministry of Agriculture, the Ministry of Finance and the Ministry of Trade and Industry. There should be no tug of war between these three Ministries.

The Kenya Revenue Authority (KRA) should not be in charge of the sugar importation. Recently, we had a case where the KRA, in spite of the Government policy to ensure that import quotas are regulated by the Kenya Sugar Board, unilaterally allowed the importation of sugar, without even charging the necessary duties, into the local market. This forced our local sugar to remain in the factories and increased the cost of its production. We also need to look into that taxation and make sure that importation of sugar, which has killed this industry for a very long time, is regulated, so that the farmers can get good returns.

Mr. Temporary Deputy Speaker, Sir, as has been said, seven million people depend on this industry. It behoves on the Minister for Agriculture to make sure that the farmers get better returns from their cane. We support him fully in the measures he is taking, to make sure that the farmers reap the benefits of their labour.

With those few remarks, I support the Motion as amended.

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

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

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

(Question of the Motion as amended proposed)

Mr. Angwenyi: On a point of order, Mr. Temporary Deputy Speaker. You have disposed of the amendment against the procedures of this House. You never sought the contrary opinion. I do not think that is fair to this House. If we take that kind of course, this House will not elicit various opinions. It is important for us to use the proper procedures. That is our business.

The Temporary Deputy Speaker (Mr. Khamasi): Order, Mr. Angwenyi! This is a timed debate and we are looking at the hours. This Motion was moved, seconded and debated. It is up to the Chair to dispose of it.

(Applause)

The Minister for Agriculture (Mr. Kirwa): Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me the opportunity to respond to this Motion by Mr. Mwanicha.

Suffice to say a number of things before I respond to specific issues raised by my colleagues. The sugar industry plays a vital role in providing livelihoods and earning revenue to a number of people in this country. Indeed, the industry supports six million Kenyans indirectly, and also earns this country Kshs15 billion as revenue.

Mr. Temporary Deputy Speaker, Sir, for the last five years, the industry has faced a number of problems, one of which is the impact of the liberalised market economy. The production of sugar for that period ranged between 377,000 metric tonnes and 500,000 metric tonnes, against the

consumption of close to 600,000 metric tonnes. The low production has mainly been attributed to a number of factors which revolve around policy and management.

As hon. Members are aware, over the last decade, the sugar industry has faced a major crisis. As I have said, the problems are: The impact of liberalisation, dilapidated state or poor infrastructure of a number of sugar factories, such as Miwani and Muhoroni; low yield per unit area, poor technology and low crushing capacities of those factories, the level of indebtedness due to cumulative arrears of sugar-cane deliveries, loan defaults and arrears to suppliers, not to mention the money owed to investors and donors outside this country.

Mr. Temporary Deputy Speaker, Sir, the industry has, therefore, faced a number of problems. The major one is the high cost of production, processing and lack of diversification of sugar-cane products. In order to improve on efficiency and competitiveness of the local sugar sub-sector, the Government has undertaken a number of measures, among them releasing close to Kshs1.1 billion to the sugar industry to settle farmers' arrears, enhance production and rehabilitate the sugar factories. This is the amount of money we have released in the last 18 months and it is bearing a lot of fruits.

I want to clarify that the 7 per cent money under the Sugar Development Fund (SDF) does not emanate from any sugar factory. Indeed, this is money charged directly on consumers of sugar products and more so, sugar, including imported sugar. I am clarifying this issue because there is misinformation that this comes from the factories and is, therefore, directly related to them.

During the Financial Year, 2003/2004, the Government increased funding to sugar research by 100 per cent. This is to increase the capacity of the Sugar Research Foundation to do effective research and improve on high-yielding varieties, so as to have enough sugar-cane for crushing. We have also put in place, measures to ensure that sugar above the COMESA quota is given taxation of 120 per cent. We have also reduced, as a Government, the Value Added Tax (VAT) on sugar to 16 per cent. I do appreciate that there is still a lot of taxes which we need to grapple with in the sugar industry, so as to make it more efficient. I am constantly discussing those issues with my colleague, the Minister for Finance in order to reach a situation where the farmer of this country will benefit.

There is rehabilitation and expansion of sugar factories. While it is desirable for the Government to attain this feat, it is impossible, given the availability of resources in the national kitty. For example, a factory such as SONY Sugar Company alone will require Kshs2.5 billion for expansion, to take in the increased sugar-cane capacity, given the fact that the area under the crop has increased over the last one year, and sugar-cane husbandry has improved. This, therefore, means that if I was to allocate that amount of money to the other five or so sugar factories, I will need close to Kshs12.5 billion to attain the required capacity. It is for that reason that I am saying that the Government can ensure mobilisation of resources both from its kitty, the private sector and other strategic partners, so as to get the required resources. The main problem engendered here is the fact that some of those factories, given the state of affairs they find themselves in, are not attractive to new investors.

I have a case in point of Chemelil Sugar Factory, where the farmers were deducted close to Kshs150 million with a view to assisting them buy shares as the producers of raw materials, but the same farmers are now demanding their money back. Therefore, it is imperative for all of us to look for effective solution to this problem by mobilising resources from further afield and ensure that those made available can improve efficiency on those factories, in order to attract investors to invest in them.

As hon. Members have already indicated, the COMESA safeguard measures are ending in the next three-and-half years. As a Government, we have done our best, but there is still a lot to be done if we have to be realistic and face the challenges of sugar from the region and international market. The main thing we should do, and I have said it before, is for us to take bold

steps. One of these, of course, is increased Government investment, but as I said earlier on, we are limited by the budgetary provision. We should also allow sugar companies to run themselves without any, or with minimum, interference, either from us as a Government, or politicians. I am saying this because for the last 18 months, given the freedom, we have given the sugar factories, we have attained efficiency to the level where we have reduced the cost of production by 20 per cent. We have also reduced the crushing ratio in terms of the sugar-cane delivered and the sugar which is produced. In some factories, we registered as high as 14 tonnes of sugar-cane to one tonne of sugar, but today, none of the factories operating produces above 10 tonnes of sugar-cane per tonne of sugar. Mumias Sugar Company, which is leading the lot, is doing slightly better than that by doing 8.5 tonnes of sugar-cane to one tonne of sugar. Internationally, the most efficient factories do close to 7.9 or 8 tonnes of sugar-cane to one tonne of sugar. This, therefore, means that Mumias Sugar Company is close to meeting the international standards. The other factories, with a bit of rehabilitation, will be more efficient.

We still have a problem with money because a great deal of what we give goes to taxes. I want to correct the erroneous impression created here. The total amount of taxes, including the sugar levy, is 23 per cent. This is still high. As I did in my letter this year, and I am still consulting with my colleagues, we are looking for ways of ensuring taxes are lowered, so as to alleviate the problem of the farmer.

There are also extraneous costs such as outgrower institutions. I am happy hon. Members of Parliament have come out clearly that they have outlived their usefulness. I undertake to this House that I will review the position of outgrower institutions with a view to seeing their relevance. If there is none, I will do away with them. However, that has to be done also within the law. This, therefore, means when I bring recommendations to this House, I do expect support from my colleagues.

Mr. Temporary Deputy Speaker, Sir, there is the issue of general infrastructure, including the issue of irrigation as raised by Members of Parliament. Indeed, it is true that the state of infrastructure nationally in the entire agriculture sector is deplorable. For example, in the sugar sub-sector, it is a major problem. This is because countries which are doing well in sugar production and which have increased efficiency have a lot of that sugar-cane under irrigation. In Kenya, hardly any sugar except in some few pockets, is under irrigation. This, therefore, means that we are subjected to the vagaries of the weather, which are very unpredictable. Therefore, we face the problems as stated in hon. Members' contributions.

On the issue of divesture, we do agree that there is need for divesture from the sugar companies, as stated. However, the major problem, as I said, is that nobody can buy a dead cow. This means that we have to revive most of these "cows" and sell them.

On the issue raised by Mr. Osundwa about the need for the revival of the Kenya Farmers Association (KFA), indeed, I agree with him, although the revival of KFA is not under direct supervision of myself. It is under the Ministry of Co-operatives and Marketing. My colleague is preparing Government documentation to be presented before this House, after, of course, the Government has considered the recommendations in them for us to realise the way forward for some of these institutions. I do agree that the cost of production as far as tractors are concerned is borne by the cost of spare parts. This is because purchasing a unit tractor is not a major problem, but sustaining the same tractor in the farm is the real cost of production. As I said, I will put in statement to my colleague as we prepare for the next financial year, so as to be able to assess what the total amount of money that is brought in by the spares on tractors. If it does not have a serious impact on the budgetary provisions, I do hope the answer will be in the affirmative because I feel this is where a number of farmers, including those from the sugar sub-sector, face a number of problems.

Mr. Temporary Deputy Speaker, Sir, I do also want to assure my colleagues that I have

noted all their comments and whenever there will be a meeting for stakeholders, I will involve them for fine-tuning of the process, so as to be able to make effective changes in the sugar sub-sector, and also broaden the range of products obtained from the cane plant so as to improve efficiency. It is imperative for us to mobilise resources from all stakeholders and donors to effectively improve the sugar sub-sector.

Mr. Temporary Deputy Speaker, Sir, with those few remarks, I wish to wholeheartedly support the Motion and assure the hon. Members that I will do my best to implement it once it is passed by the House.

The Temporary Deputy Speaker (Mr. Khamasi): Order, hon. Members! The amended Motion before the House reads as follows:

THAT, in view of the fact that the sugar industry is under a constant threat of collapse due to the importation of sugar, and in view of the Government's stated objective of alleviating poverty levels by increased job opportunities, this House urges the Government to assist in mobilising resources and involve private sector participation in the sugar industry capacity reform in order to broaden the range of products obtainable from the cane plant and improve their efficiencies and hence enable locally produced sugar compete favourably with imported sugar.

That is now the Motion on the Floor as amended. Eng. Nyamunga, you have the Floor!

Eng. Nyamunga: Mr. Temporary Deputy Speaker, Sir, thank you for giving me the opportunity to contribute to the amended Motion. I want to join my colleagues in supporting this Motion.

First of all, the investment in the sugar industry, as it is now, is in an annoying situation for both the farmer and consumer.

The Temporary Deputy Speaker (Mr. Khamasi): Order, Eng. Nyamunga! Let me advise you. You have got only five minutes before the Mover is called upon to respond.

Proceed!

Eng. Nyamunga: Mr. Temporary Deputy Speaker, Sir, thank you for reminding me about that. It is in an annoying situation for both the farmer and consumer. This is because the farmer has been getting very little money for the product he takes to the factory. The consumer, because of under-investment in the industry, has had to pay a very high cost of table sugar that he uses. This has been the case because of under-investment in the sugar industry. One thing that has surprised me is the fact that of the two products that come out of sugar after crushing, we have bagasse and molasses. From bagasse we can produce a lot of electricity from coal generation. Mumias Sugar Factory, as it is today, produces up to 13.6 megawatts. They can only use about 8 megawatts. We have about 6 megawatts which is free and which they can sell to the national grid. However, you will be surprised that even during the year 2000, when we had a power shortage, the Kenya Power and Lighting Company (KPLC) did not accept to pay them about Kshs4 per unit which they had asked. The same KPLC was able to pay Independent Power Producers (IPPs) Kshs9 per unit. Why was that possible? We know that Mumias Sugar Factory has a capacity to produce with very little investment, 30 megawatts. I am very happy that in the Sessional Paper on Energy that is before the House, there is a proposal to increase power output through coal-generation. This will also help the sugar industry to have other products from which they can base their costs. The millers are in business and when they have only one commodity to base their cost on, they keep on pushing the farmer down because they cannot be working at a loss.

From bagasse, other than coal generation, we can produce briskets(?) which can be used to produce heat energy and, therefore, save our forests. This is not being done. I hope, when we increase investment in the milling industry, we shall be able to produce such products. Muhoroni

Sugar Factory, sadly enough, has to spend money in destroying the heaps of bagasse that they produce every year. Instead of using it to generate electricity for their own consumption and the excess for sale, they are spending money to destroy it because they have no use for it. This is what requires further investment in the sector, so that the bagasse can be used even in paper industry.

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

Mr. Temporary Deputy Speaker (Mr. Khamasi): Mr. Mwanicha, please, proceed!

Mr. Mwanicha: Mr. Temporary Deputy Speaker, Sir, I believe that I have ten minutes to contribute. Out of those ten minutes, I would like to donate two minutes to Mr. Sungu, Prof. Mango and Mr. Mirugi Kariuki. That will leave me with four minutes to contribute. Is that fine, Mr. Temporary Deputy Speaker, Sir?

The Temporary Deputy Speaker (Mr. Khamasi): Yes. Mr. Gor Sungu! Proceed!

Mr. Sungu: Mr. Temporary Deputy Speaker, Sir, I will be very brief because I have very little time. Sugar-cane is a very strategic crop because it is both a food crop and a cash crop. It has the potential of changing the economic level of an entire nation. As of now, over 10 million people rely on that crop for their livelihood. If you follow the example of other countries that have made sugar-cane a successful crop, like Brazil and Cuba, this country can go far.

Mr. Temporary Deputy Speaker, Sir, the sugar industry is under the threat of collapse because of one reason only - illegal importation of sugar. There is one company called Mart International, that has single-handedly taken the job of destroying the entire sugar industry. Section 33 of the Sugar Act was amended to give the Minister of Agriculture powers to regulate the production, manufacturing and licensing of importation of sugar, in consultation with the Sugar Board of Kenya (SBK). We know for certain that the Kenya Revenue Authority (KRA) has no role in that. The KRA is responsible for bringing in illegally imported sugar into this country. In fact, we have established that some of that sugar is uncustomed! They have never paid any Customs Duty on it. I want to take issue with the Government on that. Mr. Thurania, who is now the Commissioner of Customs, needs to tell us for sure what his relationship is with Mart International Limited, which is bringing in sugar to destroy our economy. That sugar is not imported from Malawi, although documentation shows that it is from there. We know that, that sugar comes from Brazil and other countries which do not belong to COMESA. Therefore, the excuse that, that sugar is from COMESA countries is wrong! We want the Government to account for the fact that KRA is allowing sugar into this country to destroy our factories.

Mr. Temporary Deputy Speaker, Sir, there are countries like Tanzania which have now threatened to withdraw from the Southern Africa Development Co-operation (SADC), because of the negative effects their belonging to that group of countries has on their economies. I would like the Government to consider our membership of COMESA, if it is going to be used to destroy our economy.

With those few remarks, I beg to support.

Prof. Mango: Thank you, Mr. Temporary Deputy Speaker, Sir. I would like to add my voice to the sugar industry. Three-quarters of my constituents are sugar-cane farmers and, therefore, I have a lot of interest in the sugar industry. That is an industry which, if properly revitalised, could reduce poverty by job creation, and earning many Kenyans an income. Therefore, we have no choice but to revitalise that industry.

First of all, we need to create infrastructure within the sugar belt to ease cane transportation. That way, we will not waste the farmer's cane on the roads. That is an industry which is concerned with a food product. Sugar itself is food and, therefore, it is strategic. Within that, we should not just concentrate on producing sugar only. We should produce table sugar as well as industrial sugar, fertilizer, molasses from which we can get industrial alcohol, animal feeds and bagasse, which we

waste. That can give us paper and electricity. If we do that, we will create many jobs and income for cane farmers. That way, instead of getting Kshs1,200 or Kshs1,700 per tonne, they would be getting more money from the crop. Therefore, my voters will be very happy if we pay attention to the sugar industry and turn it into what it should be.

Mr. Temporary Deputy Speaker, Sir, in India, it has been proved that sugar-cane farming is more lucrative than any other kind of farming. Therefore, that should be our way forward. The Government needs to reduce taxation and stop sugar importations. If that is done, we will do well.

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

The Assistant Minister for Foreign Affairs (Mr. M. Kariuki): Mr. Temporary Deputy Speaker, Sir, I also wish to add my voice in supporting this Motion.

It is important that we appreciate the need for research. All the contributions we have heard from the Floor of this House about the use of by-products and shortening the growth period of sugar cane can be answered if we invest in research. In other competing countries, sugar-cane takes nine months to grow. In the period of 24 months that we have sustain our sugar-cane in the field, other competing countries have two crops already in the market. So, if we can be able to invest in research and come up with varieties of sugar that can compete effectively with other jurisdictions, we will be able to have our place in the global market.

Mr. Temporary Deputy Speaker, Sir, you will realise that today, in many of the existing trading blocs, the issue of preferential treatment for domestic companies is not offered. Once you liberalise your economy, then, the competition is open. So, our refuge lies in being able to do research so that we come up with crops that are short-term in growth, and that can produce higher yields of higher quality. We should also look forward to experimenting in the highland areas which do not grow sugar-cane presently. We need to research on the beet plant. The temperate areas of Europe are conducive for the growth of beet plant, which is used in the production of beet sugar. This kind of sugar is in the world market and it competes favourably with sugar from the sugar-cane plant. The areas we grow potatoes in this country, should be put to test so that we find out whether they can sustain the growth of the beet plant. If it becomes successful, we will have other varieties of sugar other than the sugar from cane that we have been relying upon.

The question of dumping exists really because other countries are able to protect their domestic markets, and at the same time are able to sell their excess sugar at a low price to other countries.

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

Mr. Mwanicha: Mr. Temporary Deputy Speaker, Sir, my job is now very simple. I want to take this opportunity to thank all those hon. Members who have supported this Motion. I want to thank the Minister for Agriculture for supporting this Motion, and for the remarks that he made. I also want to thank hon. Magara and other hon. Members who brought in the amendments to this Motion. It is a very important and appropriate amendment, in that we will now involve the private sector in playing its rightful role in the development of this country.

It is my conviction that with appropriate diversification in the industry, we can move much faster and enable our farmers to benefit. If, for instance, we consider the amount of sugar used by the Coca-Cola factories in the country, it is a lot of money that we send out there. We export a lot of our jobs and income for our people to the countries we import this sugar from. It is, therefore, gratifying that we have now supported this Motion. I would urge the Minister to move fast and do all the necessary facilitation and assistance required to help the private sector come in to assist the sugar industry in this country for the benefit of our people.

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

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

Resolved accordingly:

THAT, in view of the fact that the local sugar industry is under a constant threat of collapse due to the importation of cheap sugar, and in view of the government's stated objective of alleviating poverty levels by increased job opportunities, this House urges the Government to assist in mobilising resources and involve private sector participation in the sugar industry capacity reforms in order to broaden the range of products obtainable from the cane plant and improve their efficiencies and hence enable locally produced sugar compete favourably with imported sugar.

ADJOURNMENT

The Temporary Deputy Speaker (Mr. Khamasi): Hon. Members, that concludes the business of the House. The House is, therefore adjourned until this afternoon at 2.30 p.m. The House rose at 12.30 p.m.