

NATIONAL ASSEMBLY

OFFICIAL REPORT

Tuesday, 11th May, 1999

The House met at 2.30 p.m.

[Mr. Speaker in the Chair]

PRAYERS

PAPERS LAID

The following Papers were laid on the Table:-

Annual Report and Accounts of Coffee Research Foundation for the year ended 30th June, 1998 and the certificate thereon by the Auditor-General (Corporations)

Annual Report and Accounts of Kenya Tea Development Authority for the year ended 30th June, 1995 and the certificate thereon by the Auditor-General (Corporations)

Annual Report and Accounts of Pyrethrum Board of Kenya for the year ended 30th June, 1992 and the certificate thereon by the Auditor-General (Corporations)

Annual Report and Accounts of Muhoroni Sugar Company for the year ended 30th June, 1996 and the certificate thereon by the Auditor-General (Corporations)

Annual Report and Accounts of Coffee Auctioneers Limited for the year ended 30th June, 1998 and the certificate thereon by the Auditor-General (Corporations)

*(By the Assistant Minister
for Agriculture (Dr. Wamukoya)
on behalf of the Minister for Agriculture)*

Annual Report and Accounts of Kenya Forestry Research Institute for the year ended 30th June, 1996 and the certificate thereon by the Auditor-General (Corporations)

Annual Report and Accounts of Kenya Trypanosomiasis for the year ended 30th June, 1994 and the certificate thereon by the Auditor-General (Corporations)

Annual Report and Accounts of Kenya Veterinary Vaccines Production Institute for the year ended 30th June, 1997 and the certificate thereon by the Auditor-General (Corporations)

*(By the Assistant Minister for
Agriculture (Dr. Wamukoya)*

*on behalf of the Minister for
Research and Technology)*

ORAL ANSWERS TO QUESTIONS

Question No.033

DESTRUCTION OF KATHANGATHI CO-OPERATIVE SOCIETY'S PROPERTY

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

- (a) whether he is aware that robbers, on 11th of January, 1998, terrorised the workers and destroyed property of Ndithini-Kathangathi Multi-Purpose Co-operative Society Ltd., and that no action has been taken to date;

- (b) whether he is further aware that one of the gate-keepers, a Mr. Jackson Ngori, was seriously injured and reported the case to the police and the District Officer, and no action was taken; and,
 (c) if the answers to "a" and "b" are in the affirmative, what he is doing to ensure that those gangsters are arrested and charged accordingly.

The Minister of State, Office of the President (Maj. Madoka): Mr. Speaker, Sir, I beg to reply.

You will recall that I answered this Question last week, and the hon. Member tabled certain documents so that I could give him a fuller answer. Regrettably, my answer to the Question still stands; in that I am not aware of any incident reported on the 11th January, 1998. The documents which were presented by the hon. Member included a letter to the District Officer, which was written on 11th November, 1997. That is well before 11th January, 1998.

Mr. Speaker, Sir, the other papers are to the Social Democratic Party (SDP) and to all the Members of the SDP.

Mr. Katuku: Mr. Speaker, Sir, the issue here concerns the Office of the President interfering with the running of our co-operative society in Masinga Constituency, known as Kithangathini Multi-Purpose Co-operative Society. I am surprised that the Minister is saying that the incident did not take place. What I know is that it was reported to the Chief's Office, Ndithini, Manyanja and the Matuu Police Station. More worse, the said culprit was arrested and detained in the Chief's Office and even---

Mr. Speaker: Order! Hon. Katuku, that is a very interesting story. But it should not to be told during Question Time. What is the question?

Mr. Katuku: Mr. Speaker, Sir, I am surprised the Minister is denying a fact known to everybody. Even according to his records, he has less handcuffs. The thug went with his handcuffs. Is he in order to mislead this House by saying that he is not aware of this incident?

Maj. Madoka: Mr. Speaker, Sir, I have asked the hon. Member to produce evidence. This is because there is no reported incident in any of the police stations nearby. I think I am aware of the supplementary question which the hon. Member wants to ask. I would suggest that he re-drafts his Question and gives it to the right Ministry.

Mr. Katuku: Mr. Speaker, Sir, he says that he is aware of the supplementary question regarding the thug who went away with his handcuffs. Could the Minister tell us the truth? He knows something about the case. Could he tell us about the suspect?

Maj. Madoka: Mr. Speaker, Sir, no I will not!

An hon. Member: Why!

Mr. Katuku: On a point of order, Mr. Speaker, Sir. How can a Minister say that he cannot answer a question properly in the House? I asked him a question that he is aware of but he does not want to answer it.

Mr. Speaker: Hon. Katuku, you are personalising the issue. You told him he knows something personally.

Next Question!

Mr. Ayako: Mr. Speaker, Sir, before asking my Question, I would like to say that I have not received a written reply.

Question No.078

MEASURES TO CURB CATTLE RUSTLING

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

- (a) whether he is aware that Abagusii from Gucha District and Luos from Migori District fight mainly because of cattle rustling/stock theft;
 (b) what steps he has taken to ensure that cattle rustling/stock theft is curbed along Rongo Constituency and South Mugirango borders; and,
 (c) what further steps has he taken to ensure that ethnic clashes do not erupt in the said areas.

Mr. Speaker: By the way, what is happening with replies to hon. Members? I would urge that to make Question Time fruitful and meaningful, hon. Members must have answers in good time.

The Minister of State, Office of the President (Maj. Madoka): Mr. Speaker, Sir, I do apologise. My officers told me that they had brought the answer to your office, but I will follow it up in future to make sure that the written replies are given to hon. Members by my office. However, I beg to reply.

(a) I am aware that the area in question, in the past, has experienced intermittent skirmishes mainly due to the theft of livestock and land disputes. At present, the situation is fairly calm.

(b) The Government has established at least four police patrol bases at Ochodororo, Rakwaro, Oyara, Etebe and an administrative police camp at Maro to beef up security in the affected areas. In addition, community policing has been introduced so that wananchi can participate in identifying criminal elements.

(c) The Government has encouraged the establishment of a council of elders from both communities to assist in peaceful arbitration of disputes emanating from theft of livestock and land disputes.

Mr. Ayako: Thank you, Mr. Speaker, Sir. We know that the basic responsibility of the State is to provide security to its citizens and maintain law and order in the country. The Government has proposed to give police posts to those areas that are affected by cattle rustlers, but the Government has not availed funds to construct those police posts. Can the Minister tell us how much money they intend to spend to construct those police posts so that the policemen who will be sent there will not be frustrated and run away?

Maj. Madoka: Mr. Speaker, Sir, I appreciate the sentiments of the hon. Member. We are making provision for the funds to be able to put up housing facilities in the police posts in the next financial year.

Mr. Anyona: Mr. Speaker, Sir, cattle rustling across the borders, traditionally, is a fairly normal thing between communities. But in the effort to stomp out cattle rustling, we then create social disharmony. It is the responsibility of the Government to design ways and means of bringing these communities together and stamping out cattle rustling. But in this particular area, a District Officer from Nyamarambe division was himself involved in cattle rustling. What action has the Minister taken against that officer?

Maj. Madoka: Mr. Speaker, Sir, if the hon. Member brought evidence, we will look at it.

Mr. Anyona: On a point of order, Mr. Speaker, Sir. We do not want Ministers who come here - I do not want to say so, but--

Mr. Speaker: Can you talk away from the microphone? I cannot hear what you are saying.

Mr. Anyona: Mr. Speaker, Sir, there was an outcry from members of the public. This particular officer was in fact suspended and for sometime he was arraigned in court. So, how can the Minister say he does not know? Could he find out? and bring us an answer?

Maj. Madoka: Mr. Speaker, Sir, I do not know about his involvement in the cattle rustling.

Mr. Magara: Mr. Speaker, Sir, I think this is a very serious issue and it involves my constituency. It is true that there was a DO who was a cattle rustler and he was suspended. He was taken to Budalangi Division and he stole some animals there. I do not know where he has been taken again. There was a pertinent question asked by hon. Ayako: How much money has been set aside to construct a police post at that border? Secondly, some police officers are themselves thieves. What is the Minister doing about it?

Mr. Speaker: Order, hon. Magara! Mr. Minister, can you ignore that bit and answer about the setting up of a police post?

Maj. Madoka: Thank you, Mr. Speaker, Sir. I wish the hon. Member was listening. I said we are making provision for the necessary funds in the next financial year.

Dr. Ochuodho: Mr. Speaker, Sir, going by the reports from the on-going Commission of Inquiry that was constituted by the Government, it appears that the Government is heavily implicated in those ethnic clashes. What assurance does the Minister give that, in future, the Government will not be implicated in ethnic clashes?

Maj. Madoka: Mr. Speaker, Sir, I do not think that is related to this particular Question.

Mr. Odoyo: Mr. Speaker, Sir, in view of the fact that the Government is unlikely to have money in the very near future to construct police stations, may I request the Minister to inform the House whether there are any provision for those constituencies which are prepared to develop police posts and whether they can be given policemen? Are there funds to support such initiatives in various constituencies?

Maj. Madoka: Mr. Speaker, Sir, I think any specific request about the police post, and if members of the community are willing to help, is an issue which will be considered.

Mr. Speaker: Next Question!

Question No.015

OVERDRAWING OF CENTRAL BANK ACCOUNTS
BY COMMERCIAL BANKS

Mr. Obwocha asked the Minister for Finance:-

(a) how many commercial banks had overdrawn their accounts with the Central Bank of Kenya as at 28th February, 1998; and,

(b) if he could name the banks and state by how much each had overdrawn its accounts.

The Minister for Finance (Dr. Masakhalia): Mr. Speaker, Sir, I beg to reply.

(a) No commercial bank had overdrawn its account with the Central Bank of Kenya as at 28th February, 1998.

(b) In view of the answer to "a" above, part "b" of the Question does not arise.

Mr. Obwocha: Mr. Speaker, Sir, first of all, I want to make a correction. I think there was a typographical error. It is 1999 and not 1998. However, let me proceed with---

Mr. Speaker: Very sorry. May I say this: We cannot amend crucial dates like 1999 for 1998. This would make the whole Question meaningless.

Mr. Obwocha: Let me proceed, Mr. Speaker, Sir, because I think the substance is more important. The answer the Minister has given is incorrect. Even if I do not touch the banks that were raised before the Public Accounts Committee (PAC) which we know had overdrawn their accounts--- For example, Post Bank has withdrawn its account by Kshs2.1 billion; Trade Bank by Kshs2 billion---

Mr. Speaker: Mr. Obwocha, are you answering your own Question?

Mr. Obwocha: Mr. Speaker, Sir, I would like to ask the Minister a question in this manner---

Mr. Speaker: Order! Order! I think I would like hon. Members to acquaint themselves with the provisions of Standing Order No.34; that Questions are supposed to be of an interrogatory manner. If you do not ask a question, you will not be answered. Ask him a question and he will answer you.

Mr. Obwocha: Mr. Speaker, Sir, the answer given by the Minister is incorrect because other than even those ones we know, he has not answered this one. So, let me ask him the substance of the question now: Could he tell us how much the National Bank of Kenya (NBK) had overdrawn its balances in Central Bank in view of what is happening? Five out of the seven branches that they have closed are from Western Kenya. It is very unfair. For example, in Nyamira, there is no NBK branch.

Mr. Speaker: May I ask you Mr. Obwocha? What difference would it have made if on 28th January, 1999, the National Bank was not overdrawn and they closed all the branches in Kisii?

Mr. Obwocha: Mr. Speaker, Sir, could he tell us how much the NBK was overdrawn as at that date?

Dr. Masakhalia: Mr. Speaker, Sir, the NBK had not overdrawn its account in the Central Bank of Kenya.

Dr. Kituyi: On a point of order, Mr. Speaker, Sir. I have a lot of interest in financial information---

Mr. Michuki: On a point of order, Mr. Speaker, Sir.

Mr. Speaker: Mr. Michuki, I have given the Floor to another hon. Member on a point of order.

Mr. Michuki: Mr. Speaker, Sir, is he on a point of order?

Mr. Speaker: Yes. It is my business to know that!

Dr. Kituyi: Mr. Speaker, Sir, I have a lot of interest in the information bearing on the period up to the end of February, 1999. Since it is stated that this was a typographical mistake, which changed the substance of the Question, could it be in order to request that the Question be deferred and the Minister finds information up to the end of February, 1999, which was in the original Question?

Mr. Speaker: How do you know that it was in 1999?

Dr. Kituyi: Mr. Speaker, Sir, I knew that from the words of the hon. Questioner and the evidence available to me when he was preparing it. I had an interest in the Question.

Mr. Michuki: On a point of order, Mr. Speaker, Sir. I am seeking the guidance of the Chair on the issue of overdrawn accounts. Could the hon. Questioner make it clear whether he is talking about actual overdrawing or about a bank which has discounted its bills, because its own money, which is with the Central Bank of Kenya (CBK) is not enough? Which is which?

Mr. Speaker: Mr. Michuki, may I tell you that when you ask me to give guidance on this complex matter about money which I do not have, I am at sea!

(Laughter)

Mr. Michuki: Mr. Speaker, Sir, we want your guidance just in the same way you are seeking guidance about 1998 and 1999. I am confused because overdrawing is not something as simple as it is stated to be. It can be on the basis of discounting of bills or because the account has no money at all.

Mr. Speaker: So, what would you like to say Mr. Minister?

Dr. Masakhalia: Mr. Speaker, Sir, I think the hon. Members will have to make up their minds as to

whether they are talking about overdrawing of an account or something else. If it is overdrawing of accounts, which any commercial bank has in the CBK, that is outlawed by the CBK. For example, one cannot overdraw on his account. That is what is asked in the Question. The precise answer is that one cannot do that because it is not allowed.

Mr. Obwocha: Mr. Speaker, Sir, the Minister has not answered the question he was asked about the balances of the National Bank of Kenya (NBK) as at that day. He has not even answered or even attempted to answer that question.

Mr. Speaker: Order! Order! Mr. Obwocha, you did not even ask that question but somebody else asked it.

Mr. Obwocha: Mr. Speaker, Sir, I--

Mr. Speaker: Order! Order! I do not think that the Minister is bound to answer what you have not asked him. I honestly do not know whether, as the Question stands now, he was to see whether it is overdrawn or not. Mr. Minister, would you like to answer that question?

Dr. Masakhalia: Mr. Speaker, Sir, if he needed some information on the cash balances in the commercial banks accounts with the CBK, that can be provided. But there was nothing in the Question to suggest that he really needed that information, and I did not want to give out information that was not asked for.

Mr. Odoyo: Thank you, Mr. Speaker, Sir. I think this Question, by my colleague, has serious implications. There are some commercial banks which are being protected by the CBK in so far as they overdraw their accounts. The CBK continues to protect these banks by continuing to provide them with additional credit. Could the Minister advise this House whether there are some banks which have overdrawn accounts with the CBK in the last 12 months? This is so because I seriously believe that this is the cornerstone of the collapsing banks. There are some banks which have collapsed because of this.

Mr. Keriri: On a point of order, Mr. Speaker, Sir.

Mr. Speaker: Mr. Odoyo, hon. Keriri is on a point of order.

Mr. Keriri: On a point of order, Mr. Speaker, Sir. Since the Questioner has admitted that there is a fatal mistake in this Question, which actually kills it, could we have your ruling as to whether it should be deferred, and be asked again so that hon. Members can ask what they want to ask instead of spending a lot of time on a Question that the Minister does not have?

Mr. Speaker: I cannot rule now, but the best thing I can do is to go and look at the original presentation by hon. Obwocha. If it reads "1998", then he will have misled the House. However, if it reads "1999", then I will order it to be amended and sent to the Minister. I think that is the best I can do.

Question No.042

SHORTAGE OF SECONDARY SCHOOL TEACHERS
IN SAMBURU

Mr. Leshore asked the Minister for Education and Human Resource Development:-

(a) whether he is aware that there is a shortage of teachers in secondary schools in Samburu East; and,

(b) the action he is taking to provide the required teachers at Wamba and Waso Secondary Schools.

The Assistant Minister for Education and Human Resource Development (Mr. Awori): Mr. Speaker, Sir, I beg to reply.

(a) I am aware.

(b) The Teachers Service Commission (TSC) in my Ministry has identified one teacher for Wamba Secondary School and three teachers for Waso Secondary School to go and teach at those schools the subjects in which those two schools were understaffed, except for Physics and English. Once the TSC has identified teachers who will teach Physics and English, they will be posted to the two schools.

Mr. Leshore: Mr. Speaker, Sir, while appreciating the Assistant Minister's response to this Question, it is very clear that the TSC has not employed the teachers who have graduated from public universities since last year. Is the Assistant Minister in order to mislead this House that those teachers will be posted to those schools when the TSC identifies them, while there are so many unemployed teachers even in my constituency?

Mr. Awori: Mr. Speaker, Sir, I should have expected the hon. Member to be grateful that at a time when there is a suspension on employment of teachers, we have been so kind and given him those teachers. I am

surprised by his response.

Mr. Leshore: On a point of order, Mr. Speaker, Sir. I think the Assistant Minister is misleading this House when he says that those teachers have been posted to those schools. I spoke with the headmaster yesterday and up to now those teachers have not been released to go and teach at Waso Secondary School. Could the Assistant Minister be kind enough as to show me the posting letters? Could he do it now?

Mr. Awori: Mr. Speaker, Sir, for those doubting Thomases, here are the names of the three teachers that I am sending to the hon. Member's schools. One of them is called Mr. Letandanya, whose TSC number is 386938. This teacher will teach Biology and Agriculture. Mr. J. Lekolol, TSC No.324970, will teach Kiswahili and History. The third teacher is called Mr. David Nguru. His TSC number is 352991 and he will teach Economics and Geography.

Mr. M. Galgalo: On a point of order, Mr. Speaker, Sir. Is the Assistant Minister in order to mislead this House that the Ministry of Education and Human Resource Development posted teachers to those secondary schools in Samburu East depending on his kindness? Is it not a responsibility of this Ministry to provide teachers to all schools in Kenya?

Mr. Awori: Mr. Speaker, Sir, I really do not know the difficulties the hon. Member has. I think the TSC has honoured its obligation by providing those teachers. So, what his difficulties are, I have no clue.

Prof. Anyang'-Nyong'o: Mr. Speaker, Sir, could it be in order to ask the Assistant Minister for Education and Human Resource Development whether the Ministry is not involved in a contradiction exercise? On one hand, the Ministry has closed down teachers training colleges and on the other hand, being faced by schools, which are in need of teachers, it does not know where to get them from. What plans does the Ministry have in place to have sufficient teacher training colleges to regularly supply teachers to our schools so that cases similar to this one do not arise in future?

Mr. Awori: Mr. Speaker, Sir, we are recruiting just like an army. When faced, occasionally with difficult logistics, it regroups; it then gets the army and the equipment that it requires. In the same way, we have only put a temporary ban on getting trainees into teacher training colleges. We have not stopped it. As we regroup and get finances, we intend to get more trainees in the teacher training colleges. As to the last part of the question, there are enough teacher training colleges in this country and apart from those that are in the pipeline, we do not intend, even when we get the funds, to build some more.

Mr. Speaker: Very well. Last one, hon. Poghisio.

Mr. Poghisio: Mr. Speaker, Sir, if the Assistant Minister is aware that some schools in other districts are over-staffed, why is it that districts like Samburu and West Pokot are under-staffed? Is it that they cannot post these teachers there?

Mr. Awori: Mr. Speaker, Sir, whenever we find that there are areas which are over-staffed and others that are under-staffed, we try to adjust. But let us not forget that there are certain areas where the teachers themselves believe are hardship areas; for example, West Pokot, Samburu and many other areas where teachers sometimes, even when they are posted there, are very reluctant to go. That is the reason why, occasionally, there is under-staffing.

Mr. Speaker: Very well. That should be the end of it. Order! Order! Just before I go to the next Question, I think it is important that I bring to the House the result of my investigation about Mr. Obwocha's assertion that his Question referred to 28th February, 1999. I have here the original Question filed by him and it is dated 12th March, 1999. It has his signature there and it states "28th February, 1998". You owe an apology to the House, Mr. Obwocha. Will you apologise?

(Applause)

An hon. Member: Jibu kwa Kikisii.

(Laughter)

Mr. Obwocha: Mr. Speaker, Sir, when I filed this Question, all my Questions which are being asked now are altered from 1997 papers and I am prepared to bring the papers where I altered.

Mr. Speaker: Order! Order! I do have it in front of me. It bears your own signature and it says "1998". So, the rule in law is that a document speaks for itself. This one speaks for itself. You have no choice now. It is not actually a request. I now order!

(Applause)

Mr. Obwocha: I like you so much, Mr. Speaker, Sir. I withdraw.

(Laughter)

Mr. Speaker: Very well, next Question?

An hon. Member: On a point of order, Mr. Speaker, Sir!

Mr. Speaker: Sorry; next Question, Mr. Nyagah!

Question No.026

EVICITION OF SMALL SCALE TRADERS

Mr. N. Nyagah asked the Minister for Local Authorities:-

(a) whether he is aware that there are approximately 1,200 small scale traders based at Quarry Road open air market in Gikomba and that eviction notices have been served on them;

(b) whether he could Table Minutes by the Nairobi City Council authorising the allotment and construction of the perimeter wall; and

(c) the action the Minister intends to take to protect the innocent traders.

The Minister for Local Authorities (Prof. Ogeri): Mr. Speaker, Sir, I beg to reply.

(a) Yes, I am aware that the City Council has served illegal hawkers based at Quarry Road open air market in Gikomba with eviction notices. The notices were issued in compliance with court orders.

(b) Approval of the construction of a perimeter wall at the Quarry Road open air market was approved vide Minute No.18 of Social Services and Housing Committee of the City Council of Nairobi held on 15th February, 1996, which I will lay on the Table of the House.

(Mr. Ogeri laid the document on the Table)

(c) The City Council has the legal right and obligation to enforce its by-laws to protect its legitimate market tenants against illegal hawkers. I cannot, therefore, interfere with the legitimate functions of the council.

Mr. N. Nyagah: Mr. Speaker, Sir, you will note from part (b) that I wanted Minutes showing authorization of the allotment of those plots. But the Minister has been good enough; he has given me the authorization of the construction. Whereas I would like the Minister to produce that allotment, I would like to ask him one question. Is the Minister going to assure this House and the country at large, that the 273 people are the legitimate beneficiaries of the allotment, because they are the ones who were approved vide a Minute of Social Services and Housing Committee on the 12th March, 1993 that allowed that allotment to be only done to the traders, whereas it was done to outsiders who are out to make money at the expense of the traders? I hereby would like to lay that list.

(Mr. Nyagah Tabled the list)

Prof. Ogeri: Mr. Speaker, Sir, the history of this market is a long one. The *bona fide* allottees of the market offered to construct the perimeter wall in this market in order to ensure security and at the same time, in order to ensure that illegal hawking does not occur within that premises. They asked the City Council to go to court and get an injunction. The City Council refused to issue the notices at that time. The tenants of the market themselves went to court and obtained a court order, demanding that the Town Clerk be committed to civil jail for disobeying the order. As I stand now, that matter is a civil case in the High Court, in 1998 and the issue has not been resolved and, therefore, it remains *sub-judice*.

Mr. Wambua: Mr. Speaker, Sir, is this the time that the Minister is telling the House that the City Council is acting on court orders when we know that there are so many court orders which have been given against the Nairobi City Council and they have never been complied with?

Prof. Ogeri: Mr. Speaker, Sir, that is purely hypothetical.

Mr. Anyona: Mr. Speaker, Sir, the Minister made two statements. One was that he has the responsibility to protect *bona fide* allottees at the expense of hawkers. As far as we know, the City of Nairobi has both regular

traders and hawkers. Could he, in the interest of hawkers as well, tell us where they belong and how he protects them?

Prof. Ongeri: Mr. Speaker, Sir, I would have been happy to answer the hon. Anyona's question if the hawkers around this market were to seek for redress for re-allocation of a separate space to do their businesses. But as the Question stands here today, we are talking about a particular market and as far as the position is; they are illegally there.

Mr. N. Nyagah: On a point of order, Mr. Speaker, Sir!

Mr. Speaker: Yes, what is it?

Mr. Nyagah: Is the Minister in order to mislead this House? I have been very specific and I have said that the legitimate allottees of this plot are in the Minutes of the Social Services and Housing Committee under Minute No.16 which says: (a) "The market traders be allowed to meet the cost of the construction. (b) That they be compensated for the same by being allocated spaces to construct stores adjacent to the perimeter wall." This is because the area was given to outsiders who were not in any way authorised by any Minute from the City Council.

Prof. Ongeri: I am perfectly in order, Mr. Speaker, Sir. In 1998 the plaintiffs obtained a court order on behalf of the residents or tenants of that market, Joseph Mureithi Kamau, Samuel Wambugu Ndirangu, John L. Kirungi and Anne Wairimu Ndung'u. The order from the court has absolutely stated: "These plaintiffs have appeared on behalf of their tenants". If your group is part of that tenancy then it falls within the order by the court which says that the hawkers by themselves claiming under the defendants right or otherwise be and are hereby restrained from trespassing, alienating or in any way interfering with the said premises known as Quarry Road Market pitch Gikomba pending the hearing of this application.

Mr. Speaker: Very well. We will wait for the results of that.

Question No.010

TARMACKING OF BUNGOMA-KHASOKO-
BUSIA ROAD

Mr. Sifuna asked the Minister for Public Works and Housing:-

(a) whether he is aware that Bungoma-Khasoko-Busia Road is one of the oldest roads in the Western Province; and,

(b) if so, when the Government will tarmac this road.

The Assistant Minister for Public Works and Housing (Mr. Rotich): Mr. Speaker, Sir, I beg to reply.

(a) I am aware that Bungoma-Khasoko-Busia Road is one of the oldest roads in the province.

(b) Busia-Mongatsi Section, that is 25 under Busia-Mumias Road project while Mongatsi-Bungoma is being gravelled.

Mr. Sifuna: Mr. Speaker, Sir, the hon. Assistant Minister has not answered part "b" of the Question. Could he be more specific rather than guessing? When will the Government tarmac this road?

Mr. Rotich: Mr. Speaker, Sir, that section is not being tarmacked. It is being gravelled and the gravelling is going on.

Mr. Munyasia: Mr. Speaker, Sir, for the past ten years no road has been tarmacked in Bungoma. Since the DDC has year-after-year put this road as a priority road for tarmacking, when is the Assistant Minister planning to have it tarmacked in accordance with the recommendations of the Bungoma DDC?

Mr. Rotich: Mr. Speaker, Sir, at the moment there are no plans to tarmac this section of the road due to lack of funds. But the gravelling is on going.

Mr. Sifuna: Mr. Speaker, Sir, leave alone the question of tarmacking the road the hon. Assistant Minister is misleading this House by telling us that they are gravelling the road. The road is impassable. You cannot pass there because of the *El Nino* rains. Could the Assistant Minister tell this House actually which company is gravelling this particular road because I was there last week and there is nothing of that kind going on.

Mr. Rotich: Mr. Speaker, Sir, the contractor is called Chuma Construction Company.

Dr. Kituyi: Mr. Speaker, Sir, Chuma Construction Company whose proprietor is the former Permanent Secretary in the Ministry of Public Works has only one road under construction in Bungoma which is Misikhu-Naitiri-Matunda Road which has stalled. Is the Assistant Minister in order to mislead the House that Chuma Construction Company is working in any part of South and Western Bungoma when there is no such a project being undertaken by Chuma Construction Company?

Mr. Rotich: Mr. Speaker, Sir, according to the information we have the contractor is on site. If he is not,

and the hon. Member has information to the contrary, we shall take some action.

Mr. Speaker: Would you like to check?

Mr. Rotich: Mr. Speaker, Sir, I will check on Thursday.

Mr. Speaker: I will give you a whole week so that you can come back with the reply on Tuesday next week.

Question No.071

CONSTRUCTION OF BRIDGE ACROSS
THIKA RIVER

Mr. Wambua asked the Minister for Minister for Public Works and Housing:-

(a) whether he is aware that people cannot cross Thika River from Mbembani to Kwa Ndolo area due to lack of a bridge; and,

(b) if the answer to "a" is in the affirmative when the construction of this bridge will start.

The Assistant Minister for Public Works (Owing. Rotich): Mr. Speaker Sir, I wish to request that this Question be deferred until Thursday.

Mr. Speaker: Order! Who has given you power to defer? Why do you want it deferred?

The Assistant Minister for Public Works and Housing (Mr. Rotich): Mr. Speaker, Sir, we are deferring it because the answer we got was not satisfactory.

Mr. Wambua: The written reply is not satisfactory!

Mr. Speaker: Mr. Wambua says he is not happy with the answer.

Mr. Wambua: Could the Chair allocate the time when it will be answered?

Mr. Speaker: It has been deferred up Thursday.

(Question deferred)

QUESTIONS BY PRIVATE NOTICE

BEATING UP OF HON. NGILU

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

(a) Under what circumstances was hon. Charity Kaluki Ngilu, M.P., Kitui Central, beaten and injured on 24th April, 1999 at Mutomo market?

(b) What action has been taken against the culprits as the matter was reported to Mutomo Police Station on the same day?

The Minister of State, Office of the President (Maj. Madoka): Mr. Speaker, Sir, I beg to reply.

(a) The Gracious Lady, hon. Charity Kaluki Ngilu, was injured when her supporters clashed with KANU supporters at Mutomo Market on the 24th April, 1999.

(b) Hon. Ngilu has declined to record any statement at the police station. Equally, herpporters have declined to record statements. Whereas the other members of KANU have recorded statements she has refused to record statements and, therefore, the case is pending until she records a statement.

Mr. Katuku: Mr. Speaker, Sir, I personally went to Mutomo Police Station on 24th, April at around 10.00 p.m. and reported this matter with hon. Kitonga. We wanted to write a statement but the police refused. We had to force ourselves to record statements. Can you tell us what we have to do?

Maj. Madoka: Mr. Speaker, Sir, if they were refused I suggest they go back and record those statements. They will be taken.

Ms. Karua: Mr. Speaker, Sir it appears that the Government is waging war against this particular hon. Member. If it is true that hon. Ngilu has not reported since there were televised reports that she was attacked while being interviewed and her attackers were clearly visible, could the Minister assure us that the Government will act responsibly, arrest the perpetrators and if there is no complaint, then charge them with creating a disturbance to show good faith?

Maj. Madoka: Mr. Speaker, Sir, the Gracious Lady, hon. Ngilu, has a knack of provoking situations where she appears the underdog.

Mr. Kikuyu: On a point of order, Mr. Speaker, Sir. Is it in order for the Minister to insinuate that hon. Ngilu all throughout provokes situations when to the contrary, on the ground, it is the Government which is trying to intimidate, kill her in order to break up the SDP?

Mr. Speaker: Order! Order, Mr. Kikuyu! You are now expressing an opinion and he was expressing his own; and you want me to get into the middle of your two opinions. I do not want to get anywhere near it.

Dr. Kituyi: Mr. Speaker, Sir, any person who watched the TV news on the police and thugs brutality inflicted upon hon. Ngilu will confirm it. We saw it with our eyes; that she was being interviewed by the KTN video crew when she was set upon and beaten. Is this in the view of the hon. Minister provoking violence and acts for starting confrontation? Was she confronting KTN?

Maj. Madoka: Mr. Speaker, Sir, obviously the hon. Member does not know the circumstances which surrounded this incident. This is what happened. The hon. Ngilu detained a person in her car for four-and-half hours while going round the polling stations. When the KANU supporters tried to get this person released, a scuffle ensued and the hon. lady got injured.

Mr. Katuku: Mr. Speaker, Sir, the Minister is telling us that hon. Ngilu detained a person in her car. The truth of the matter is that, hon. Ngilu and others found this teacher distributing money and they arrested him. As they were taking him to the police station, one of these Ministers went and organised youths and gave each of them Kshs1,000.

An hon. Member: Name the Minister!

Mr. Katuku: Mr. Nyenze of course! He gave Kshs1,000 to each of the youths.

Mr. Speaker: Order! Order, Mr. Katuku! That is the kind of language that brings trouble either in the House or outside. In any case, you are mandated by the Standing Orders not to impute improper motives on other Members. Unless you bring a substantive Motion, you are likely to cause problems to yourself in the House. So, can you use civil language?

(Laughter)

Mr. Katuku: It is okay that is the fact of the matter. Here is a situation whereby one is injured, the names are given to the police station of who injured who. In fact, I went to those who witnessed the incident and they gave names of those people who were involved to the police. I was there and it was recorded in the Occurrence Book. I was with hon. Kitonga and names of those people who stoned hon. Ngilu were given and they said that they were given money by that person I said. Why has the police not arrested the people who assaulted hon. Ngilu, when their names are in the Occurrence Book, Mutomo Police Station? What do you want people to do? We reported this matter and people have not been arrested. Why have they not been arrested, questioned and taken to court?

Maj. Madoka: Mr. Speaker, Sir, I said that investigations are still going on and we are waiting for hon. Charity Ngilu, and her supporters, to record statements and identify the people who stoned her.

Prof. Anyang'-Nyong'o: On a point of order, Mr. Speaker, Sir. Is the Minister in order to tell the House that hon. Charity Ngilu had been approached to make a statement and has refused without him telling this House which police officer, his registration number and on which date he approached hon. Charity Ngilu to make her statement, where and when? Can he specifically name the police officer who approached her, his registration number, the date and at what place?

Maj. Madoka: Mr. Speaker, Sir, I do not think that is necessary because hon. Charity Ngilu should be the complainant and she should have the courtesy to go and record a statement.

Mr. Speaker: Very well. Next Question by Prof. Anyang'-Nyong'o!

Mr. Katuku: On a point of order, Mr. Speaker, Sir.

Mr. Speaker: Sorry! I am minding the time now. Prof. Anyang'-Nyong'o.

MEASURES TO BAIL OUT NATIONAL BANK OF KENYA

Prof. Anyang'-Nyong'o: Mr. Speaker, Sir, I beg to ask the Minister for Finance the following Question by Private Notice.

(a) What steps is the Central Bank of Kenya taking to bail out the National Bank of Kenya from its present liquidity crisis?

(b) Why were the five directors originally nominated to the Board of the National Bank of Kenya by the

National Social Security Fund and the Treasury forced to withdraw from the elections that were to be held at the Annual General Meeting on 30th April, 1999?

The Minister for Finance (Dr. Masakhalia): Mr. Speaker, Sir, I beg to reply:

(a) There are no steps being taken by the Central Bank of Kenya to bail out the National Bank of Kenya from liquidity problems. The Central Bank of Kenya (CBK) is only providing advisory services to the bank as it does to other banks in similar situations. These services are provided in accordance with the provisions of the Banking Act.

(b) The five directors withdrew their candidature on their own accord and were, therefore, not forced to do so by anybody.

Mr. Kajwang: On a point of order, Mr. Speaker, Sir. Is the Minister in order to mislead this House by suggesting that the CBK is only giving advisory services and is not assisting any banks in its liquidity crisis when only three or four days ago, they pumped Kshs4.5 billion into National Bank of Kenya. What was it for?

Mr. Speaker: That is not a question! Prof. Anyang'-Nyong'o.

Prof. Anyang'-Nyong'o: Mr. Speaker, Sir, I do appreciate the fact that the Minister understands that this Question of the NBK is extremely important and that it would be useful to the House for the Minister to avail all the facts necessary so that the House and the public can understand what is going on. Arising from the answers that the Minister has given to parts (a) and (b) of the Question, can he explain to this House why only recently Kshs4.5 billion was paid by the Central Bank of Kenya into the NBK? Can he also explain the circumstances under which the five directors were named by the Government just a few days before the annual general meeting of the bank's shareholders; and that after careful advice---

Mr. Speaker: Order! Could he answer one question? You think you are---

Prof. Anyang'-Nyong'o: No, it was part (a) and (b), Mr. Speaker, Sir.

Mr. Speaker: Sorry, sorry! One at a time!

Prof. Anyang'-Nyong'o: Okay, Mr. Speaker, Sir, I hope you will allow me to pursue this other one. It is equally important.

Mr. Speaker: I hope I can.

Prof. Anyang'-Nyong'o: Please, Mr. Speaker, Sir. Could the Minister explain to the House why the CBK found it necessary to pay Kshs4.5 billion to the NBK and whether that is not related to the question of liquidity in the National Bank of Kenya?

Mr. Masakhalia: First, let me make it clear that the Central Bank of Kenya did not pay into the coffers of the National Bank of Kenya Kshs4.5 billion. What really happened is this: The Treasury had an account with the Central Bank of Kenya of about Kshs2.5 billion which it moved to the account of National Bank of Kenya to help it solve its liquidity problems. Secondly, there was a dividend of Kshs2 billion due to the Treasury from the Central Bank of Kenya. The Treasury took that amount and deposited it with the NBK. That is the amount that, perhaps, might be confusing the public because I have seen even that figure of Kshs4.5 billion in the newspapers being referred to as a transfer from the CBK to the NBK, aimed at improving its liquidity position. What really happened is what I have explained.

Mr. Keriri: Mr. Speaker, Sir, the Minister has already said that they moved Kshs2.5 billion from the CBK to the NBK as a deposit and also a dividend of Kshs2 billion which was due to the Government; and that this was to help the NBK during its liquidity crisis. On what basis, and what fairness was there for the Government to continue putting money in the NBK and yet it does not do that to other banks when they get into such problem?

Dr. Masakhalia: Mr. Speaker, Sir, I would like to explain that the Treasury has a share of 22 percent in the National Bank of Kenya. Secondly, the importance of the National Bank of Kenya cannot be over-emphasised. Getting into problems that would get it into work problems overrun, would have far reaching ramifications to the economy. That is why in our prudence, we decided to help it during its liquidity problem period.

Prof. Anyang'-Nyong'o: Mr. Speaker, Sir, it would have been good if the Minister could have explained to the House whether that Kshs4.5 billion will go towards the equity share of the Government in the bank. But he has not. So, the public is still left wondering what the end result is going to be. So, I do not think the Question has been adequately answered.

But, notwithstanding that, is it true - and the Government needs to clarify this - that after careful advice from the Central Bank of Kenya, that both the Government and the National Social Security Fund should be represented in the Board by professionals and people from the private sector, the National Social Security Fund, after being put under pressure by a Government Minister, decided to withdraw its support for these people from the private sector, and hence forward to the Annual General Meeting, people who are not qualified to be the directors of the National Bank of Kenya?

Dr. Masakhalia: Mr. Speaker, Sir, NSSF is an agency which cannot be directly controlled by the Treasury or the Government. They decided---

Dr. Kituyi: On a point of order, Mr. Speaker, Sir. Is the Minister in order to mislead the House that NSSF cannot be directed by the Government, when the Government directed NSSF to convert deposits into shares without the Board's approval?

Dr. Masakhalia: Mr. Speaker, Sir, the NSSF has a Trustees. It makes its decisions as an agency or a corporate body. We do not compel such an agency to take a particular position. In this case, they decided to withdraw their support from five Board members. They substituted their own, but the AGM did not endorse that slate either.

Mr. Michuki: On a point of order, Mr. Speaker, Sir.

Mr. Speaker: Order, Mr. Michuki! Time up!

Mr. Michuki: On a point of order, Mr. Speaker, Sir.

Mr. Speaker: Question Time is up!

Mr. Michuki: On a point of order, Mr. Speaker, Sir.

Mr. Speaker: I am sorry, time up!

Mr. Michuki: Mr. Speaker, Sir, this one is constitutional.

Mr. Speaker: I know that, but next time, Mr. Michuki!

Mr. Michuki: I am here to defend the constitution!

Mr. Speaker: Order! Whether it is constitutional or not, I will refuse. So, you must obey the Chair!

Mr. Michuki: It is a constitutional point I want to raise!

Mr. Speaker: So, does it matter? Order! There is nothing known in this House as a constitutional point. So, you are actually out of order. Either you are on a point of order, or you have nothing, because, you cannot be on a point of constitution.

Mr. Michuki: On a point of order, Mr. Speaker, Sir. The point I want to raise with the Minister is this: That given the money he has put into the National Bank of Kenya came from the Exchequer Account in the Central Bank, and on the basis that this last tranche of Kshs2.5 billion is in excess of Civil Contingencies Fund, on the basis of provisions of Section 99 of the Constitution, how did he withdraw that money without the authority of this Parliament?

Mr. Speaker: I think I will allow that on its importance, but it certainly is not a point of order. It is a very good supplementary question, but not a point of order. Mr. Michuki, next time do not rise on a frivolous point of order.

Dr. Masakhalia: Mr. Speaker, Sir, we had some consultations on the legality or non-legality of the matter, and the consent we received was moving an account from one institution, in this case, the Central Bank to another. Moving an amount of deposits from one account in a financial institution to another has no constitutional problem.

UTILIZATION OF KENYA SUGAR AUTHORITY FUNDS

(Mr. Sungu) to ask the Minister for Agriculture the following Question by Private Notice:-

(a) In view of the financial crisis now facing Muhoroni Sugar Company, with imminent collapse, what urgent measures does the Ministry have to save the factory?

(b) Is the Minister satisfied that funds collected by the Kenya Sugar Authority (KSA) are being utilised properly in this regard?

Mr. Speaker: This Question by Mr. Sungu is withdrawn.

(Question withdrawn)

MINISTERIAL STATEMENTS

STATUS OF KEPI PROGRAMMES

The Minister for Health (Mr. Kalweo): Mr. Speaker, Sir, I would like to make a Ministerial Statement as was requested by the House, through Dr. Kituyi.

Mr. Speaker, Sir, the House requested for a Ministerial Statement on the status of the KEPI programmes in relation to DANIDA support on 5th May, 1999. I wish to state as follows: The Kenya Expanded Programme on Immunization was started in 1980 with the main objective of providing immunization to all children under one

year against tuberculosis, diphtheria, whooping cough, tetanus, measles and polio. Since its inception, the programme has made great strides in increasing immunization coverage and reducing morbidity. Over 75 percent of Kenyan children are fully immunised before their first birthday. Following the success, the programme is now embarking on disease control elimination and eradication. A bilateral agreement between the Kenyan Government and the Danish Government which was signed on 24th July, 1994 for a period of four years lapsed on 24th July, 1998. However, this was extended to 31st December, 1998.

Mr. Speaker, Sir, Kshs1.52 billion was given in form of grants for the four-years period of agreement. The breakdown is as follows:-

Policy Development	-	Kshs10,120,000	System Support	-
		Kshs264,588,500		
Preventive Maintenance and implementation				
Unit	-	Kshs152,625,000		
Supplies	-	Kshs901,289,255		
Programme Management				
Support	-	Kshs63,965,000		
Contingency	-	Kshs130,018,350		

It had been initially agreed that any funds that would not have been spent by 31st December, 1998 or at the lapse of the agreement, would revert to the donor; DANIDA. As it turned out, Kshs600 million had not been spent as earlier agreed upon due to over-budgeting, cost of vaccines due to high vaccine forecast and suspension terms anticipated increased the cost of vaccines.

Secondly, the policy framework implementation and action plan was late, and therefore, operationalization of the budget line for most of 1995 was not possible. Thirdly, lack of progress in restructuring drug supply at MSU. Fourth was lack of guidelines for district health systems to strengthen decentralization and lastly there was delay in starting an NGO co-ordinating unit. Therefore, the funds reverted to the donors as per the agreement.

After review of the ending project in August 1998, and in order to pave way for the formulation of future DANIDA support to the health sector, the following conditionalities were spelt out in agreement minutes for fulfilment before 31st December, 1998:-

(a) That by 31st December 1998, an action plan containing minimum activities and time frame which would lead to a strategic plan for the health sector has been established in participatory manner;

(b) That the legal notice for district health management boards has been approved by 31st December, 1998.

(c) That there should allocation of an increased budget for preventive maintenance unit.

As at 31st December, 1998, the first two conditions had been fulfilled. My Ministry is also in the process of establishing health management committees in health centres and dispensaries in the country.

With regard to additional funds to Preventive Maintenance Support Unit, the Ministry of Health has increased allocations from Kshs6 million to Kshs21,548,240 for the 1998/99 financial year. The draft estimates for the 1999/2000 financial year, has further increased this to Kshs64 million, which was their aim before.

Mr. Speaker, Sir, the Government has appealed to the Danish Government, seeking fresh negotiations regarding future support to the sector. In January 1999, the Government made a special request for consideration by DANIDA for the purchase of vaccines, and DANIDA has provided Kshs65 million for purchase of vaccines to last six months. The vaccines are already being received by the Ministry. Danish Development Agency has indicated that decisions on further support to the Ministry of Health will be made by the Danish Parliament towards the end of June, 1999.

In the meantime, my Ministry has sought support from JICA, UNICEF and WHO for provisions of vaccines, and they have positively responded. The Kenya Expanded Programme in Immunization will therefore continue without interruption.

Mr. Speaker, Sir, another area which does not relate to DANIDA is that, some donors or concerned parties had raised issues related to procurement and supply of goods within the Ministry. And I take this opportunity to assure this August House that every effort will be put in place to ensure that procurement and other financial procedures are followed to the letter.

Thank you Mr. Speaker, Sir.

Dr. Kituyi: Mr. Speaker, Sir, I very much appreciate the effort the hon. Minister is making in dealing with a crisis situation which is not of his making, but the making of Government.

In 1995/96, the Danish Government which had already committed Kshs1.52 billion to support the Health Ministry froze funding for a whole financial year because the Government of Kenya reneged on measures to control corruption in the use of pledged money. After they resumed, the Government made a promise. I have it on the authority of the desk officer for health that the Danish Government has decided to terminate its support to health in Kenya at the end of June. There is nothing like renegotiating or being discussed in the Danish Parliament.

Mr. Speaker: So, what are you asking if you know all that?

Dr. Kituyi: Mr. Speaker, Sir, since the Minister seems to be celebrating the fact that they have approached UNICEF, WHO and JICA for support on KEPI, the Danish grant support to KEPI is Kshs400 million every year, could he agree with me that the positive indication by the three agencies has not involved any commitment of actual money, and therefore, any statement that there is secured funding for KEPI for the next financial year is actually not true; there is no financial figure given as commitment by any donor to replace the Danes in the funding of KEPI for the next financial year?

Mr. Kalweo: Mr. Speaker, Sir, I have said that we have discussed with other donors for safety measures. Although they have not given us any figure, we believe they will do so. At the same time, I would like to say that we are receiving goods or vaccines worth Kshs65 million from DANIDA. They have agreed with us that at the end of June, their Parliament will decide on further support. So, it is not official that they have completely pulled out their support. It is more or less like a game of high-jump which we should know. They have always adjusted and re-adjusted their conditions. So, we have tried what we can.

Mr. N. Nyagah: Mr. Speaker, Sir, whereas we have no disagreement that the Danish Government has said that they are going to give us Kshs65 million, could the Minister confirm to this House that this country has a major crisis, in that, immunization drugs will not be available? Therefore, the 75 percent figure that he is boasting of having achieved is inconsequential. There are many children who are being born today and will never, ever get any immunization. As a result, we are going to have very many deaths. The desk officer in DANIDA has clearly stated that his Government will not negotiate until all the agreements that were signed between DANIDA and the Kenya Government have been fulfilled.

Mr. Kalweo: Mr. Speaker, Sir, I have assured the House that there is no need for panic. We should panic because of AIDS, but not because vaccines, because there are enough vaccines. The Government is not sleeping. For example, if Mr. X, Y or Z, was funding you and has proved to be difficult, are you just going to sit there and die? So, the Government is putting in efforts to sustain itself.

AIRCRAFT CRASH AT MANDERA AIRSTRIP

The Minister of State, Office of the President (Mr. Sunkuli): Mr. Speaker, Sir, there were two aircraft crashes on 1st and 3rd May, 1999. On the 1st of May, 1999 at 12.40 p.m., a military aircraft registration No. KAF 214 aborted a take-off at Mandera Airstrip. The aircraft had earlier landed safely at 2.20 p.m. During the abortive take-off, the aircraft crashed into Shafeshafe Manyatta where it knocked and killed Ibrahim Osman Mohammed aged 10 years. Nobody else was injured, but the aircraft was damaged.

On the 3rd May, 1999, at 9.15 a.m., another military aircraft registration No. KAF 207 crash-landed at the same airstrip with six military personnel on board. One of the soldiers was injured in the incident and the aircraft was extensively damaged. The two air-crashes are being investigated by the Government to ascertain their causes.

In addition, the Government is considering the construction of a civilian airstrip in Mandera since the one currently in use is a military one.

Thank you, Mr. Speaker, Sir.

Mr. Shaaban: On a point of order, Mr. Speaker, Sir. Taking into consideration that Mandera Airstrip has one of the highest air traffic, and actually it is always superseded by Kenyatta, Moi and Wilson airports; and also taking into consideration that most of the aeroplanes which land at this military airstrip are foreign-owned, risking the military barracks within the vicinity of the airstrip, could the Minister tell this House when the actual construction of the civilian airstrip will take place, how much it will cost and when it will be completed, taking into consideration that there is a serious need for the construction of a civilian airstrip in Mandera?

The Minister of State, Office of the President (Mr. Sunkuli): Mr. Speaker, Sir, I have already noted that the Government is considering the construction of a civilian airstrip in Mandera. The budgetary implications are being considered and I am sure this House will be informed when those are ready.

Mr. Shaaban: On a point of order, Mr. Speaker, Sir. Right now, the airstrip is within the military

barracks and it is seriously damaged---

Mr. Speaker: By the way, Mr. Shaaban, you have a Question on this, do you not?

Mr. Shaaban: No, Mr. Speaker, Sir. I do not have a Question on this.

Mr. Speaker: You have not filed a Question?

Mr. Shaaban: No, I have not yet filed a Question.

Mr. Speaker, Sir, the present military airstrip is seriously damaged and in our findings, we think it is because that airstrip is potholed and it has a very short run-way. Since we expect that there could be a lot of other accidents that will occur, is the Minister in order to avoid telling the House when this airstrip will be constructed, completed and how much the Government has set aside ---

Mr. Speaker: Order! Order! Order, that is where Members go wrong. I remember advising the hon. Member now on the Floor that the best course of action to take in a matter like this, is to put it by way of a Private Question; so that not only him can participate, but other Members of the House and, therefore, the Minister also gets prepared. As it is, we are turning Ministerial Statements into Questions. I do not think I will allow that, but because of the seriousness of the matter, notwithstanding what the Minister has said, I will allow you if you seek my indulgence, to put a Question on the establishment of a civilian airstrip in Mandera, I will endorse it to you. But I want to ask Members of the House, please, do not drift back to the habit of Ministerial Statements because I thought we got rid of them through Zero-Hour. And also because I think we have the many relevant Departmental Committees which can actually summon Ministers and their officers to the House's relevant Committees to answer questions. So, can we sparingly use our time on seeking Ministerial Statements? Mr. Shaaban, please, I do sympathise a lot about this issue.

DEMOLITION OF M/S KATTRON AUCTIONEERS PREMISES

The Minister for Local Authority (Prof.

Ongeri): Thank you, Mr. Speaker, Sir. On 5th May, 1999, hon. Joseph Munyao requested me to issue a Ministerial Statement on the circumstances surrounding the demolition by the City Council of the premises occupied by Messrs Kattron Auctioneers. After scrutinising all the relevant documents submitted by the hon. Member relating to this case, I am of the view that the matter is *sub-judice* and the parties involved should therefore, wait for the final determination by the competent court of law.

I have in front of me a court order which was submitted by the plaintiff, Messrs T.A. Kattron Auctioneers versus the Director of City Inspectorate and Nairobi City Council. The order states that the defendants, their agents, servants and all employees be, and are hereby, restrained from entering from entering, threatening, demolishing and or in any other way from interfering with the plot No.TOL ref.CV1378/S/1/19 Nairobi, until the final determination of this suit. This was issued on 19th April, 1999.

POINT OF ORDER

MISREPORTING BY THE *KENYA TIMES*

Dr. Kituyi: Mr. Speaker, Sir, my attention has been drawn to the lead story in today's *Kenya Times* which, on the front page does say that at some time in the recent past, I have received Kshs250,000 in order to move a Motion in this House about the aborted construction of a teachers training college in Kibabii, Bungoma. First of all, there has not been any Motion on such a matter before this House. Secondly, I want to state categorically, not just on the matter of Kibabii, I have never conceived of the possibility, and will never be induced by monetary or any other benefits to raise or fail to raise a matter before the House. So, I wish for the record of the House and for the honour of the House to state clearly here that story is total nonsense. I have instructed my lawyer to take action and I am personally serving the said Mr. Kinyanjui with orders at his residence at Mountain View tonight, over libel on that claim.

(*Applause*)

Mr. Sifuna: Thank you very much, Mr. Speaker, Sir,---

(*Mr. Munyao stood up in his place*)

Mr. Speaker: Order! Order! Mr. Munyao, being a senior Member, you should do better than you are doing! I had given a Member the Floor and you are standing there complaining!

Mr. Sifuna: Thank you very much, Mr. Speaker, Sir. I would like to share the sentiments with hon. Dr. Kituyi. My name was also mentioned along with hon. Dr. Kituyi's name. At no one time did I ever meet Mr. Kinyanjui or Mr. Stephen Mwangi over these allegations of receiving kshs250,000. I do not require any money from any quarter to raise matters affecting the people of Bungoma. And how was the Motion of caution going to benefit Mr. Mwangi a former Member of Parliament for Starehe and matters affecting the people of Kanduyi? Lastly, to what hon. Dr. Kituyi has said, I have also taken up the matter and it is not a sheer threat, but Mr. Kinyanjui is going to have it for himself. My tribe forbids its members from adoring money, unlike Mr. Kinyanjui's tribe, whereby they think money is everything! I will never get money from anybody in order to deliver---

Mr. Speaker: Order! Order! Mr. Sifuna, I discourage tribalism! So, will you keep out the tribe of Mr. Kinyanjui out of this? I do not think they met to discuss this!

(Applause)

Mr. Sifuna: Mr. Speaker, Sir, all that I have been requesting throughout my days in Parliament since 1979, was to ask the Government why was there a delay in the construction of Kibabii Teachers' Training College through Questions and at no one time have I ever moved a Motion to that effect. That is why I am saying the so-called Mr. Steve Kinyanjui--- All that we are asking him to do is to return the Kshs33 million he was paid and instead of paying back the money, he is now trying to dilly-dally.

Mr. Speaker: Mr. Munyao, it is now your time.

Mr. Munyao: Thank you, Mr. Speaker, Sir. It is because of that seniority that you were seeing in me, that I had to stand immediately after the Minister to say this.

Speaker, Sir, I was thanking the Minister and then clarifying a small thing. The Minister has read correctly one court order of 19th, April, 1999. When this court order was given to the OCPD, he refused to take action on it and another one was obtained on 30th April and this one was given to the OCPD which he has now accepted. With the court order, they went on demolishing and as we talk now, the whole thing is demolished and in that godown, there were Government goods valued at Kshs19 million because this is an auctioneer. What we are asking the Minister is that, while we do not want to touch on the matter because it is *sub judice*, could a mechanism be put in place so that those goods are not sold because if they are sold, Katron will never get anything to pay to those people and particularly at this time, when we eradicating poverty to see that there are other departments which are enhancing poverty? That is all I wanted to say and I think that was normal.

Mr. Speaker: I allow him to tell you; Well!

Mr. Munyao: Thank you, Mr. Speaker, Sir, then.

The Minister for Local Authorities (Prof. Onger): Mr. Speaker, Sir, I will assure the hon. Member that, in as far as I do not want to interfere with the court process and I shall never be seen to do so; I will all the same be able to pack the sentiments of the hon. Member to both parties, that is the City Council as the defendants and the plaintiffs to ensure that the property is under proper custody.

Mr. Munyao: On a point of order, Mr. Speaker, Sir.

Mr. Speaker: Very well. That is over now. Time up and no more. We have to get to business now.

MOTION

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

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

(The Minister for Agriculture on 4.5.99)

(Resumption of Debate interrupted on 6.5.99)

The Minister of State, Office of the President (Dr. Anangwe): Thank you, Mr. Speaker, Sir, for giving me the opportunity to continue my contribution to Sessional Paper No.2 of 1999 on the Liberalisation and Restructuring of the Tea Industry.

Mr. Speaker, Sir, if I can recapitulate what I said last time for the benefit of those who were not here and as a background to what I am going to say subsequently, I support this particular Motion. I also did say that liberalisation is good and it is good that the Government has adopted liberalisation with respect to the agricultural sector in general and the tea sub-sector in particular. However, I did raise a number of fundamental cautions because the assumptions which underpin liberalisation are that: One, the economic system is by and large capitalist and the capitalist logic does underpin the process of production. I also did say that, if there are in existence other modes of production, these modes of production must be subservient to the dominant mode of production and that is the capitalist. In either cases, I did say that kind of situation does not obtain in Kenya. I did admit that by and large, there are enclaves of capitalism in Kenya but this is grafted fundamentally on a foundation that is fundamentally peasantry.

Mr. Speaker, Sir, I am saying so because the dominant element of our society is composed of peasants who produce for their own subsistence. They may generate of course, surpluses but that is not the main logic. The fact that some may be involved in cash crop production such as tea, coffee and sugarcane does not change the logic that they are by and large peasants. They may engage in cash crop production but the essential element is that it is a kind of subsistence and it is called market subsistence. In other words, they are producing cash crops but at the end of the day, they spend their earnings to buy food but they do not invest surpluses in any meaningful investments. If you look at their lifestyles, what they consume, their shelter and clothing, their lifestyles and standard of living are no more different from those who spend much of their time really producing the food crops.

Mr. Speaker, Sir, the meaning of what I am really saying is simply that, when we come up with interventions in the agricultural sector and other sub-sectors to support this kind of producers that is the small-scale farmers who are by and large peasants, we have to be very careful. We may assume that they are subscribing to the capitalist logic but the fact of the matter is that, left on their own in cash crop production, they will always revert directly to subsistence agriculture. They will always uproot the cash crop whether it is tea, coffee or sugarcane because on their own, they cannot stand on their own feet. So, what I was simply saying is that as we think about liberalisation within the tea sub-sector, we should bear in mind that we are dealing with a large portion of small holders in the tea industry who need a lot of support. They need a lot of support in terms of subsidisation of the inputs. They need a lot of support in terms of extension services that are hinged on the State. They need a lot of support to create a market for what they produce because left on their own, they will always do what they know best and that is reverting back directly on subsistence agriculture.

Mr. Speaker, Sir, I then went on to look at the paper as it is contained. I had no difficulties with many aspects of this particular paper. I did raise a point and I said that it has been carefully packaged of course bearing in mind the kind of sub-sector we are dealing with and which is dominated largely by the peasants. I had no difficulties with the major objective to be pursued in the tea industry but I did propose and suggest to the Minister, that at least to consider one additional objective for this particular sub-sector and that is: The sub-sector should improve linkages with the sugar and milk sub-sectors. This is because in most cases, people who take tea must also take sugar. Very few are able to take tea without sugar. They may have their own reasons. Many of them maybe, because they are diabetic but in the rural areas in this country if they are hoping to expand the domestic market for tea, we must link up the growth and development within the tea sub-sector with the development in the tea and milk sub-sectors because without sugar hon. Members, it may not be very easy for people to consume tea. Tea without sugar is like a drug but tea with sugar is of course an non-alcoholic beverage which is enjoyable and not many people can afford to do so.

Mr. Speaker, Sir, I did raise a point and said that if we develop the tea sub-sector and it flourishes but on the other hand, the milk and sugar sub-sectors are doing very badly, the consumers in this country cannot afford sugar, they cannot afford milk or the milk industry has collapsed, then it is as good as the tea sub-sector will have collapsed because very few people will take tea without sugar.

Mr. Speaker, Sir, on the issue of ownership and equity shareholding in the proposed privatised KTDA as a limited liability company under the Companies Act, I know the intention is to make this particular body independent; as stated on page four which says: "To make it independent to be wholly-owned by the small-holder tea farmers". However, I did raise a caution that, we do not have many case studies of successful small-holder only-owned organisations that are really successful. Drawing from our own experiences, we know they ridedo not exist.

Mr. Speaker, Sir, whether we are talking about the Kenya Farmers Association (KFA) or the Kenya

Co-operative Creameries (KCC), these particular organisations are not doing very well. When you look at co-operatives, particularly those in agricultural marketing, they are equally not doing very well. As a guarantee against misuse and mismanagement within this particular sub-sector, we do not wish to see this sub-sector suffer because of mismanagement of a privatised KTDA. Let us put in, at least, a stake for the Government so that the Government can be a guarantee against misuse which can face smallholders when they would be left on their own. When you leave farmers organisations to farmers only, they tend to be hijacked by selective few, the mafia or the cartel, who, of course, ride roughshod on the backs of peasants. They may even loot the same organisations and hoodwink the small-holders who may not find an opportunity to seek redress. If it is through democratic practices within the organisations themselves, we know the pitfalls involved. We are not saying that the Government should retain a higher stake as it was previously, but as a guarantee against misuse and abuse running those organisations. Given our experience with similar organisations in this country, let us retain, at least, some stake for the Government.

[Mr. Speaker left the Chair]

[Mr. Deputy Speaker took the Chair]

On the role and functions of the KTDA Board, I do not see any difficulties with that particular section. I know some Members have suggested that this particular Board should be abolished, I do not agree with that. Liberalisation does not mean free-for-all, "liberalisation" simply means that we are bringing in other actors engaged in the process of tea production, but the Government must retain its regulatory role. In this particular case, given the importance of tea in this country, we have to regulate. "Regulating" simply means that we should be able to produce tea of high quality that can easily be sold in external markets. Regulation entails three fundamental components; it entails setting up of standards, the ability to detect, of course, deviation from those standards and the ability to enforce or to institute corrective measures so that those deviations are minimised. I know some people are saying that you can have regulations without controls. Instituting corrective measures simply means controlling, so you cannot have regulations without controls. Too many controls may be very bad because they may stifle the management of the tea sub-sector. But we need some residual controls in order to steer the growth and development of this sub-sector within standards that are acceptable and that can make our tea grow and of course, attractive in external markets.

I agree that it may not be necessary for this particular Board to engage in the licensing of tea growers because there are other actors, including tea factories, who have to be licensed. But once we license the tea factories, it is up to them to see to it that the other actors including the small-scale are able to contribute according to the required standards.

Mr. Deputy Speaker, Sir, on the membership of the Tea Board, I do not have a problem with that. But I have a problem with the composition of members to represent the small-holder tea growers versus those who are going to represent plantation tea growers. From the data provided in this particular document, we know that nearly 65 per cent of the acreage under tea is under the control of the small-holders. For example, if we take the members representing farmers, six versus five, it does not reflect that proportionate representation of 65 per cent. Probably the Minister may wish to consider to increase the representation of the small-holder tea growers to seven and to reduce the representation of plantation tea growers to four. That would reflect about 65 per cent. But the way it is, it is not fair and proportionate representation is a matter of principle. We are only subscribing to the issues of equity and in this particular case, we need to reflect that in this particular composition of the Tea Board.

Mr. Deputy Speaker, Sir, the other issue that I would like to bring to the attention of the House is the proposed incorporation and shareholding of the KTDA. That, the constitution of the shareholding would be based on the current valuations of the assets of the KTDA allotted in accordance with the contribution of each factory company in creation of the KTDA asset. Whereas I would agree with that kind of submission, but I would hope that in the long-term, whoever is going to own the KTDA will not own it for free. At least, at some stage, there would be need for those particular assets to be paid for, because they have been generated using the taxpayers' money and the farmers should not get it for free. Also, the farmers who are engaged in sugarcane are not getting it for free and, therefore, those in the tea sub-sector should not get it for free. If they get it free, then we are also going to demand that the same treatment be accorded to sugarcane farmers when the time comes if a precedent would have been set in this particular document.

Mr. Deputy Speaker, Sir, with respect to the KTDA representation and creation of the voting zones, I know they have used the criteria of the factory. I do not know how the development of factories within the two tea areas came about, but I have my own reservations. It may have been skewed in favour of certain areas. If we are

going to use the number of factories as the basis for creating voting zones, we may find that we are engaging in gerrymandering such that those who may wish to be represented, as a matter of right and as a matter of principle, may not find it possible. I think the acreage under tea should be the basis upon which zones for purposes of elections of directors to the KTDA should be used.

Mr. Deputy Speaker, Sir, on the extension services and on employment of extension staff under the reformed KTDA, it is being proposed that the KTDA extension staff would now be limited to the headquarters and the factory companies. This is a significant departure from the current arrangements where the extension workers are distributed to where the farmers are. By locating the extension staff to the KTDA headquarters and factories companies, we may be pulling the extension staff away from where the farmers are. We are dealing with peasants or small-holder farmers, and to communicate with them, we need to develop a social context. By going to the headquarters and far away, we are becoming aliens. In the first instance, when you visit them in the morning, you would have to spend about half the time trying to create a conducive environment by asking them: "How are your children? How are the chicken? How are the animals"? That creates a waste of time. But if the extension staff are located and living with the farmers, as it was previously---

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

Mr. Keriri: Thank you, Mr. Deputy Speaker, Sir, for giving me the opportunity to make a few comments about this Sessional Paper. To start with, I think the Paper is rather sketchy. It does not tell us exactly what we ought to do on several matters.

Secondly, as usual, I think the Kenya Tea Development Authority (KTDA) management has not given the Minister the issues that had arisen and those ones which did not arise. So, the Paper, in fact, goes on to say that a number of things have happened, which is false. For example, there is a reference to direct participation by elected directors in management decisions regarding procurement of goods and services by factory companies. That has not happened. Only a small fraction of it has happened. The authority for factory companies to use Kshs250,000 to procure goods is not enough. All the tyres, vehicles and the major items are procured by KTDA on behalf of factory companies. I think we know that the intention is there, and the Minister intends well. But I do not think that what he has been told to tell the House is true. I think KTDA must tell the Minister what has not happened.

Thirdly, there is the question of the sale of KTDA equity in factory companies to tea farmers, which is listed as having taken place. We have been told that it will be taking place and the procedure which will be followed. But it has not happened. So, it should be one of those things which the Minister should say will happen in January next year, or in August this year. It must happen before the other things that will be happening in January.

Mr. Deputy Speaker, Sir, the other issue which the Minister has told us is the allotment of ownership to all small-scale tea growers in their respective tea factory companies. Again, it has not happened. Those shares have not been allocated. As I said, there are some misconceptions in this Paper. As I told the Minister the other day, I think someone is making him put things in the Paper that should have happened but which have not happened. That should be checked and the happenings should now be planned to take place before those things that we are told will happen in January, next year. These things must take place before one goes to the next step. So, through you, can we ask the Minister to look into that?

Regarding the ownership of factories, this Paper leaves the situation very fluid in that it does not talk about the ownership of those factories vis-a-vis the ownership of tea leaves. We know that the factories will be owned by tea farmers. But there is confusion in this Paper, and we have been asking for explanation. Are these factories going to own the tea leaves delivered to them? There is a lot of inference in that position. It may appear very small but if it comes to a time, and I do not think that it is the Minister's intention, when tea factories own the tea leaves, these companies will now be processing materials that they will have got from farmers. The tea factories, as private companies, will be due for tax payment. So, by the time they pay the farmers, in the form of dividends, if the tea leaves will be owned by the tea factory companies, the farmer will get almost nil because the tax will be too high. The real position should be that the tea leaves should continue to be owned by the farmers until they are sold and the farmer is paid so that he or she employs the tea factory to process his or her tea and pays for the costs of processing. In that way, the farmer will continue to get his or her income as he or she has been doing today. If you change that system, you will be punishing the farmer as he or she will get almost nothing. I know that this may be the intention of the Minister; to make the farmers get the maximum benefit. But this Paper does not make that clear. He needs to make that clear. When the Minister responds, I think he will have a chance to make the position clear. This is very important. It may appear a small matter but it is very important to the farmer and the tea grower who wants to be paid for his or her leaves which must be owned by him or her from the day he or she picks that leaf from the tree to the day it is sold. The factory should become a separate entity

which processes farmers' tea and it is paid for the processing costs that it incurs.

This Paper is talking about the Kenya Tea Growers Association and it gives its duties and functions, and it is claimed to be owned by farmers. We know for a fact, and the Minister knows it as he has been dealing with this matter very actively in trying to assist the farmers, that there is an unregistered association called "KUSTO. But it is recognised by a lot of farmers and it makes a lot of representations. Some people say that it makes a lot of noise. It would have been better if this association was registered so that we know whom we are talking to. Now, the Minister and everyone has been dealing with an unregistered organisation. If it were registered, we would have known how to deal with it. The other one which is referred to in this Paper is the creation, and it does not matter what the Minister may feel, of KTDA which is formed by directors who meet in Nairobi. Some of those directors are those whom farmers are complaining bitterly about because the day they were elected, they left the farmer alone and are behaving as if they are not employees of the farmers but employees of KTDA. This is so because that is where they get their directors fees from and their hotel bills are paid. After they have come back from Nairobi, they do not think about farmers' matters. They tell farmers: "You farmers do not know what you are doing. We know better than you." It is a very dangerous position when people elected behave like that. Like we hon. Members who are also elected by the people, you cannot imagine telling your voters that you are their master. You are their servants! If the directors of KTDA, whom we have elected, and some of them were not properly elected anyway, go back to tell the farmers that they are their masters and they are the people who formed the organisation referred to here as the Kenya Association of Tea Growers--- Now, that association is registered, and we know it. But if the Minister wants a smooth transition--- I am sure the Minister wants this because we know him. He is very particular in helping farmers and dealing with issues when raised with him. He is one Minister who behaves like an elected hon. Member and respects hon. Members when they ask him about the welfare of farmers. We feel that this particular association, although registered--- If we cannot register KUSTO, let us also forget about this other body. Let us leave the farmers to form an association of their own. KUSTO is one association which should be recognised and which has the confidence of farmers. It does not matter how much you force this other body down the farmers' throats, they may not accept it. It may be a good one but the farmers will not accept it. Since it will not be accepted, let us forget about it. Let us do what is most important now, which is to implement what is good about this Sessional Paper. Let us give farmers time, and facilitate them to form an association of theirs which we can then support and register. It can then represent the farmers and decide how many people go to the Tea Boards and to the KTDA, and so on and so forth. If the Minister leaves the situation as it is, he will not find a way of representation and he will still have difficulties in dealing with farmers. We know the Minister does not want to have problems in dealing with farmers because he respects them and they know him as their own friend, as the Minister for Agriculture. So, please, let us forget this other one. Since we have not registered KUSTO, let us have a new body which will be formed by farmers. This is a very important matter.

The other aspect that I wanted to touch on is about extension services. Reading this Paper, I get the impression that there is an intention to withdraw extension services from tea farmers and then have them pay for it. I do not think that is fair. Agricultural development in this country has been supported by the Government and it should continue to be supported by the Government because it is the mainstay of our economy. If the tea farmer does not sell his tea; and the sugar farmer does not sell his sugar or the coffee farmer does not sell his coffee, there will be no business in this country. In fact, shopkeepers will close their shops. So, it is the farmer who sustains the economy of this country. It is the responsibility of the Government to provide services for agriculture. I do not see the reason why the tea farmers should pay for extension services when every other farmer is not paying for them in this country. After all, tea is the most important crop among all other crops because it earns more money for the country through foreign exchange. It also earns more income for the Government and the farmer in particular. I would like to ask the Minister for Agriculture to consider this decision and revert to a position where extension services are provided by the Government because it makes sense that way. It does not make sense to ask farmers to employ people to provide extension services. You cannot call them private companies! We are here to talk on behalf of those farmers. Even the Members of Parliament who are elected in Nairobi have to talk on behalf of the farmers because the people in Nairobi cannot do business if the farmer does not sell his crop. We are here as servants of the farmers and we should give them the services they deserve.

Mr. Deputy Speaker, Sir, I am sure the Minister will agree with me that the Nyayo Tea Zones that have been mentioned here have been a disaster. The tea in the Nyayo Tea Zones, compared with the tea of the ordinary farmer is poorly looked after. I live near a Nyayo Tea Zone farm and it is so poor that it cannot even produce one-tenth of the tea we produce. So, there is no use, pretending that we are creating any employment by continuing with the Nyayo Tea Zones ownership as it is today. My suggestion is that the Nyayo Tea Zones should now be restructured by giving these farms to landless people who would be chosen in a transparent manner so that they can take more interest in that tea and improve the production, because they need that tea to get money. We

should give those tea farms to wananchi so that they can look after them and we shall get more income by selling more tea abroad from that sector. Unless we do that, and if we continue to think that the Nyayo Tea Zones are going to benefit anybody in this country, we are mistaken. They cannot benefit anybody! First of all, they were set up as a buffer zone against forest destruction. But in my place, it is not a buffer zone. It is actually a way of getting into the forest. The people who are there are the ones who are allowing people into the forest. So, it is no longer a buffer zone. That particular benefit is gone. Let it come back and be owned by wananchi instead of being owned by the Government.

Mr. Deputy Speaker, Sir, as I said, I think there is a lot to be done to get this Sessional Paper to some acceptable stage. I am sure many hon. Members have spoken about many items and I have mentioned a few issues here and I hope the Minister will give us a satisfactory response to this.

With those remarks, I beg to support.

Mr. Raila: Mr. Deputy Speaker, Sir, I would like to make a brief contribution to this Sessional Paper.

Mr. Deputy Speaker, Sir, let me begin by saying that the reason why we have problems with a Sessional Paper like this is because we do not have proper guidelines regarding liberalisation. This country decided to liberalise and privatise its public sector not out of conviction, but merely because of prompting from the international donor community, particularly the IMF and the World Bank. This is part of the problem because we are not liberalising rightly. We are not doing it because we think it should be done, because somebody has told us that we should do it and so we are doing it to please him. So, each and every time we do something, we should come and tell him "We have already done this; so, give us now more money." What ought to have been done is that there should have been clear policy guidelines laid down by the Government to be followed. This is what has happened in other countries where privatisation has been done successfully. In the United Kingdom, when they decided to follow that route, they first came out with a Sessional Paper which was presented to the Government, laying down the criteria to be used in privatising public institutions. They then set up a proper machinery to follow up that process and guidelines to monitor the progress; so that very often a progress report was presented to Parliament stating what has been done and what has not been done.

Mr. Deputy Speaker, Sir, the liberalisation of the tea industry is a major policy issue, but then why is it being done this way? It is being done this way because of lack of clear policy guidelines. In a Paper like this one, we ought to ask very fundamental questions. Why is it that in this country we licence people to plant tea, coffee and yet we do not license them to plant maize, cotton, groundnuts and so on? This is because of the colonial mentality which exists within Government departments. It is one of the relics of the colonial era which nobody has addressed. The colonialists did not think that Africans were sophisticated enough to grow tea or coffee and so, they had to be licensed to grow tea or coffee. Is there any rationale, 35 years after Independence, for this Government to bring a Sessional Paper here and tell us it needs a Board to license farmers to grow tea? I think there is something fundamentally wrong with us as a people! A Kenyan does not need to be given a license to grow tea. If he grows it wrongly, so what? That is his own problem! When we are talking about liberalisation, we are talking about the Government getting out of people's lives. That means we need less controls by the Government. But if you read this Paper, there is really not much departure from what we have today. If you look at the role and functions of the Tea Board of Kenya, they are contained in this Sessional Paper. One of those functions is the licensing of tea growers, supposedly to ensure that tea is only grown in suitable areas and ensure that the growers have manufacturing facilities for their tea once it matures. If somebody decides to grow tea in Garissa and it is not suitable for it, so what? That is his own business. If he grows it where there are no manufacturing facilities, so what? Why should we have a Board which is doing these things?

The final point is the control of the marketing of tea. Why should we have control? Why should we use the word "control"? Monitoring should probably be a much better word. But we want less control. That is why we are liberalising. The words "control" and "liberalisation" are contradictory. We do not need a Board that is going to control the marketing of tea. The market forces will take care of that. We are saying that in a free market economy, market forces will determine allocation of resources. So, we do not need a Government authority to do the controlling. The functions of the Board are wrong here and something needs to be looked into.

Then, you talk about the membership of this Board. They are increasing the membership from 16 to 18; not to make it more functional, but basically just to take care of certain interests. You are trying to create a much larger Board for no reason at all. The tendency world over is to come up with a smaller Board where the people can debate and discuss more easily. You are coming up with a much bigger Board because you want everybody to be represented. But more important, in the representation, you have the small holder growers and the estates or plantation growers. Now, historically, there has been discrimination. It was initially to redress that discrimination that the KTDA was formed in the first place. It was to promote the small-scale growers. Now, in this particular Paper, you are saying that the estate growers are going to be licensed by the Tea Board. But the

small-scale growers have to go and apply for their licence through the KTDA which you are now christening; instead of giving it authority, you are re-naming it to be an agency. But you are leaving it with the very same powers and responsibilities.

Again, in this particular Board, you are bringing in very many other bureaucrats. You have the Permanent Secretary, Ministry of Agriculture and the Director of Agriculture. Why do you need the Director of Agriculture if you have the Permanent Secretary? A Director of Agriculture is sufficient to represent the Ministry of Agriculture on that Board. We do not need the Permanent Secretary. Then, you are saying: "A member appointed by the Minister to represent tea trade sector; six members appointed by the Minister after consultation with the organisations representing small-holder tea growers."

Mr. Deputy Speaker, Sir, we are saying that the tea growers should elect their representatives. They should have more representation because in terms of acreage, the small tea growers represent greater percentage than the estate growers. They should have more representation than the estate growers. The ratio should be in accordance with the acreage that is covered. If you do that calculation, you should be able to find out how many members should represent the small-scale holders and how many should represent the large-scale farmers. That is simple arithmetic!

Mr. Deputy Speaker, Sir, I do not understand why they are saying that the Tea Board should be exempted from the State Corporations Act, with the exception of provisions relating to the auditing aspects of its accounts. I do not understand why that provision has been included there.

Mr. Deputy Speaker, Sir, the KTDA was set up to try and promote the small-scale farmers. I would say that it has already served its purpose. In the era of liberalisation, I do not think that the KTDA has any role to play. I am of the school of thought which says that the KTDA should be removed from the scene and replaced with the factories that are owned by the farmers. The factories should then be able to market the product and pay the farmers directly. By retaining the KTDA, calling it an agency and putting it in-between, is to siphon more money from the farmers and this is not fair. The farmers should be allowed to elect the directors of the factories themselves. The directors should not be elected through the delegate system. They should be chosen through elections by the farmers. The farmers should own shares in those factories.

Mr. Deputy Speaker, Sir, then you have the buying centres. The buying centres are fine. But the farmer who has got the ability to deliver his own tea directly to the factory should not be forced to take his tea to a buying centre. He should have the right to deliver his tea directly to the factory. At the moment, the KTDA is really exploiting the farmers. Look at it this way; that the KTDA is buying a kilo of tea from the farmers at Kshs5 and then selling it at Kshs36 a kilo. You ask yourself: What kind of service charge does the KTDA render to the farmers, that is equivalent to Kshs31 shilling per kilo. This is exploitation of the highest order. This is something that the Government should stop.

Mr. Deputy Speaker, Sir, we are going to introduce tax in Section 15 which talks about tax extension of privatisation of the KTDA.

It states as follows:-

"It may be desirable that the implementation of the decision be deferred until KTDA is fully privatised. However, according to the Finance Bill of 1998, as stated in the Budget Speech of 11th June, 1998, the KTDA shall be required to pay Corporation Tax with effect from January, 1999. This means that the KTDA has now to budget for Corporate Tax amounting to over Kshs70 million a year, which otherwise, would have been ploughed back to the development of the small-holders sub-sector. The taxation has been effected even before the privatisation of the KTDA. It may be desirable that the implementation of the decision is deferred until the KTDA is fully privatised. It is, however, not clear why the KTDA has been singled out, while public bodies dealing with other crops are not taxed."

Mr. Deputy Speaker, Sir, why is the Government bringing this Paper to us? They are telling us it is not clear! These are some of the issues which should have been cleared by the Government before this Paper is brought to this House! Do they want us to go and tell them to look into this before this matter is brought to the House?

Again, Mr. Deputy Speaker, Sir, if you look at section 16, it says:-

"The individual small tea plantations associated or being served by tea factories owned by other organisations and the large tea estates will be issued with individual licences directly by the Tea Board of Kenya."

Mr. Deputy Speaker, Sir, I said in the past that this is a discrimination against the small holders as opposed to estate producers. Let us look at these estates because they have been here with us for a long time. It is said that they provide employment to larger number of Kenyans. But there is a lot of exploitation that goes on

in those estates. In some of those estates, you find people living in houses that were condemned long even before Kenya became Independent. These people are still forced to live in those conditions. Slave conditions exist in some of those tea estates. People are forced to work under dehumanising conditions because they have no alternative and the Government is doing nothing about it. Those estates have been allowed to collect cess and retain it for themselves and use it for the maintenance of their roads. The roads in the estates themselves are better maintained than in the small-holder estates. Nothing is being done. Something should be done meaningfully about the cess that is being collected from the small scale tea farmers to make sure that they can access the market. It is not happening right now and the Government is not doing anything about it. The KTDA is doing nothing about it.

Mr. Deputy Speaker, Sir, I know that a number of hon. Members would like to contribute. I want to say, in conclusion, that the purpose of liberalisation should be to create efficiency and make life better for people who earn their livelihood from tea growing. I do not think that implementing this document the way it is, any useful purpose will be served or that a farmer, at the end of the day, will feel better. This document will facilitate even more increased exploitation of the farmers. We need to come up with a structure that will remove this parasitic element in the growing, processing and marketing of tea. This is what should be our primary objective; that the farmers should be liberated. They should be able to access the markets. If the tea auction is taking place in Mombasa in dollars, why should farmers not be paid the dollar equivalent of what their tea has fetched, minus the costs? We will be able to do that if we remove the parasitic element called the KTDA.

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

The Minister for Tourism (Mr. Kosgey): Thank you, Mr. Deputy Speaker, Sir, for giving me this opportunity to support this Sessional Paper. Before I say why I support this Paper, I would like to say how that KTDA, as we are talking about it now, is a success story. As we now move into liberalisation, we should not forget that it is this body that has brought us to this level in tea. At the moment, tea is second only to horticulture in terms of foreign exchange earnings in this country. It has overtaken coffee and tourism. As we talk about KTDA and the liberalisation of the tea sector, we should not forget that when the KTDA was formed in 1964, it had only a small number of small-scale tea farmers. There were only 19,000 small farmers in 1964 when the KTDA was formed. Currently, they are slightly over 300,000. These account for 57 per cent of the tea produced in this country. The KTDA, as a tea body, is a success. Last year, tea earned Kshs22 billion for this country. We should not be overly critical of the KTDA.

However, Mr. Deputy Speaker, Sir, there is a lot that can be done in order to streamline the management and efficiency of the KTDA. There is a role that the KTDA will continue to play in the tea sector now and in future, even though this Paper says that tea factory companies should be owned or wholly managed by the farmers. That we fully agree with. But the ideal situation is that when every company is fully owned and managed by the farmers, there will be more agents in the field. But that is in the extreme. We should move gradually. We should also be very careful so that the tea sector does not go the same way as the coffee industry. Coffee used to be the largest foreign exchange earner in this country; but because everything was politicised, its production has reduced tremendously. Initially, we used to produce 130,000 metric tonnes, but currently, we are only producing a meagre 60,000 metric tonnes of coffee, which is slightly less than half of what we used to produce in this country. At the rate at which we are producing coffee, it will be history in this country. We are only talking without action.

So, Mr. Deputy Speaker, Sir, we should guard against any force that can run down the tea industry rapidly. Secondly, we want liberalisation in tea industry with a lean, efficient and transparent body that can provide common services at a minimal cost to factories. We have more than 45 tea factory companies in the tea growing area. So, while we commend the KTDA for what they have done, we want to go further and ask them to divest from the management of tea factories and provide common services. The economies of scale dictate that even purchasing of fertilisers should be done in bulk. For example, if all the 45 factories were each to purchase their own fertilisers, then definitely it would be very expensive for them. When there is a common buyer, they will be able to buy in bulk and cheaper. Therefore, there is still a role which KTDA can play in the tea sector. It can provide management services and purchase fertilisers. It is just the question of getting the highest returns to our farmers. At the moment, Mr. Deputy Speaker, Sir, a lot can be said about the KTDA. In the 1996/97 financial year, the KTDA payments to the farmers amounted to Kshs8 billion while its sales amounted Kshs12 billion. From this, we can say the KTDA spent Kshs4 billion on processing, marketing and other services. That was about 30 percent cent of what it sold.

Mr. Deputy Speaker, Sir, total earnings for tea in the 1997/1998 Financial Year were Kshs21 billion. The money which was paid out to the farmers was Kshs16 billion. This means that the Kenya Tea Development Authority (KTDA) spent Kshs6.1 billion, which was over 30 percent of the total earnings. The operational cost of about 30 percent of the total earnings, which the KTDA incurred is simply too much. I think the tea farmer has

been crying about this issue. Kshs6.1 billion is a lot of money for an organisation to spend.

I have been trying to find out how the KTDA spent that money but it is very difficult to do that. This is so because at the end of it all there is what it calls "other operational costs". The KTDA has to run tea factories, account for fuel, electricity, packaging and other operational costs.

In the 1996/97 Financial Year, "other operational costs" of the KTDA amounted to Kshs2 billion. However, this figure went up in the 1997/98 Financial Year to stand at Kshs2.7 billion. What are these "other operational costs"? It is surprising that Kshs3 billion which was to be provided by the tea farmer was spent by this organisation.

While I commend the Government for this Sessional Paper, because it is a step in the right direction, and I would like the KTDA to continue existing, I would like to repeat that we want a lean, transparent and efficient KTDA. The tea farmer will be happy once that is achieved to his satisfaction and once he owns his tea factory and tea. It is not very easy to have an organisation that can replace the KTDA. Even if we allow each individual factory to do its own processing and marketing, this will be too expensive for the tea farmer.

Mr. Deputy Speaker, Sir, secondly, building of factories has been done rather haphazardly and sometimes not to the satisfaction of tea farmers. I am saying this because I come from Nandi District, where the acreage of tea is enough to supply raw tea to at least three factories. At the moment, we have one tea factory and a lot of tea which is picked goes to waste. Tea is either left to grow in the field, or some of it is picked and dumped at tea buying centres because the roads are impassable. Therefore, it appears as if the district does not produce enough tea. That is almost becoming a case of a chicken and an egg. The tea farmer cannot pluck his tea because he fears that it will rot at the tea buying centre. After that, the KTDA says that it cannot build a tea factory in the area because we do not produce enough tea. Which one comes first? We provide enough raw tea, but the supply is low because the KTDA does not take our tea to the factory for processing. If that was done, farmers would have been encouraged to pluck more tea. So, the proposed eight tea factories should be well distributed. They should be established in those areas where tea is already grown. The Kshs400 million the KTDA uses in most cases to build a tea factory is a colossal sum of money. We would like the KTDA to build cheap factories. It can put up a factory at a cost of Kshs100 million, or even less, for us and it will process tea. Why should we think in terms of building a factory for Kshs400 million? Where does Kshs400 million go to? After all tea is just put in troughs, fermented, crushed, dried and packed. I know the process tea undergoes because I grew up in a tea growing area. I also represent a constituency whose members grow a lot of tea. I think I am the only hon. MP who represents a constituency which has 11 tea factories. I would like to find out which other hon. Member has got 11 tea factories in his or her constituency. So, the cost of building a tea factory is not what the KTDA gives us. I will challenge any person who will say that the cost of putting up a tea factory is that much.

Mr. Deputy Speaker, Sir, another thing which is in this Sessional Paper relates to yields. As we are talking about expansion of area under tea and so forth, I would like to say that yields per hectare depend on the husbandry of tea which is grown. In the past, we had clones that yielded 2,000 or 2,500 kilograms per hectare, while others yield up to 4,000 kilograms per hectare with proper husbandry.

We want the Tea Research Foundation (TRF) to produce a variety of tea that has high yields and that is disease resistant. The way forward for agriculture in this country is to have seeds or clones, which have high yielding and disease resistant. Whether one grows coffee, tea, maize or wheat, he needs high yielding and disease resistant varieties. So, we need the TRF, which is funded by tea farmers, to produce clones that yield 4,000 kilograms and above per hectare. It will be very good if the TRF produces a clone that yields 5,000 kilograms per hectare.

I would also like to say that tea farmers should be provided with the right fertilizer and apply it at the right time so that we can get high yields.

On the Tea Board, I would like to say that the 18 members who are in the Board are too many. This Board deducts some money from the tea farmer, and yet it does not give him any service. At the moment, the Board takes 46 cents per kilogramme of processed tea. Last year, I think we had 270 million Kilograms of processed tea, and the Tea Board got Kshs124,000,000. The Board sits on its coffers and does whatever it wishes with that money. I am told that at the moment the Board has about Kshs400 million which it plays around with. This is tea farmers' money, and yet "somebody" is just sitting on it! I think the 18 members who compose the Tea Board are too many. The Board should be made up of 10 members who will represent the various sectors. I would also like to say that the 46 cents charged per kilogramme of processed tea is too much. Some years ago, the Board used to charge 18 cents per kilogramme of processed tea before the figure rose to 20 cents. Now, the figure stands at 46 cents per kilogramme of processed tea.

Mr. Deputy Speaker, Sir, the Tea Board is supposed to market tea, and I do not know whether any hon. Member can remember seeing it marketing tea in this country. Our traditional tea buyers, such as Pakistan and the

United Kingdom still buy our tea. In fact, it is the individual companies which market their tea. The Board is just there to collect money and give out licences. For example, if you apply for a licence to grow tea or build a tea factory the Board will charge you a fee for the licence. Therefore, we should have a Tea Board that is made up of fewer members. It should also charge less money for the services it renders to tea farmers. This is so because at the moment, it is charging tea farmers a lot of money for no services rendered at all.

Mr. Deputy Speaker, Sir, while on planting, we should be very careful to make sure that we know who is planting where and what. I also come from a sugar belt. The reason why we have a big problem with of sugar in this country is because we do not even have enough factory capacity. If we had enough factory capacity, probably, we would not even be importing sugar because there is enough land and cane already grown. In some areas like Chemelil, cane is there in the farms for upto four years and the ideal situation is supposed to be between 18 and 20 months. We have cane un-harvested for four years and obviously, the farmers are discouraged and I do not want a situation in the tea sector similar to the one in the sugar sector, where every farmer in an area will grow tea irrespective of whether there is factory capacity or not. The next day, everybody will now be going to the factory. If a factory can take one million or ten million kilogrammes of tea, for example, and the surrounding area can provide 20 million kilogrammes, where will the other ten million kilogrammes go? It will remain in the farm; it will be a disincentive and the farmers will suffer. So, we need to advise the farmers on what to grow and what acreage. We do not want to control, but we want to be able to advise when there is enough factory capacity and they can grow. So, we should not say that the Tea Board should not license. It should license. However, KTDA has been sitting in the board there and doing the wrong thing; sometimes monitoring and saying So-and-so should not grow. Sometimes, when it comes to licensing of building of factories, they do not want factories to be built because they are taking care of their own interests and, therefore, this has hindered expansion. Private people who want to build factories are prevented because they say that is a KTDA area. Why should they have KTDA zones? If they do not own the land, they should allow private developers to build their factories because if they can budget for so little in a year, why should they then refuse a private individual who wants to build a factory in a tea growing area where there is already tea? They should allow that. But the monitoring of what is planted, when and who is planting, should continue in order to safeguard against over-production by the farmers when there is no factory capacity. In a place like Nandi, the farmers, at the moment, are deducted one per cent tea cess purely for road maintenance. Now, in plantation areas like Nandi Hills, Kericho and Limuru, they used to maintain their own roads and it was perfect. Now, the money is deducted and given to the Tea Boards; KTDA gives theirs to the factory companies and I think in Kericho, it is given to the District Commissioner. In Nandi, it is given to the Tea Board to sit on the money and the roads deteriorate. The tea companies have to find other monies to build roads and yet, they have lost one per cent. In other KTDA areas, the farmers have already been deducted money and yet, they have no roads and the money has probably gone to the county council, so that it can use. We should not give the money to the county councils because they will use it to pay salaries for themselves and other services and the farmer will not get the services. This money, if it is intended for roads, should be purely for the road maintenance and construction and not anything else.

Mr. Deputy Speaker, Sir, there are other players in this field; the brokers who market the tea. This sector is still shrouded in mystery. The factories and KTDA appoint their own brokers. We should have an ideal situation where it is also open and transparent and it should be free so that those who want to be brokers can do so, as long as they are knowledgeable. This sector should also be open to Africans. I think there are very few Africans in brokerage at the moment and they should go into brokerage of tea because there is more money to be made there than even retailing.

Mr. Deputy Speaker, Sir, the other sector is packaging. We have one major packaging company called KETEPA. There are other players who have just entered into this sector. But at the moment, KETEPA is exempted from VAT. Why should KETEPA be exempted from paying tax? What this means is that tea consumption in this country is subsidised. The Government is forfeiting revenue, so that people can drink tea. It should not be. Is there any reason why this KETEPA should be favoured and other packaging companies are paying VAT? So, we should remove the exemption from KETEPA and then, we will have a level playing field for all the packaging companies which are selling their tea in the market. Otherwise, I think we are going in the right direction. We should not think of a situation where we totally scrap KTDA. We will have a situation which will cause it to collapse completely. When we have 45 companies all fending for themselves. It will not be proper. The ideal situation, as I said, is to have a lean, efficient and transparent KTDA, that is able to offer services at minimal costs.

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

Mr. Kariuki: Mr. Deputy Speaker, Sir, the Sessional Paper presented to us is long overdue. The whole issue regarding liberalisation, restructuring and reforms in the agricultural sector should have taken place ten

years ago. That is why it is important that this Paper goes through this House as soon as possible, so that the Ministry can implement the various proposals that have been tabled. It is true that there has been tremendous improvement and achievement in the tea industry. The players that have been very active in this industry starting with KTDA, the Tea Board and the Ministry itself, have made tremendous success in the process. But, of course, there is room for improvement in certain areas. It is important that while doing so, we take cognisance of the fact that KTDA, for instance, has played a pivotal role in ensuring that the small-scale growers play their role to ensure that they increase their production and market their product in the best possible way. I say so because there has been a lot to be desired in the way the KTDA has been managed. I think various speakers have made their contributions regarding the way KTDA should be handled. Looking at the various sections in the Paper, there a section talking about the Tea Board. That is section 5. It is true, according to the previous speakers, that the Tea Board should play a more minimal role in terms of controlling and licensing. I think the bureaucracy involved is so cumbersome and rigorous that it ought to be minimised. This role of licensing and regulating should be looked at again so that we can minimise the aspect of having a set-up that makes a grower go through a very rigorous process of getting licences. This also gives rise to corruption. The more controls you have the more likely it is for people to be exploited.

Therefore, the Board should have a very minimal role in licensing. If an area is found to be suitable for growing of tea, the next thing should be for one to register as a grower and then proceed with the growing of his crop. The word "licensing" is certainly scary. People are put off when they see this word. Therefore, it is important for the Board's role to be minimised. Looking at the composition of the Tea Board, a few things come to mind. One of them is that it has been mentioned in the Paper that the poor tea growers contribute 60 percent of the total tea production and the estates produce 40 percent. That should be representing the composition of the Board. The 60 percent of the Board should come from the small tea growers and the other 40 percent should come from the plantations. That will give a figure of nine representatives from the poor tea growers and three from the plantations. That will reflect the increasing importance of the poor tea growers.

It has been mentioned that the chief executive of the Tea Board will also be the chief member of the Board. How can you supervise a person when he himself is a Board member? That is a contradiction in management. What should happen is that he should be an ex-officio and should have no voting rights. That way he will be controlled by the Board. There are situations where chief executives sit with those members with sole directorship and create a lot of problems. I think this is where the chief executive should be accountable and answerable to somebody else so that he will be controlled rather than becoming a boss unto himself. That aspect should be looked at. The chairman of the Board will be appointed by the Minister. If at all members will be elected to this Board what business has the Minister got to do with appointment again? It is for the Board to sit and in their first meeting decide on who becomes their chairman. I do not see why the Minister should again involve himself in the appointment of the chairman.

We are talking about liberalisation. If the Government is pulling out it should not be thinking of coming back again. What will happen is that at one time the Minister appoints the chairman and he finds him misbehaving because he does not toe the line, the following day he will be fired. I think that is not proper. If we have the right people doing the right job, I think the Government should have nothing at all to do with the appointment. I think this element should be removed altogether. The Minister should leave the Board alone as long as the members are appointed. After all, he will be represented there by the Permanent Secretary, Ministry of Agriculture who is a top executive. That should be enough. Really, the Government should leave the Tea Board independent to run its own affairs the way they should. The criteria to be followed in appointing the chief executives should be spelt out very clearly. It is important that the chief executive in this country particularly in parastatals should be appointed purely on merit and not on ethnic, racial or whatever consideration.

The trend in this country has been to appoint people purely on the basis of nepotism and favouritism. I think this should stop. For once, the Minister should reflect in this Paper an element of transparency in appointment of chief executives by laying out a criteria which is very transparent on how the chief executive will be appointed. It should be purely on merit and not on any other ground. That is very important particularly when the we have an institution that requires people who have the know-how in managing an industry which is technically important in terms of expertise when there is a chief executive who is running an institution such as this.

Section seven talks about exemption of the Tea Board from the provisions of the State Corporations Act and the exemption from provisions relating to aspects of its accounts. If we do not audit a corporation such as this who will? This is certainly a misgiving that should be rectified. It should not be exempted. If anything, there ought to be very strict control, monitoring and auditing of the operations of the Tea Board. This aspect of exemption should be done away with altogether.

Turning to section 8 (3) the Government has provided a guarantee to external loans to the small tea factories. That is good. But, of course, KTDA is not a rich organisation. If anything, its riches belong to the farmers. Therefore, all the buildings they have and whatever is in KTDA belongs to the farmers. Whatever they have should be valued and passed on to farmers by way of shares. This should be done on collateral basis so that there is equitability. All the buildings, motor vehicles, stationeries and whatever assets they have, should be valued. There are no surpluses in KTDA. The surpluses are monies that should have been paid to the farmers. If anything, I think there should be a very major bonus to write off all the surpluses that KTDA has and give it to the farmers. If at all we are assessing the importance of KTDA and reinforcing the importance of factory companies let us do so. Farmers who have sacrificed themselves over the years should realise the benefits that have accrued to KTDA. That is why it is important, therefore, to take the opportunity to ensure that surpluses that KTDA has are reflected by way of shares that accrued to the various factory companies that own it. If at all there is excess cash it should be passed on as dividends and bonuses with a lot of urgency to farmers.

When an institution has too much surplus cash, the tendency is to misuse it by creating all types of developments here and there which are useless. This should be avoided by KTDA. This can only be done if we write off all the surpluses they have. Looking at the KTDA, itself under sub-section 9, a lot has been said about KTDA but I think one of the basic problems is on the appointment of the chief executive. The chief executive of KTDA should be an ex-officio. He should also be appointed on merit by the Board. He should be answerable to the Board not the Minister or other powers that be because that aspect of loyalty to one person or to Ministers is causing a lot of problems whereby a chief executive becomes a demi god or an angel who is unapproachable. This is the situation we now have in KTDA where the chief executive is a small god. That type of a situation should be done away with altogether. The chief executive ought to be answerable totally to the Board. Within his behest the boss should have powers to fire and hire him. This can only be done if he is made an ex-officio, a non-voting director and made answerable to the Board.

Mr. Deputy Speaker, Sir, the other aspect of the KTDA is the operational aspect. A lot of powers have been given to the Chief Executive and the Board has been rendered useless. It has been made a rubber stamp, through hand-outs in the form of directors' fees and funny emoluments and *per diem* when they travel. There is room for manipulating the Board members, and it has gone on endlessly both during the term of the current Chief Executive and during the terms of the other chief executives in the past. It is known that most of these people make money through contracts; either through development contracts or purchase of equipment, lorries, fertilizers and such things. This is why KTDA's responsibilities ought to be minimized so that it merely becomes a management agent for the purposes of undertaking jobs that factory companies cannot undertake. For example, in a family where a father has got mature sons, they are normally left on their own. Kenya Tea Development Authority has not left the factory companies to run on their own, it has instead clung on the management of these factory companies when some of them are mature enough to stand on their own. This is why the aspect of creating autonomous factory companies is very important.

It is also important to look at the aspect of how contracts are awarded in the KTDA itself. Although this seems to be a matter of detail, it is important that with certain very substantial contracts, there ought to be close supervision by the Ministry itself and there should be a provision to indicate what type contracts ought to be done with the authority of the Ministry. Sometimes it may be necessary to bring them over to Parliament for endorsement. Factories cost a fortune these days; nearly Kshs500 million each and that type of money should not be spent just like that because there is a likelihood of favouring certain areas and leaving others out. There is also bound to be manipulation. We are talking about loans that our poor farmers out there will have to repay and we should see that they are committed to repay loans that are justifiable, not loans that give rise to "eating" and nothing else. That is very important. There should be a criteria to indicate what type of amounts should be vetted by either the Ministry or this august House.

Mr. Deputy Speaker, Sir, Section 10 deals with the incorporation and shareholding of the KTDA. It is true that when the KTDA is incorporated as a limited company, there are a lot of other liabilities that go with it. The KTDA should be answerable to the Registrar of Companies and it should be subject to Corporation Tax. It may be important to see that, if in its current set up, the KTDA has avoided taxes by being an authority, then there ought to be a way in which it can retain a status that would help it not to pay taxes. If the KTDA is going to pay Kshs70 million tax per year, that is money which would have accrued to farmers. It is important that the element of tax implication is taken care of so that the farmers do not lose the money that they would have gotten due to taxation. If anything, this whole process of liberalisation and restructuring should not be a way of penalising farmers but a way of ensuring that they continue enjoying the full benefits of the set up that was there before. It appears that farmers are being punished by going through this process of restructuring. I think this sub-section should be looked at again and should be done in such away that the farmers do not end up losing anything in the

process.

The Kenya Tea Development Authority has also enjoyed the monopoly of managing these factory companies. Liberalisation itself entails competition. Therefore, there ought to be an open approach in as far as the agency appointment is concerned by the factory companies. In future, the KTDA should compete like any other body in getting appointed as an agent. Currently, 30 per cent to 40 per cent is incurred in expenses. In other words, the expenses to turnover ratio is about 30 per cent to 40 per cent. This is a very serious thing. So much is going to the expenses that are highly inflated through looting and all types of corruption within the institution. If anything, we have been told that other independent private management agencies, like George Williamson, Brooke Bond and others have management expenses in the level of about ten to 20 per cent and not more. You find that farmers are incurring double the amount they would have incurred in the expenses. This is an area that raises a lot of concern; mismanagement and inefficiency within the KTDA are being passed on to farmers and this is not a fair thing. It is, therefore, important to remove that type of misgiving by ensuring that management agency is done purely on competitive basis and not any other grounds. If KTDA does not perform, it does not matter whether they have a loan or a guarantee, at all levels of performance, they ought to compete. The excuse they normally give is that, because they are guaranteeing an institution, then they ought to be managers. I think that contradiction ought to be removed by ensuring that they may guarantee, but they need not be managers if at all their expenses are not justifiable. Competition should be incorporated within the element of liberalisation.

Mr. Deputy Speaker, Sir, Sub-section 10(b) talks about governance. There is an element of appointment of the board of directors. The suggestion here is that, there should be three board of directors per factory and in some cases between three and five. The criteria should be very open; it should clearly state whether they should be three, four or five. Here, it is not specific and I think the criteria should be very specific. This is an area where manipulations are taking place. If a managing director of the KTDA finds that certain zones are not supporting him, he will reduce the number of representatives within that zone. The criteria here should be so open that we know for sure that, four factory companies have one director and that is all; not three, four, five or more. That ambiguity ought to be removed all together and the criteria ought to be set. Is it by way of hectares of tea under cultivation or is it by way of turnover? The criteria ought to be very transparent because currently, it is not and this gives room for a lot of manipulations.

Section 10.2, sub-section (6), talks about modalities for appointment of the directors of the KTDA as being worked out. What is this? If you have not yet worked it out why bring it here in the first place? You have to be very specific and state the modalities in very clear terms. Otherwise, manipulations will continue. So, there have to be very explicit terms of appointment of the board. You must realise that, issues like this bring a lot of problems. We saw it when the National Bank of Kenya had an annual general meeting recently. Because modalities were not very clear, some board members who were proposed were kicked out. You better be very careful with areas where money is involved because directors fight for appointment because of remunerations and things they get. Therefore, we do not want to have fights like the one which happened at the NBK's annual general meeting because of lack of clarity.

Mr. Deputy Speaker, Sir, Section 10(3.3) talks about Action Plan and Implementation. There is mention that the tea extension staff will cease to be funded by the Government from January, 2000. This is too soon! We are talking about six months from now. What would have been done? No arrangements could have been made. This haphazard type of decision making is very bad and it causes a lot of problems to the farmers. We should have a transition period of not less than three years, during which period arrangements can be made.

Mr. Deputy Speaker, Sir, we should give a transition period during which time the extension workers will then be transferred to either KTDA or whoever.

[Mr. Deputy Speaker left the Chair]

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

Sir, but as it is now, six months, certainly, is totally unreasonable, unrealistic and awful. Two or three years, yes, but nothing less than that would be too short a period. We must be realistic. These are human beings we are talking about and to phase them out within six months is totally impossible. We do not know where they are going, KTDA may not have in their budget this item and, therefore, I would propose that a tea extension tax be retained by the Government for, at least, one year and then thereafter they can go wherever.

The other aspect is the element to do with associated companies. I guess these are the factory companies. The factory companies have their own problems, and in the first place, they have a lot of struggle going on

because of the KTDA interference in the appointment of the directors. The directors that were appointed in 1996 were appointed purely on political basis because, I think, the Chief Executive then wanted to have people that would sing his song. So, their loyalty is with KTDA and not with the farmers. Then we have had hue and cry out there because these directors are not sensitised towards the aspirations and the issues of the farmers. The Minister should, as a matter of urgency, mandate factory companies to call for an AGM so that directors are appointed purely on the wishes of the farmers without interference of KTDA. KTDA is spending money, I do not know from where. I remember the other day they had a whole article against me on 4th January, this year because I attacked a few directors who were looting Gethambo Tea Factory. I wondered where that type of money; Kshs120,000 which is small-scale tea farmers' money would be spent on a Member of Parliament to castigate him on issues which are very pertinent and relevant to the farmers and have been brought about by farmers? This type of misuse of funds should be discouraged.

However, more importantly is the issue of appointments of directors themselves. The procedure that is used currently is wrong. If a company is formulated on the basis of memorandum and articles of association under Companies Act, Cap.486, which is very clear on the way directors should be appointed, this has nothing at all to do with buying centres. They appoint representatives from buying centres who in turn appoint Directors. That is not provided for in the memorandum and articles of association, it is *ultra vires*. What should happen is that all the shareholders should be called to an AGM and the shareholders would then decide on whether they want to retain their directors or not. So, manipulations to ensure that directors are appointed on the whims of the KTDA, should be done away with and KTDA should keep an arms-length in whatever is going on in factory companies.

Sir, the other aspect is an issue relating to autonomy when the factory companies will be on their own. Currently, KTDA is doing everything for this factory companies. They are responsible for buying of fertilizers, lorries, equipment, rubbers and pencils and things like those. And one wonders what the purpose of these factory directors is. If we appoint directors, then we should give them responsibilities. Accounts are still managed and run from KTDA Headquarters here. They cannot even issue even a cheque for Kshs10. This is actually out of tune with the modern expectations of proper management of companies. Therefore, we hope that there will be more and more passing on of responsibilities from KTDA to the factory companies.

The other issue relates to financing of new tea factories. The Government is saying that it will stop guaranteeing companies and that KTDA will do it. There is a bit of unfairness here on the shareholders of the factory companies because they are guaranteeing new companies and they have no interest. There is no pecuniary interest in the factory companies which are already established to guarantee new ones. That responsibility is Government responsibility of guaranteeing. The Government should not relinquish its responsibility of nursing new factory companies. They are now saying that it is not their responsibility, but it belongs to KTDA. I think that is improper. There must be pecuniary interest in this type of guarantee; there is not in this particular case and KTDA has no business at all, guaranteeing new companies. If the Government wants to nurse the small new up-coming factories, then it ought to guarantee and that should continue. That is an important inclusion.

Sir, I have talked about tax implications and I think I would better not elaborate, but I would like to talk a little about tea brokers. Tea brokers earn one per cent from the farmers and half per cent to buyers of tea. That is unfair. If at all there will be a commission chargeable, it should be charged the same way, both ways. I am a stock broker and we charge the same. Why should it be different for farmers who are very poor to pay more; double what the buyers are paying; half a per cent? Why? There should be rationality in whatever charges and, if anything, the sellers and the buyers should be charged the same. I would have thought that it would be prudent to reduce the commission chargeable to the sellers to half a per cent in line with the amount that is charged to the buyers. That way, there will be equity so that the farmers can end up getting more.

The list of tea brokers is a question of who is who in this country, starting right from the top to bottom, but bottom is not reached. In fact, we reach somewhere up to the Ministerial level. The relevant companies are owned by Ministers, chief executives of the KTDA; past and present and that type of thing. I do not know why we talk about corruption and we do not address it first from that level and ask ourselves whether these are the only people who can be brokers? What has a Minister who sits here on the Front Bench got to do with becoming a tea broker when he does not sit in that company whereas we have expertise of people who know the industry forward backward? So, brokerage firms should be purely again on expertise basis not on basis of who is who.

The tea factory companies should also have mandate to appoint their own chosen brokers not by KTDA. There is this body called Kenya Small-Scale Tea Growers Association (KSSTGA) which is a creation of KTDA. KTDA hijacked the efforts of Kenya Union of Small Tea Owners Association (KUSTOA). They hijacked it because they did not want to have an independent body. The Chairman of KESTEGA is also a co-opted member for KTDA; a former MP, Mr. Saina. The other Board members of KESTEGA are also appointees of KTDA. The Secretary-General is a director of a factory company in my own area.

I must tell you this, Mr. Minister, through the Chair, there will be war if you do not take care. People do not recognise KESTEGA, but they recognise KUSTOA and the Government should ensure that people are left to choose on what they want. It is not for the Government to dictate who represents them. KESTEGA is not a representative of the farmers at all; it is the representative of KTDA and it does not have any arms-length relation with KTDA. If anything, those people sing the song of KTDA and KTDA is going to continue to be inefficient and corrupt because there is no watchdog. The watchdog that the farmer wants is KUSTOA not KESTEGA. The speed at which KESTEGA was incorporated and registered within four months whereas KUSTOA has been fighting for four years to be registered, indicated complicity on the side of the Government and KTDA. It is very serious that the Minister has a hand to include it in the Sessional Paper. If anything, he should not in any way get involved in the politics of tea. He is getting himself involved in the politics of tea by siding with KESTEGA.

With those few remarks, I beg to support.

Mr. Kathangu: Bw. Naibu Spika wa Muda, nakushukuru pia kwa kunipatia fursa---

(Loud Consultations)

The Temporary Deputy Speaker (Mr. Poghisio): Order, Mr. Ndwiga! Those of you consulting, please consult in low tones.

QUORUM

Mr. Kathangu: Bw. Naibu Spika wa Muda, nakushukuru sana kwa kunipatia fursa hii, lakini pia nafikiri nambari ya Wabunge walioko katika Bunge hili wakati huu halitoshi kwa quorum na kwa hivyo, ningeliomba kama wachache kidogo wanaweza kunisikiza kuliko wale ambao wako sasa.

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

(The Division Bell was rung)

The Temporary Deputy Speaker (Mr. Poghisio): We have a quorum now. You may proceed, Mr. Kathangu.

Mr. Kathangu: Bw. Naibu Spika wa Muda, nashukuru. Mambo ya quorum ni mambo ambayo ni muhimu kwa sababu Wabunge wamechaguliwa kuja hapa kuyasikiliza maoni na mawaidha na kuzungumziana. Kwa hivyo, asante sana.

Hon. Members: Na mambo ya chai je?

Mr. Kathangu: Bw. Naibu Spika wa Muda, mambo ya chai ni mambo muhimu na wakati kila mmoja yuko, naona ni afadhali.

Bw. Naibu Spika wa Muda, jambo la kwanza ni kwamba wale ambao wanaonekana wako na haja kubwa ya kutetea majani chai ni wengi. Kwanza, ni Serikali na KTDA na hivi majuzi kumekuwa na miungano mbali mbali ambayo ingetaka kutetea majani chai. Tuko na KUSTO ambayo mpaka sasa, haijasajiliwa. Tuko na Kenya Small Scale Tea Farmer's Association (KSSTGA) na ambao wote, wanasema vile wako na haja ya wenye kukuza majani chai wapate fedha na wawe watu ambao wanajiridhisha. Kwa hivyo, mimi naona kwamba kila moja anaingilia majani chai kwa sababu ya shida ambayo imeingia katika sekta hio.

Bw. Naibu Spika wa Muda, jambo ambalo ni la kushangaza ni kwamba, KUSTO walipoanza kazi yao, walionekana kama ni maadui wa ukusazaji wa chai katika nchi hii ili hali walikuwa wanatetea mkulima mdogo, ili aweze kujisimamia katika kiwanda chake ambayo ni kampuni lakini wakati huu, Serikali pamoja na Wizara ya Ukulima pamoja na KTDA wamezungumziana wenyewe na kuleta muungano wa (KSSTGA) ambayo ilizajiliwa kama muungano wa kutetea wakulima wadogo. Hapo, naona kama kuna unafiki kidogo ambao unatakiwa kwanza umalizike ili kwamba, wale ambao wanataka kuungana ili watetee nchi hii kwa njia yoyote ile na watu ambao wanatetea ukuzaji wa majani chai au ukulima mbali mbali katika nchi yetu, wanatakiwa wazajiliwe ili maoni yao yaweze kusikika.

Bw. Naibu Spika wa Muda, wakati tumeyasikia maoni yao, basi itakuwa rahisi sisi kujua kama hawa watu wanatetea kwa njia ambayo haitakiwi; njia ambayo ni ya kuharibu watu fikira ama ni njia ambayo ni ya kuwasaidia wananchi wa Kenya. Viwanda vyote katika nchi ni kampuni na kila kampuni iko na wale ambao ni shareholders kama vile wakulima wadogo katika viwanda kila pahali katika nchi, ni wenye kiwanda hicho na kwa hivyo, wale watu wanatakiwa wawe huru ili wajue ni jinsi gani watakyoendesha mambo ya biashara zao za ukulima. Maana ya hiyo, ninajua kwamba katika upande wa kwetu kule Embu kuna Nyayo Tea Zones ambazo zinazunguka mlima Kenya yote na Nyayo Tea Zones wanachukua majani yao na wanayapeleka katika viwanda, yanasagwa, yanauzwa na Nyayo Tea Zones hakuna fedha yoyote ambayo inalipa kiwanda kile na kama iko,

ningetaka kujua kutoka wa Idara ya Ukulima na pia KTDA, ni fedha ngapi ambazo zimelipwa Rukurire, Kianjokoma na viwanda mbali mbali, ili tujue Nyayo Tea Zones iko kwa faida ya nani?

Bw. Naibu Spika wa Muda, kwamba kila kiwanda ambacho ni kampuni kinatakiwa kijitafutie agentu wake wa kuuza majani yake, ikiwa wenyewe hawajiwezi na katika sekta hii, tutaona kwamba ni mali na fedha nyingi ambazo zinatumiwa na ambazo hazizaidii mkulima mdogo. Kwanza, katika fedha ambazo tunaambiwa kila wakati huletwa na majani chai, utakuta kwamba kilo moja ya majani ambayo inauzwa Mombasa na ambayo imesagwa kwa kiwanda na ikasafirishwa hadi Mombasa, tunaambiwa kwamba fedha ambazo zimetumiwa kusaga na kupelekwa kwa uchukuzi mpaka Mombasa, labda kupalilia katika mastoo yake ni kama Kshs71. Swali ni hili: Fedha ngapi zinabaki zile ambazo zinagawanywa na wakulima wa majani chai? Kulingana na mimi, kilo moja ambayo imesagwa kulingana na vile dollar tunaihesabu, ni kwamba kilo moja hiyo itakuwa na bei kama Kshs200. Ukitoa Kshs70 kutoka zile Kshs200, zinabaki Kshs130. Hizo Kshs130 zinaenda wapi? Labda Kshs20 zinalipwa mkulima halafu zinabaki Kshs110. Hizo Kshs110 ziko wapi? Hilo ni swali ambalo linatakiwa kujibiwa kwa sababu Wabunge waliozungumza hapo awali kuwa labda wasimamishi wa KTDA wamerundika fedha nyingi katika akaunti zao na hatujaambiwa jinsi fedha hizo zinavyotumiwa. Wakulima bado wanaongojea kulipwa na tunashangaa ni kwa sababu gani ajenti wa majani chai kwa niaba ya wakulima anaweka fedha zao katika akaunti yake.

Bw. Naibu Spika wa Muda, jambo la pili ni kwamba Wizara ya Kilimo imetueleza jinsi gani chai imekuwa nambari moja katika kuiletea nchi hii fedha za kigeni. Ukiangalia wafanyi kazi wa Wizara ya Utalii, utaona kwamba wafanyi kazi hao wanaendelea kupata fedha nyingi kuliko wakulima wa majani chai. Ikiwa wakulima wa majani chai na kahawa ndio wanasimamisha nchi hii, kwa nini hatuwezi kuwalipa fedha zao ili wazidishe ukuzaji wa kahawa na majani chai?

Jambo la tatu, Bw. Naibu Spika wa Muda, ni kwamba kila wakati KTDA wanataka kujenga viwanda vipya, ni wasimamishi wa KTDA ambao wataamua itajengwa wapi na itagharimu fedha ngapi. Kwa kutowahusisha wakulima kununua kiwanda hicho na kukijenga huko kwao, imekuwa kwamba kila wakati wanafikiria wanadanganywa. Kwa maoni yangu, ikiwa kuna kiwanda ambacho kitaongezwa pahali fulani, kama sasa tungetaka kungeza viwanda huko Embu, Kathangarire Factory ambapo Mungania Factory imechanga fedha za kujenga Kathangarire Factory huko Embu. Kiwanda hicho bado hakijajengwa kwa sababu wanang'ang'ania ploti ambayo kiwanda hicho kingejengwa na fedha hizo zinawekwa. Kwa nini fedha kama hizo zinarundikwa pahali na ploti ambayo kiwanda kile kinatakiwa kujengwa mpaka haijakamilishwa mambo yake na watu wanaendelea kuteta, kutusiana na sisi bado tunaendelea kusema kwamba KTDA ndiyo italeta kiwanda hicho. Tungetaka kujua watu wanahusishwa kwa njia gani.

Jambo la pili kuhusu kiwanda hicho ni kwamba katika Embu kuna sehemu ambazo zinaweza kutwaliwa ile zijengwe viwanda hivi. Kathangarire Factory inaweza kutengewa shamba karibu na msitu wa Mlima Kenya ama Njukiri Forest, pahali ambapo hapatakuwa na watu ambao wanang'ang'ana. Rukurire Factory wanaweza pia kujenga kiwanda chao karibu na Mlima Kenya kule Irangi na sisi wenyewe tunaona kwamba ekari 12 au 15 zinaweza kutosha. Hilo ni jambo linaweza kusaidia ili majani chai yazirundikane katika vituo vya kununulia. Mashamba na fedha ziko kwa sababu wakulima wako tayari kujenga viwanda vyao. Wakati majani chai haya yanauzwa, na ni jambo ambalo limefikiria wakati huo, ni kwamba wakulima wa majani chai wanateta kila wakati wakisema kwamba kuna sababu uuzaji wa majani chai ufanywe kwa kutumia kompyuta ili kila mkulima aweze kujua bei ya majani chai, soko ambayo majani yao wanauzwa na labda ni wakati gani inachukua kuuza majani yao. Hatuoni ni kwa nini kitu kama hicho hakiwezi kufanywa kwa sababu kuweka mitambo ya kompyuta katika soko la majani chai huko Mombasa si kitu kikubwa sana ambacho hakiwezi kutekelezwa aidha na wakuzaji wa majani chai ama na viwanda vinavyohusika. Hata hivyo, KTDA inatakiwa kufahamu kwamba kompyuta zinaweza kufanya kazi kama vile soko ya kahawa inaendelea mjini Nairobi. Hatua hiyo itapunguza nyakati na kuongeza mambo yanavyohusiana na soko katika uuzaji wa majani chai huko Mombasa.

Bw. Naibu Spika wa Muda, jambo ambalo linatia wasiwasi sana ni kuona kwamba KTDA iliundwa ili kuhimiza ukuzaji wa majani chai katika nchi hii na jambo hilo limefanywa na kila pembe ya nchi hii inakuza chai. Wakati huo ni wakati wa KTDA kujiondoa ama kuondolewa kutoka kusimamia ukuzaji na uuzaji wa majani chai katika nchi hii. Kila mtu anayehusika na majani chai anajua umuhimu wake. Kila mtu ambaye ameua majani chai amejua soko yake na wakati huu, wakulima wa majani chai wanatakiwa kusimamia kwa minajili ya soko ya majani chai uuzaji wa zao hilo. Tukifanya hivyo, tutakuwa tunaendeleza moyo wa kukuza majani chai mengi katika nchi hii kwa wakulima ikiwa watapeleka uhuru wa kusimamia majani chai yao na viwanda vyao ili tuwe na soko la kung'ang'ania. Kila kiwanda kitakuwa na uwezo wa kuteua KTDA ikiwa kampuni ya uuzaji wa majani chai ama kampuni nyingine ambayo wanaweza kusikizana kuuza majani chai yao. Hiyo pia itaongeza biashara ya mng'ang'ano. KTDA wasifikirie kuwa wao ndio tu wanatakiwa kusimamia majani chai, kutakuwa na wengine ambao pia wanaweza kuuza majani chai.

Bw. Naibu Spika wa Muda, ninafurahia upande wa KANU kwa sababu---Unaweza labda kunilinda ili mhe. Nyanja asiharibu mazungumzo yangu pengine ana roho nyingine hapa.

Kwa hivyo, kila kiwanda ambacho kinasaga majani chai yake kina uwezo wa kuteua ajenti wa kuuza majani chai yao. Si lazima iwe KTDA.

Bw. Naibu Spika wa Muda, kuna kelele nyingi sana hata mimi mwenyewe sielewi.

(Mr. Nyanja crossed the Floor to the KANU side and sat between Dr. Anangwe and Eng. Kiptoon)

Hon. Members: Stay there, that is where you belong!

The Temporary Deputy Speaker (Mr. Poghiso): Order! Order, hon. Wanjala and others! Please, stop talking across the aisle, address everything to the Chair. Proceed.

Mr. Kathangu: Asante sana, Bw. Naibu Spika wa Muda. Ni mhe. Nyanja ambaye amezua makelele haya.

Ikiwa kila kiwanda kitapatiwa uwezo huo wa kujisimamia na kukata kauli ni nani anatakiwa kuuza majani chai yao, basi, kiwanda hicho kitaongeza uwezo wake wa kifedha na pia kupata uhuru wa kumteua ajenti wake wa kuuza majani chai.

Jambo lingine ni kwamba viwanda ambavyo viko katika nchi hii wakati huu ni viwanda ambavyo vinatakiwa kupanuliwa ama vipewe uwezo wa kujenga viwanda vingine ili waweze kusaidiana katika kusaga majani chai ambayo yameongezeka huko mashambani. Kuna sehemu mbalimbali katika nchi hii ambapo majani chai yanaweza kukuzwa. Lakini kama vile tumesema hapa, Bodi ambayo inasimamia ni lazima itoe kibali cha kukuza majani chai. Ninaona pia kama wale ambao wamezungumza hapa, kwamba ikiwa kuna sehemu ambazo majani chai hayawezi kukua kwa njia iliyo safi ile inagunduliwa na mkulima mwenyewe, majani chai yatadhoofika. Ni vibaya sana kuanza kugandamiza watu kifikiria kuhusu kilimo kwa sababu kama sehemu na nyanda ambazo ninatoka, karibu Mlima Kenya Forest kwenda mpaka karibu kilomita nane kutoka kwa msitu wanaweza kukuza majani chai. Lakini wakulima hao wamezuiliwa kwa visingizio kuwa zile ni nyanda za jua na majani chai hayawezi kustawi huko. Kwa kufanya hivyo na kwa kusisitiza kwamba ni lazima vibali vitolewe, basi, tutakuwa "tunakata" mikono ya wakulima na tutakuwa tumewakataa wengi ambao wangukuza majani kwa wingi katika nchi yetu.

Jambo lingine ni kwamba Kenya Tea Board ambayo kwa wakati huu inashirikiana na KTDA na serikali katika kuamua mambo mbali mbali yanoyohusiana utoaji leseni na kutafuta soko. Ninafikiri ya kwamba kila kiwanda tena kinatakiwa kishirikiane na vingine juu ya jinsi gani vinatakiwa vijiendelee badala ya kuwa na halmashauri ambayo itaendelea kuwakandamiza wakulima kwa njia nyingi. Mimi nimeangalia huu mwongozo ya Wizara ya Kilimo. Sifikiri ni mambo mengi sana tunatakiwa tuseme juu yake. Kwanza tangu kuwe na mngangano kwa sababu ya majani chai na kukawa na maandamano miaka miwili iliyopita, Serikali ilianza marekebisho ambayo Bunge hili, na wananchi kwa jumla, linaweze kufanya. Hakuna tofauti iliyoko katika kuigeuza KTDA kutoka halmashauri ya majani chai na kuwa ajenti wa kuuza majani chai. Njia ni ile ile. Tumengeuza mnyama kutoka rangi nyeupe na kumpa rangi ya majano. Mimi ninaona kuwa hapo ni kama kudanganya tu wakuza majani ya chai kwamba tukakuwa na marekebisho katika usimamizi na uuzaji wa majani chai katika nchi hii. Nia kubwa, kwa hivyo, ya Sessional Paper hii ni kusema ni jinsi gani sisi kama wabunge tunatakiwa tupititise ili KTDA iendelee na usimamizi wake wa majani chai.

Mimi ninaona ya kwamba inafaa KTDA iondolewe kabisa ili mkulima aweze kujisimamia. Huyu mkulima atajisimamia namna gani? Ikiwa huyu mkulima ameweza kuwa na shamba ambalo ni lake na yeye mwenyewe amekata kauli ya kwamba atalima majani chai, bila kufinywa, na huyu mkulima akasema ya kwamba atajisumbua usiku na mchana kupalilia yale majani yake na yeye mwenyewe akaona ni lazima ayavune yale majani ili aweze kupeleka kwa kiwanda na yasagwe, huyu mkulima ana akili ya kutosha ya kusema ni jinsi gani majani yake yanatakiwa yasimamiwe. Kwa hivyo, anatakiwa apewe fursa ya kuteua na kuwachagua wale ambao anafikiri wanatosha kumsimamia. Kidemokrasia ili aweze kupata faida zaidi. Lakini kwa wakati huu, tunaona namna gani? Katika kila sheria ama kanuni za usimamizi wa kiwanda mtu ambaye anasimamia kiwanda anasimamiwa na KTDA. Pale ambapo ni muhimu utakuta ya kwamba katika ile sheria kuna KTDA, badala ya mkulima. Kwa hivyo, mimi mwenyewe ningesisitiza kwamba inafaa kila kiwanda kiondoe KTDA katika usimamizi wake na halafu katika kila pahali ambapo KTDA imewekwa, kuwekwe jina "mkulima" ili mkulima mwenyewe awe na nguvu zaidi ya kusimamia mambo ambayo yanayohusiana na kiwanda na ukulima wa majani katika sehemu yake.

Bwana Naibu Spika wa Muda, wakati huu, ninafikiria kuna sababu kubwa ya watu wa KTDA kutojipenda. Wamekuwa watu wa kujipenda. Inafaa wale wanaosimamia KTDA watafute njia ya kuwapa wakulima katika nchi hii wapewe nafasi ya kusimamia kiwanda chao. Hii ndiyo maana wakiwa maajenti na

ambao wanajiunda wakati huo kama kampuni. Wale wakulima wataweza kuwa na nafasi pia ya kuwateua watu waende wakauze majani yao. Ikiwa hawa wataendelea kusisitiza, au kukatalia pale kwamba ni lazima wasimamie majani chai au wauze majani chai na wawagawie wakulima fedha basi ni kusema kwamba hatujafikia wakati wa kujitawala kama watu wa nchi hii au wakulima wa nchi hii. Hiyo ni sababu kwa uchumi ambayo wa nchi hii utaendelea kuwa kudhoofika kila wakati kwa sababu wengine wanajichukua ndio wanajua zaidi ya wengine.

Jambo kubwa in uhuru wa kusimamia uchumi wa nchi hii na kukata kauli ni wapi utauza mali zako na kuona kwamba fedha ambazo zinatokana na mali ambazo unauza zinagawanywa kwa njia iliyo sawa. Hii itakuwa kama hakuna nia ya kugandamiza wakulima. Jinsi ile wakulima wanasimamia ndivyo hivyo wanaweza kusimamia pia ugawaje wa fedha na utumizi wa fedha hizo na mali ambazo zinazohusiana na majani chai. Mimi ninatoka pahali majani chai yanalimwa kwa wingi. Katika sehemu ninayowakilisha katika Bunge hili, tuko na viwanda viwili. Hivi viwanda viwili, katika nchi hii, pia tuna na nambali katika gradi ya majani ya chai. Tunajua kitu gani kinasumbua watu wetu upande ule. Jambo la kwanza, na mimi nimeyaona mambo upande ule, wakati vijana, wazee na akina mama wanapoungana na kuwatetea, wakulima wadogo wadogo wanasumbuliwa sana. Wanaambiwa wanapotesha watu. Tunashindwa ni sababu gani kampuni au ama maajenti kama KTDA, wale ambao wanachukua majani chai yetu, wanakuja pia kushirikiana na polisi ili kwenda kuwashika kwa mabavu jamaa na marafiki wa wakulima. Wale ambao wanaleta ili majani chai yawe na bei na gradi nzuri ni wale wazee na vijana ambao wanasumbuliwa kwa muda mrefu sana. Hawawezi kuketi chini wazungumze ni vipi watapata mbolea kwa njia iliyo rahisi au wazungumziane ni vipi watajenga barabara zao au wazirekebishe baada ya msimu wa mvua.

Tumekuwa tunasumbuliwa eti kwamba hata kama tunataka kupenda KTDA wakati huu, hatuwezi kuwapenda kwa sababu tayari wamekuwa maadui na wanashirikiana na polisi kuwagandamiza watu wetu. Mimi ninaona kuwa kuna na jambo la muhimu zaidi ikiwa KTDA wanataka kuwa ajenti wa wakulima. Ni lazima wawachane na njia ambazo ni za kuwagandamiza wakulima. Ni lazima wapatie KUSTO nafasi ya kutetea mkulima mdogo ambaye labda hana sauti ya kutosha. Kumekuwa na pendekezo katika Bunge hili kwamba chama ambacho kimeundwa juzi, na ambacho Waziri wa Kilimo alizungumzia sana siku ile ambayo kilikuwa kinasajiliwa. Tunatakiwa tuwe na ushirikiano baina ya KUSTO na KTDA.

Bw. Naibu Spika wa Muda, nia ya kuunda Kenya Small-Scale Tea Growers haikuwa kuwasaidia wakulima. Nia yao ilikuwa kuvunja KUSTO kabisa ili izisikike katika nchi hii. KUSTO inasimamia wakulima wadogo na KUSTO ilituma maombi ya kusajiliwa na Serikali imekataa. Swali ni hili: Ni kwa nini Serikali imekataa maombi ya watu ambao wanatetea wakulima wa majani chai na badaye, Wizara pamoja na KTDA wanakuwa na njamaa ya kuunda muungano mwingine na inasajiliwa mara moja? Huo muungano unawekwa mara moja katika kartasi hii na Mswada ambao Waziri ataleta hivi karibuni, ya kusema ni lazima kila moja ashirikiane na muungano huo mdogo kwa kutetea wakulima wadogo wadogo. Wale walikuwa bado hawajaunda chama chao lakini walikuwa wamehimizwa waungane ili wagongane na KUSTO. Mimi naona hapo pakiwa na shida na shida kama hiyo haiwezi kutatuliwa ikiwa hatuzungumzi na kuelewa uhuru wa mkulima wa majani chai ni kitu gani.

Bw. Naibu Spika wa Muda, natakakuhimiza Serikali kwamba ajenti wa kuuza majani chai kama vile KTDA wanatakiwa wawe wengi ili wakulima wapate nafasi ya kuchagua ni yupi inaweza kuwauzia majani chai yao. Pamoja na hayo, wale ambao wanataka kutetea wakulima wote wa majani chai ni lazima wakubaliwe kusajiliwa na Mkuu wa Sheria ili wakulima wenyewe wanaweza kuwa na njia ya kujitetea. Ikiwa watatetea na KSSTGA ama KUSTO, itakuwa juu ya mkulima kuchagua ni nani atakayemtetea na si juu yetu kama Bunge kusema kwamba ni lazima wakulima watetewe na fulani au kuuziwa majani yao na watu fulani. Ikiwa tutafanya namna hiyo, tutakuwa tumekata njia ya uhuru wa wakulima wa kuuza na tutakuwa tumetayarisha nchi hii katika njia ya kuimarisha uchumi wa nchi hii kwa wakulima.

Nashukuru sana, Bw. Naibu Spika wa Muda.

The Assistant Minister for Finance (Mr. Lomada): Ahsante sana Bw. Naibu Spika wa Muda kwa kunipa nafasi hii ili niweze kusema na kuungana na wenzangu kwa kusema juu ya majani chai.

Bw. Naibu Spika wa Muda, majani chai ni mmoja ya mimea ya kuongeza mapato katika nchi hii. Ninampongeza Waziri wa Kilimo kwa kuleta Mswada huu katika Bunge ili tuweze kuzungumzia kwa kirefu. Vile wenzangu Wabunge wamesema kwamba majani chai ni zao ambalo limeweza kuwasaidia wakulima kwa njia nyingi, ninataka kuungana nao kusema ya kwamba wakulima wanatakiwa kuchungwa kwa maana wao ndio wenye mali. Wao wanatakiwa kupata faida ya majani chai. Jinsi ninavyofahamu mambo yalivyo kuhusu majani chai, inaonekana kwamba watu ambao si wakulima ndio wanaweza kupata faida nyingi kushinda wakulima wenyewe. Ukitazama utaona kwamba wakati majani chai yamekuzwa, halafu yanapelekwa mpaka kiwanda na badaye katika soko, utapata ya kwamba, mkulima anapata kiasi kidogo; kama vile inavyofanyika kwa uuzaji wa kahawa. Wakulima wa kahawa wanapata Kshs18 kwa kilo moja hali bei ya kahawa inaweza kupata Kshs170 kwa kilo moja katika masoko ya ng'ambo. Kwa hivyo tunaona ya kwamba mkulima amenyanaswa. Ingelikuwa bora

kama KTDA na vile vyama vingine vikilinda mkulima na kuangalia ya kwamba mkulima anapewa haki yake jinsi ambavyo inatajikana.

Bw. Naibu Spika wa Muda, West Pokot ni eneo moja katika nchi ambapo majani chai inaweza kufanya vizuri. Sehemu kama vile Siyoi, Kapkanyar, Kabichbich, Sina na sehemu nyingi, majani chai yanaweza kufanya vizuri. Kuna wakati moja wataalamu walitumwa kutoka Nairobi kuenda kuangalia hali ya mchanga katika sehemu ambazo nimetaja. Waliweza kuwazilisha ripoti kwenye Wizara. Ripoti hiyo ilisema kwamba mchanga katika sehemu hizo ni sawa kabisa kwa ukuzaji wa majani chai. Kwa hivyo, ningeomba Wizara iangalie sehemu hizo na kuwapeleka maafisa ili kuwasaidia wananchi kuweza kupanda majani chai katika sehemu hizo.

Bw. Naibu Spika wa Muda, tuna shida nyingi za umaskini na tungependa wananchi wasaidiwe ili waweze kusuluhisha shida hii ambayo inasumbua thaluti tatu ya wananchi katika nchi hii. Robo tatu ya watu katika nchi hii wanaishi katika umaskina na hali mchanga wao unaweza kuwasaidia wakati wanaweza kuongozwa na wale maafisa wanaohusika na mambo ya majani chai. Ningependa kuhimiza Wizara hii kupeleka maafisa kule West Pokot na wahimiza wananchi kulima majani chai. Nafikiri nitaungana na Wabunge wenzangu kwa kusema ya kwamba umefika wakati ambapo Wizara ya Kilimo ni lazima iangalie kwa njia maalum ukuzaji wa majani chai. Hii ni kwa sababu haiwezi kusaidia kwa mambo ya kutengeneza barabara kuwa nzuri lakini wananchi pia wanaweza kujijiri kwa kukuza majani chai katika sehemu zao.

Bw. Naibu Spika wa Muda, tunajua ya kwamba katika nchi hii tunakabiliwa na ukosefu wa kazi kwa sababu ya hali ya uchumi. Kwa hivyo, ingekuwa nafasi nzuri kuwapeleka wananchi kazi hii ili vijana wao waweze kuajiriwa katika viwanda na mashamba ya majani chai.

ADJOURNMENT

Mr. Temporary Deputy Speaker (Mr. Poghisio): Order, hon. Members! It is now time to interrupt the business of this House. The House, therefore, stands adjourned until tomorrow Wednesday, 12th May, 1999 at 9.00 a.m.

The House rose at 6.30 p.m.