

NATIONAL ASSEMBLY

OFFICIAL REPORT

Tuesday, 8th June, 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:-

The 1999/2000 Estimates of Recurrent Expenditure Volumes I, II and III.
The 1999/2000 Estimates of Development Expenditure.

(By the Minister for Finance)

The Economic Survey, 1999

[By the Assistant Minister, Office of the Vice-President and Ministry of Planning and National Development (Mr. Sumbeiywo) on behalf of the Vice-President and Minister for Planning and National Development]

The Report of the Public Accounts Committee on the Government of Kenya Accounts for the year 1995/96 Volumes I and II.

[By the Chairman of PAC (Mr. Obwocha)]

NOTICE OF MOTION

ADOPTION OF 1995/96 PAC REPORT

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

THAT this House adopts the Report of the Public Accounts Committee on the Government of Kenya accounts for the year 1995/96 laid on the Table of the House on 8th June, 1999.

ORAL ANSWERS TO QUESTIONS

Question No.218

INCREASE OF BANDITRY IN GARISSA

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

(a) if he is aware that due to the increase of banditry in Garissa District over ten people have been killed in the last two months;

(b) if he is further aware that the anti-banditry unit is unable to function due to lack of transport and adequate personnel; and,

(c) what he is doing to increase the number of security personnel in the district.

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

(a) I am aware that there has been an increase in banditry activities in the Garrissa District where the

following people have been killed: In March three people were killed, in April one person was killed and in May five people were killed through these banditry activities.

(b) I am also aware that the anti-banditry unit was not able to move as it should because their vehicle had broken down, but we have now provided them with two lorries and two Land Rovers so that they should be more mobile.

(C) The people we have there are adequate in number and are sufficiently trained. It is only the mobility which hampered their activities.

Mr. Shill: Mr. Speaker, Sir, I am not really surprised with the answer given by the Minister because we always get wrong answers. We know that banditry has become a menace in the district and now it is going to other parts of the country.

Recently, it has spread to the Coast and other places. I would like to ask the Minister to deny or confirm that in Fafi Constituency, Ijara Division, there are only three administration police officers. This Division borders the Republic of Somalia.

Maj. Madoka: Mr. Speaker, Sir, I am afraid I would have to really verify that.

Mr. Muchiri: Is the Minister aware that banditry activities have even affected the residents of Korogocho and Ngomongo areas in Nairobi?

Maj. Madoka: Mr. Speaker, Sir, I am aware that we have had quite a few incidents in those particular areas.

Mr. Shill: Mr. Speaker, Sir, I said that in the whole of Garissa District, there are only 70 administration police officers. Due to frustrations at the District Treasury no vehicle can move today due to lack of fuel. We only have paper money in that area. The truth of the matter is that North-Eastern Province especially Garissa has been taken over by bandits. This Government has been blindfolded. It does not want to face the reality. I would like to ask the Minister if he has abdicated his duties? Since it appears that this Government has no moral obligation to defend us, can we be permitted to call Aideed over to come and defend us?

Maj. Madoka: Mr. Speaker, Sir, we have certainly not abdicated our responsibilities. As I have said, we have taken measures to try and ensure that this particular anti-banditry unit is adequately equipped and we have even allocated some funds---

Mr. Shill: On a point of order, Mr. Speaker, Sir. The Minister is really misleading this House. Even the locals are not being used to give intelligence information. The truth is that those people who serve in the District Security Committee, or the Provincial Security Committee are busy drinking in bars instead of collecting the relevant information. Can the Minister deny in this House that the locals are never asked to give information?

Mr. Speaker: Mr. Shill, that is a very eloquent argument. It is not a point of order.

Mr. M.A. Galgalo: Mr. Speaker, Sir, this banditry menace has been there in the whole of the northern region and the spill-over effect is threatening even districts like Mwingi, Kitui, Kilifi and Tana River. What measures has the Government put in place to ensure that this menace, which has troubled this country for the last 20 years is contained once and for all?

Maj. Madoka: Mr. Speaker, Sir, we are doing our best in terms of providing the police with adequate transport and equipment. We are equally providing sufficient funds to make sure that these vehicles are fuelled.

Mr. Speaker: Mr. Ayacko's Question?

Mr. Ayacko: Mr. Speaker, Sir, before I ask the Question, I wish to make some correction. The year referred to in part "a" of the Question is "1997" and not 1977.

Question No.088

SHORTAGE OF TEACHERS IN RONGO

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

- (a) if he is aware that schools in Chamgiwadu and Ochodororo zones in Rongo Constituency are grossly understaffed because of the ethnic clashes that occurred in 1997;
- (b) if he is further aware that equipment and property of the public schools in this area were destroyed and/or damaged during the said clashes; and,
- (c) if the answers to "a" and "b" above are in the affirmative, what he is doing to redress the situation.

Mr. Speaker: Mr. Minister, are you ready to answer it the way it is or you would like to re-look at it?

The Assistant Minister for Education and Human Resource Development (Mr. Awori): Mr. Speaker, Sir, in spite of the fact that there was a typographical error, we were working on 1997 and not 1977, but I have not

got an adequate reply to this Question; I have consulted the hon. Member on whether if it can be rescheduled so that I can get the correct information to give to this august House---

Mr. Speaker: Is that okay with you, Mr. Ayacko?

Mr. Ayacko: Mr. Speaker, Sir, I have no problem provided it is done very soon.

Mr. Speaker: Very well. Question deferred.

(Question deferred)

Question No.059

DESTRUCTION OF MR. KITUKHULU'S PROPERTY

Mr. Wafula asked the Minister for Energy:-

(a) if he is aware that property worth thousands of shillings belonging to Mr. Charles Kitukhulu on plot No.East Bukusu/West Sang'alo - 396 was damaged by the KPLC personnel as a result of their negligence during the course of their duty in October, 1996; and,

(b) when Mr. Charles Kitukhulu will be compensated for the damages.

The Minister for Energy (Mr. Okemo): Mr. Speaker, Sir, I beg to reply.

(a) Yes, I am aware.

(b) On the 10th May, 1999, Mr. Charles Kitukhulu was paid Kshs2,220 as compensation for the damages.

Mr. Wafula: Mr. Speaker, Sir, arising from the Minister's reply, this incident happened in 1996, and he is telling us that they only paid him Kshs2,220 on 10th May, presumably when this Question had been raised. Would the Minister tell us why it took so long for the Company to compensate Mr. Kitukhulu?

Mr. Okemo: Mr. Speaker, Sir, the payment was actually ready in March, 1997, and on two occasions, the KPLC personnel were at the chief's camp, waiting to hand over the payment to Mr. Kitukhulu, who did not show up. So, he could only receive payment on showing up at the chief's office.

Mr. Speaker: Very well. Next Question by Mr. Murungi.

Question No.083

DESTRUCTION OF MT. KENYA FOREST

Mr. Murungi asked the Minister for Natural Resources:-

(a) if he is aware that the Forester, Ruthumbi Forest Station in South Imenti, has been involved in corruption and illegal sale of poles and timber, and has caused massive destruction of the Mt. Kenya Forest in South Imenti;

(b) if he is further aware that the said Forest Officer has abandoned his office at Ruthumbi Forest Station and set up illegal headquarters at a bar at Kionyo Market from where he transacts his corrupt deals; and,

(c) if he could consider retiring this Forest Officer in public interest.

The Minister for Natural Resources (Mr. F.L.P. Lotodo): Mr. Speaker, Sir, I beg to reply.

(a) I am aware that the Forester, Ruthumbi Forest Station---

Mr. Speaker: Order! Order! Mr. Minister, you are at liberty to proceed. I thought they did not want your answer or that you answered very well.

The Minister for Natural Resources (Mr. F.L.P. Lotodo): Mr. Speaker, Sir, I beg to reply.

(a) I am aware that the Forester, Ruthumbi Forest Station in South Imenti, has been involved in various malpractices, including illegal sale of poles and timber, and has caused massive destruction of the Mt. Kenya Forest in South Imenti.

(b) I am aware that the officer is not in the office as he is being investigated for illegal activities. He is, therefore, not carrying out official Government duties. If he commits an offence against the Forest Act, he will be dealt with like any other offender. However, the premises mentioned is a private property outside the gazetted

forests and my Ministry has no jurisdiction over it and, hence, I cannot comment about the genuineness of the allegations.

(c) The Forest Officer has been suspended from office as investigations into the allegations continue. In the meantime, another Forest Officer has been posted to the station to replace him. The outcome of the investigations will determine the decision and action to be taken in accordance with the Civil Service Code of Regulations. The new officer is Mr. Joseph M. Mutie, No.81021273. The suspended officer is Mr. Edward I. Mutie, Service No.73026546. He was suspended on 24th March, 1999.

Mr. Murungi: Thank you, Mr. Speaker, Sir. I sincerely wish to thank the Minister for Natural Resources for this answer. These are the kind of answers we expect from Ministers, and I recommend to the President to promote him, if possible.

It is true that this officer had turned Mt. Kenya Forest in South Imenti into his own personal property and he had moved from the Government-provided quarters and set up an office in a bar at Kionyo Market, where he had carried the official seal and he was making application---

Mr. Speaker: Mr. Murungi, what are you doing?

Mr. Murungi: Mr. Speaker, Sir, let me ask the question.

Mr. Speaker: Very good!

Mr. Murungi: Mr. Speaker, Sir, Mr. J.M. Mutie used to say from this bar that he had a powerful godfather in Nairobi, and nothing would ever happen to him. I note that he has been suspended. Is the Minister aware of this powerful godfather, and as a matter of fact, nothing might eventually happen to this officer?

Mr. F.L.P. Lotodo: No, Mr. Speaker, Sir, I am not aware of this powerful godfather. It could be of help if the hon. Member can tell us now who this person is.

Mr. Ndwigwa: Thank you, Mr. Speaker, Sir. We are really encouraged by the answer from the Minister. Mt. Kenya Forest has been dangerously deforested. I happen to know that, part of the problem is that the Minister has problems with the members of staff now. What is he doing to ensure that he recruits enough forest guards to stop the wanton destruction of Mt. Kenya Forest, because it is a gazetted forest and something needs to be done urgently?

Mr. F.L.P. Lotodo: Mr. Speaker, Sir, I would like the House to give me extra funds to recruit more forest guards. At the moment, I spend 94 per cent of what I get for salaries and only 6 per cent for development. So, I am requesting for more funds and I shall try my best, if I am going to be there for another six months, to get rid of the old guards.

Dr. Kituyi: Mr. Speaker, Sir, considering that there is shortage of staff, but there are staff who are pilfering forests, could the Minister make an unequivocal statement that any forest officer who is found to be an enemy of forests will face the law? This is a nation-wide problem, including Kakamega Forest. The main culprit in the forest is the forest officer. Can you promise the House, that once we prove to you that a forest officer is cutting timber and selling it you will deal with him instead of asking for more of such thieves?

Mr. F.L.P. Lotodo: Yes, Mr. Speaker, Sir. I have suspended five forest guards in Imenti South in the Lower Imenti Forest, and I shall move to Kakamega in the next few weeks. I hope Members of Parliament from Kakamega area will not complain.

Mr. Speaker: Next Question!

Question No.079

ALLOCATION OF MIGOSI HEALTH CENTRE
TO PRIVATE INDIVIDUALS

Mr. Ayoki, on behalf of **Mr. Sungu**, asked the Minister for Health:-

- (a) if he is aware that Migosi Health Centre, which used to be the main centre for cholera control within Kisumu Town, has been illegally allocated to private individuals;
- (b) under what circumstances this property was allocated to private individuals; and,
- (c) what action he is taking to ensure that the property reverts back to Kisumu Town Council.

The Assistant Minister for Health (Mr. Koskei): Mr. Speaker, Sir, the answer to this Question is not fully ready. We are actually consulting with the Ministry of Local Authorities so that we could get proper information and a proper answer to it. We are asking to be given more time, so that we could be in a position to answer the Question.

Mr. Speaker: Any objection? I suppose none!

Mr. Ayoki: It is okay.

Mr. Speaker: I will defer the Question.

(Question deferred)

Next Question, Mr. Mutahi!

Mr. Mutahi: Mr. Speaker, Sir, I would like the House to note that I do not have the written reply to this Question.

Question No.226

CLOSURE OF MARKETS IN MUKURWE-INI

Mr. Mutahi asked the Minister for Local Authorities:-

(a) if he is aware that Thara, Ichamara, Gakindu, Mihuti and Mukurwe-ini - Kiahungu markets are the biggest Nyeri County Council revenue earners in Mukurwe-ini;

(b) if he is aware that the five "Bata" markets are going to be closed during these Long Rains due to lack of water and sanitation; and,

(c) what urgent action he is taking to avert this serious and unwarranted measure.

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

(a) I am aware that Thara, Ichamara, Gakindu, Mihuti and Mukurwe-ini - Kiahungu open-air-markets earn the County Council of Nyeri substantial revenue.

(b) Assuming by "Bata" market, the hon. Member wanted to mean "barter" markets, then I wish to confirm that the council has no plans to close the market due to lack of water and sanitation.

(c) Arising from my answer in "d", the above question does not arise.

Mr. Mutahi: Mr. Speaker, Sir, it is not the county council that is due to close these markets, but the health officer from the Ministry of Health, because there are no toilets or cleaning services being undertaken there. The Assistant Minister could also be aware that there was a probe committee by the councillors who visited the Minister, who is here in the House, that found out that the clerk and the treasurer had misappropriated about Kshs20 million.

The reason why those services have not been there is because the treasurer and the clerk had printed their own receipt books. Could the Assistant Minister tell this House what action he is going to take, to punish these two; the clerk and the treasurer, because they have already been suspended? He should also tell this House how this money is going to be refunded to the county council.

Mr. Sasura: Mr. Speaker, Sir, the Question put to the Minister concerns lack of water and sanitation in the open-air- markets. The issue about misappropriation of funds and the probe committee is a different question which is subject to further investigation.

Mr. Mutahi: Mr. Speaker, Sir, I am informing the Assistant Minister that the reason why there were no services being rendered is because the revenue collected from the markets was misappropriated by the two officers. Could the Assistant Minister confirm or deny that, that is the reason why those services were not being rendered?

Mr. Speaker: Mr. Mutahi, I think that is not directly related to the Question. What you are saying may very well be true, but I would suggest that you frame a Question in those lines and forward it to the Minister who will have the time to look into your allegations and either agree or disagree with them. So, in the meantime---

Mr. Mutahi: Mr. Speaker, Sir---

Mr. Speaker: Order! Do not give yourself the Floor. In the meantime, can you confine yourself to the terms of the Question, Mr. Mutahi?

Mr. Wamae: Mr. Speaker, Sir, if the answer to part "a" is that, these markets generate a lot of revenue, could the Assistant Minister let us know why the money was not available to provide the services in these five barter markets?

Mr. Sasura: Mr. Speaker, Sir, it is unfortunate if the council has used the revenue collected from these markets to give other services to the residents. But in the same connection, the Ministry has issued firm instructions to Nyeri County Council to ensure that in their next budget, this money is used to avail water in the markets. Otherwise, the Ministry will decline to approve the budget for the council.

Mr. Mutahi: Mr. Speaker, Sir, could the Assistant Minister, through your guidance, find out about the misappropriation of the amount of money I am talking about and bring the answer to this House? I would also like

to know what action he is going to take against the clerk and the treasurer who misappropriated the money. Could he also confirm the acting clerk and treasurer, because they have done a very, very good job?

Mr. Speaker: Mr. Sasura, confine yourself to his first question.

Mr. Sasura: Mr. Speaker, Sir, any officer in the council who shall misappropriate council funds, will be and is normally, dealt with by the Ministry. I would like to inform the hon. Member that the clerk and the treasurer in question have already been removed. I promise that we shall look very closely at Nyeri County Council and the misappropriation of funds that he is talking about. As concerns the acting clerk and treasurer, there are procedures we use to appoint or confirm officers. Some of them are not qualifie; so I cannot confirm them now.

Mr. Speaker: Very well, next Question!

Question No.067

SUB-DIVISION OF KIKOMBETELE/
MSHONGOLENI SCHEMES

Mr. Badawy asked the Minister for Lands and Settlement:-

- (a) if he is aware that the sub-division of Kikombetele and Mshongoleni schemes in Malindi were irregularly done, thereby causing disputes and delays in the settlement process;
- (b) what he has done to streamline boundary disputes as well as resettling those who had been displaced from their farms and homesteads; and,
- (c) how he plans to include the many genuine squatters who were left out in these allocations.

The Minister for Lands and Settlement (Mr. Ndambuki): Mr. Speaker, Sir, I beg to reply.

(a) I am aware that during the demarcation of Kikombetele Scheme, some private property within the area were sub-divided and allocated to squatters found residing there.

Mr. Maitha: On a point of order, Mr. Speaker, Sir. The Minister is talking "out" of the microphone, and the HANSARD reporters cannot hear him.

Mr. Speaker: So, you want him to talk "inside" the microphone?

Mr. Maitha: "Inside" the microphone, Mr. Speaker, Sir.

The Minister for Lands and Settlement (Mr. Ndambuki): Thank you, Mr. Speaker, Sir. I beg to reply:-

(a) I am aware that during the demarcation of Kikombetele Scheme, some private property within the area were sub-divided and allocated to some squatters who were found residing there. This was encroachment on private property, which was only discovered after the completion of the exercise, hence resulting to dispute. Squatters in Mshongoleni Scheme have been identified, but the allocation has not been finalised.

(b) A team of officers is set to revisit the area in July, 1999, to establish the external boundaries of the scheme and the private property encroached upon, in order to give a comprehensive report on the actual number of genuine squatters affected.

(c) Once the exercise in part "b" is over, the genuine squatters and those who may have been displaced will be considered for alternative plots.

Mr. Badawy: Mr. Speaker, Sir, I am very grateful to the Minister for his answer. Those are some of the problems that precipitated the irregular allocation in those schemes. The first problem was encroachment into private land, which he has promised to tackle. The second problem was displacement of the people who had already settled in their original farms and homesteads. Letters of allotment for those farms have instead been given to foreigners. So, could the Minister promise that in the exercise that is due to be undertaken in July, 1999, this matter will be investigated properly and that the genuine squatters, who had settled on that land for a long time, will not be displaced?

Mr. Ndambuki: Mr. Speaker, Sir, I do not know whether the hon. Member was listening. I have just given an answer to exactly the question he has just asked. I said that there are officers who are visiting the area next month to look at the matter again, and that those people who were displaced will be given alternative plots.

Mr. Maitha: Mr. Speaker, Sir, the Minister is aware that Coast Province is hit by squatter problems. Now, if the exercise of allocating plots in those settlement schemes was messed up by his officers, what action is he going to take against the officers involved in the malpractice?

Mr. Ndambuki: Mr. Speaker, Sir, when the officers we are sending to the area identify the private property that has been said to have been given away to foreigners, the mistake will be rectified. On the action to be taken against the officers who were involved in the malpractice, it will be decided after finalising the exercise.

Mr. Badawy: Mr. Speaker, Sir, I have, indeed, been listening to the Minister's reply attentively. I am grateful that he has given me a written answer. However, I still insist that he has only addressed the aspect of encroachment into private land. So, I would like him to assure me that he will ensure that the genuine squatters, who were in their original homesteads and farms, will not be displaced? I am saying this because the second part of his reply says that those who have been displaced will be given alternative plots.

Mr. Speaker, Sir, now why should these people be given alternative plots when they are already established and settled on their original farms?

Mr. Ndambuki: Mr. Speaker, Sir, as I have said, once we establish the persons who have been displaced, we will look into other alternatives and ensure that they are settled.

Mr. Speaker: Very well. The last one, Mr. Badawy.

Mr. Badawy: Mr. Speaker, Sir, could the Minister also promise that the exercise that is going to be undertaken in July, 1999, will not be a repetition of the previous exercise by his officers alone? Could he promise this House that he will involve the local people in the area, so that they can assist his officers in carrying out the exercise? In the previous exercise, his officers had, in fact, allocated most of the plots in those settlement schemes to themselves.

Mr. Speaker, Sir, this time round, could he give the area local leaders a chance to participate in the exercise?

Mr. Ndambuki: Mr. Speaker, Sir, we will do so.

Mr. Speaker: Very well, next Question!

Question No.091

SUB-DIVISION AND SALE OF UNIVERSITY LAND

Mr. Anyona asked the Minister for Lands and Settlement:-

(a) whether he is aware that the University of Nairobi (Faculty of Veterinary Sciences) was granted all the land situated East of Kikuyu in Kiambu District, LR. No.190, measuring 71.22 hectares on the Land Survey Plan Number 101582 Nairobi for a term of 99 years from 1st January, 1977 under Grant Number LR.31270 in accordance with the Registration of Titles Act, Cap.281;

(b) whether he is further aware that the land was not used in the public interest as required and stipulated in Paragraph 2 of the Special Conditions of the Grant, and that the said land, or parts thereof, has been sub-divided, sold and transferred, contrary to Paragraphs 3 and 4 of the Special Conditions of the Grant; and,

(c) whether he will cancel the sub-division, sale and transfer of the said land in parts thereof in accordance with the provisions of Paragraphs 11 and 12 of the Grant.

The Minister for Lands and Settlement (Mr. Ndambuki): Mr. Speaker, Sir, I beg to reply.

(a) I am aware that the University of Nairobi's Faculty of Veterinary Sciences was granted all that land, namely, LR.190, measuring 71.22 hectares, for a term of 99 years, starting 1st January, 1977, under Grant No.31270 in accordance with the Registration of Titles Act, Cap.281.

(b) I am not aware that the land was not used in the public interest. Also, I am not aware of any sub-division, sale, or transfer of the said land to third parties. (c) According to the Ministry's records, the said parcel of land is intact; no sale or sub-division of it has taken place.

Mr. Anyona: Mr. Speaker, Speaker, Sir, in case the Minister has not seen the grant, I would like to table a copy of it.

(Mr. Anyona laid the document on the Table)

Mr. Speaker, Sir, could the Minister tell this House whether or not he has read the special conditions of the grant, under Paragraphs 1, 2, 3 and 4? If he has done so, could he tell us what actions have been taken under Paragraph 11 of the said grant? Could he tell this House the action that has been taken, which proves that the land has been used for the purpose it was granted?

Mr. Ndambuki: Mr. Speaker, Sir, I have not read the conditions being referred to by the hon. Member, but I am willing to go back and read them. However, I can assure the hon. Member that the land he has referred to is intact.

Mr. Anyona: On a point of order, Mr. Speaker, Sir. The Minister has said that he is not aware that the land in question has been sub-divided and transferred to third parties, and that the Ministry's records show that it is intact. He now admits that he has not read the grant, yet the Question is about the grant. I have quoted sections of the grant; so, is it, really, in order---

(Loud consultations)

Mr. Speaker: Order! Order, hon. Members! I know that today is the first day of this Sitting, but that is not an excuse for consulting loudly. Mr. Anyona, somebody may fail to read a special condition in a title, but that does not at all mean that the title has been sub-divided. The Minister has said that the title has not been sub-divided. So, if he is wrong, show that the title in question has, indeed, been sub-divided, and that Mr. X and Mr. Y are beneficiaries of that sub-division.

Mr. Muihia: On a point of order, Mr. Speaker, Sir. Is the Minister in order to reply to hon. Anyona's Question before he has read through the sections of the grant that have been quoted in the Question? He has told this House that he has not read those sections of the grant, yet he is giving an answer to the Question!

Mr. Speaker: Order! Order! Mr. Muihia, I do not know whether you even understood my guidance. Mr. Anyona's quotation of the special conditions is dependent upon the abuse of those conditions by using that land for purposes other than those for which it was intended. The Minister has said that the land in question has not been sub-divided. So, I am giving Mr. Anyona a chance to show that the land has, indeed, been sub-divided.

Mr. Anyona: Mr. Speaker, Sir, I will address that aspect. The Minister was answering part (b) of the Question when he said that he was not aware that the said land was not used in the public interest. Then, I asked him to tell the House whether the provisions of Paragraph 11, which prescribe how the land shall be used, have been complied with. My contention is that, that land has not been used. This is supposed to be a coffee farm. Is the coffee there? Have buildings been put up? What has happened? If he has not read the parts I have quoted, he can ask for time to do so and bring a proper answer to this House.

Mr. Ndambuki: Mr. Speaker, Sir, I have said that I did not read the provisions of Paragraphs 11 and 12, but I am aware that the land in question is intact. However, I am ready to go and read those paragraphs, and then come back to the House with a more comprehensive answer.

Mr. Speaker: Mr. Anyona, do you want us to defer this Question, so that the Minister can go and read the special conditions, which are usually standard?

Mr. Anyona: Mr. Speaker, Sir, yes, because the Question is very important. I was just about to respond to your guidance when I was interrupted. I was going to tell the Minister that the said land parcel has, indeed, been grabbed by a notorious land grabber, whom we shall disclose at the appropriate time. In the meantime, I think it is important that the Minister be allowed to go and read the special conditions in question, so that he can come back with a proper answer.

Mr. Speaker: Would you like to do that, Mr. Minister?

Mr. Ndambuki: Mr. Speaker, Sir, I would like to do so. However, another thing that I would like to tell the hon. Member is that if he has any evidence to show that the said land has been sold, or sub-divided, or given to anybody, I would like to have it myself.

(Loud consultations)

Mr. Speaker: Order! Order! I will allow the request made by the hon. Member to the Minister. Also, I think that the Minister's invitation to Mr. Anyona to provide him with evidence beforehand will help the House greatly by the time the Question comes back. So, will you do that, Mr. Anyona? The Question is deferred!

(Question deferred)

Some hon. Members: Until when?

Mr. Speaker: Order! Order! I do not think hon. Members must ask me to put dates on which Questions will be appearing here. So, will you let me do my job, hon. Members?

Dr. Ochuodho: On a point of order, Mr. Speaker, Sir. Land is being grabbed to the extent that soon, only Parliament will be left with grounds. This is why there is urgency, and it is interesting to know---

Mr. Speaker: Dr. Ochuodho, as far as we are concerned, this Question is 2000 year compliant! So, do not worry, even if it comes next year, it will still work. But I assure the House that the Question will not be

unnecessarily delayed.
Next Question!

Question No.072

CONSTRUCTION OF BRIDGE ACROSS
RIVER ATHI

Mr. Ndilinge, on behalf of **Mr. Wambua**, asked the Minister for Public Works and Housing:-

(a) whether he is aware that there is no bridge to cross Athi River from Kamuthambya area in Kikesa Location, to Kyawango area in Mwala Location and people in both areas travel for more than 30 kilometres along the river in order to access a bridge; and,

(b) if the answer to "a" above is in the affirmative, what steps he is taking to ensure that a bridge is constructed to serve the residents of the said area?

Mr. Speaker: Where is the Minister for Public Works?

Mr. Ndilinge: On a point of order, Mr. Speaker, Sir. This is a very serious Question because it concerns roads and without roads, there is no transportation. Is it in order for this Ministry of Public Works and Housing to ignore grading all the roads in Ukambani? It is only when they are looking for a "defector" that they go for grading of the roads!

(Laughter)

Mr. Speaker: Order! Order! Mr. Ndilinge, I thought I was still calling the Minister for Public Works and Housing? I have absolutely no idea of the condition of the roads neither do I have any idea of defectors. So, you are asking the wrong person!

Mr. Magara: On a point of order, Mr. Speaker, Sir. Is it in order for the "Assistant Minister" to ask a Question on behalf of a Member?

Mr. Speaker: Order! Order, Members! I think, to save the very valuable time of the House, I advise Members to buy newspapers, listen to the radio or visit the library! Well, I defer the Question, therefore, there being no Minister to answer it.

(Question deferred)

Mr. Shill: On a point of information, Mr. Speaker, Sir.

Mr. Speaker: Sorry, the Chair is very well informed, Mr. Shill.

QUESTIONS BY PRIVATE NOTICE

DIFFERING LISTS OF PRIMARY SCHOOL TEXTBOOKS

Mr. Munyasia: Mr. Speaker, Sir, I beg to ask the Minister for Education and Human Resource Development the following Question by Private Notice.

(a) Could the Minister explain to the House why the Chief Inspector of Schools issued two approved lists of primary school textbooks last year?

(b) Could he, as a matter of urgency, guide the parents and teachers as to which of the two lists is the correct one?

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

(a) My Ministry, through the Chief Inspector of Schools, issued a green book containing an approved list of primary schools textbooks last year. Later, some errors were detected. The book was, therefore, withdrawn and replaced with another one, orange in colour.

(b) Since the Ministry retrieved the green book from schools countrywide, no confusion arises as to which is the correct list.

Mr. Munyasia: Mr. Speaker, Sir, it is

shocking to hear that the so-called "orange list", is supposed to be an improvement over the green book because there are so many mistakes in it. But I would have expected the Chief Inspector of schools, first of all, to issue a note disqualifying the earlier book. Can the Assistant Minister agree that the major difference between the orange and the green books is an inclusion of books published for the benefit of KANU, including the KANU Manifesto for Standard viii? The orange book talks of the KANU Manifesto for Standard Eight and the suppliers are issuing KANU Manifesto, 1997. Can the Assistant Minister tell us whether this is the book that was meant to be distributed to the schools?

Mr. Awori: Mr. Speaker, Sir, the question put to me was whether I can deny or confirm all he has stated. I deny.

Mr. Kirwa: Mr. Speaker, Sir, can the Ministry tell this House why they have to issue different books to schools every year, which makes parents spend almost, on average, Kshs1 million per constituency throughout the country?

Mr. Awori: Mr. Speaker, Sir, my Ministry has had the Education Commission going around the country in the last six or seven months, and, surely, the hon. Member should have put that to the Commission since it is a policy matter.

Mr. Kirwa: On a point of order, Mr. Speaker, Sir. The Assistant Minister is aware that this Question is before the House. Shall we be going to the commission when the Questions are before the House? Can you give guidance, Mr. Speaker?

Mr. Speaker: My guidance is very simple. It is the Minister who is responsible to the House and not the commission!

Mr. Awori: Mr. Speaker, Sir, as of now, the Ministry is certainly looking into the question of cost of books, and it is possible that we are going to harmonise the situation so that books do not change from year to year. But I added the question of the Education Commission so that an opportunity is given to members of the public to air their views on this before we can change the policy.

Dr. Ochuodho: Thank you, Mr. Speaker, Sir. The issue of irrelevant books finding their way, one way or the other, into our schools is a very serious one. Recently, in my part of the country, books, I understand paid for by the Dutch Government, were given to schools, books which were not initially ordered for. One of my colleagues even went ahead to call for the collection and burning of those books. As much as I may not be supporting that approach, can the Assistant Minister tell us how the KANU Manifesto got its way into the syllabus?

Mr. Awori: Mr. Speaker, Sir, KANU has been the ruling party for the last 35 years and this Government has been formed by KANU. Therefore, I see no reason at all we should not include the KANU Manifesto in the approved list of school books.

Mr. Ojodeh: Mr. Speaker, Sir, this is a very serious Question and the Assistant Minister should come out with a very clear answer. The fact that KANU is the ruling party does not necessarily mean that the manifesto should be spread to various schools because if that is the case then, NDP is as well co-operating with KANU; should we also not give our manifesto to schools? This is serious!

(Applause)

Mr. Awori: Mr. Speaker, Sir, the party that is co-operating with KANU has every right to make an application to us, to see if we can include its manifesto in the approved list.

Mr. Ndwiga: Mr. Speaker, Sir, this is a very, very serious issue. Is the Assistant Minister in order to keep on talking to this House about KANU, when this country is a multi-party state by our Constitution? Therefore, no party, including the Government party, has a right to include in the curriculum and teach my own child who is not a KANU supporter, about the KANU Manifesto. If so, then we should include the manifestos of all the other parties. Is he in order to say so?

Mr. Awori: Mr. Speaker, Sir, only when you form the Government will you be able to include your manifesto.

Mr. Muihia: Mr. Speaker, Sir, I think we are losing track of the Question. Is it in order for the hon. Members to talk about the KANU Manifesto when the Question is: What list of approved textbooks is there to benefit all the children in this country? When are we going to get the proper list, rather than having KANU manifestos, papers or magazines introduced to spoil these children sitting over there?

Mr. Speaker: Order! I suppose, Mr. Muihia, you are bringing us back on track. I think it is a valid question. Which list is right, and important for the country?

Mr. Awori: Mr. Speaker, Sir, there is a valid list of approved books and these books, which appear in

the orange book, have been approved by the Kenya Institute of Education which, in turn, is not constituted of just members of KANU. This institution is made up of very eminent educationists and if they find that there is a manifesto belonging to a party that is giving people good governance and good life, then they will approve it.

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

Mr. Speaker: Well, the very last question. Whose Question was it?

Hon. Members: Mr. Munyasia's Question.

Mr. Speaker: Mr. John Munyasia, the very last question now.

Mr. Munyasia: Mr. Speaker, Sir, I now want this Assistant Minister to take this House more seriously than he has done. On page 35 of the orange book which I suppose he has over there, you will find that one of the books recommended is "KANU Manifesto for Standard VIII" and not "KANU Manifesto 1997". It is the title of the book which is "KANU Manifesto for Standard Eight", on page 35 of the orange book. Can you look that up? The suppliers have been cheating by supplying "KANU Manifesto 1997" instead of "KANU Manifesto for Standard VIII". So, can this Assistant Minister now order suppliers to withdraw this "KANU Manifesto 1997", which does not appear in the orange book?

Mr. Awori: Mr. Speaker, Sir, if that manifesto does not appear in the list of approved books, it will be withdrawn.

Mr. Speaker: Very well. Next Question!

SALE OF CONTAMINATED WATER BY
WESTMONT POWER COMPANY

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

(a) What measures has the Minister taken against a company by the name of Westmont Power (K) Ltd, of P.O. Box 2084, Mombasa, which is manufacturing and selling contaminated water to unsuspecting residents, as well as ships and other vessels at the port of Mombasa?

(b) What urgent measures has the Minister put in place to check the spread of cholera, which has persisted in the town as a result of the sale of the said water?

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

(a) Investigations carried out by my

Ministry show that Westmont Power (K) Limited of P.O. Box 2084, Mombasa, is in the business of producing and selling power and not involved in the sale or bottling of water to Mombasa residents.

(b) There has been no cases of cholera reported within the plant or from any of the ships docking at Kilindini Port. No connection could be found between the outbreak of cholera and the power plant.

Mr. Maitha: Mr. Speaker, Sir, sometime this year, cholera broke out in Mombasa and it started from Old Town, which is in my constituency. About 16 people died. The MOH, Mombasa, confirmed that the cholera was caused by seamen who drank contaminated water which was sold to vessels or ships. The MOH has now been transferred because of disclosing that, that water is actually manufactured by Westmont Power (K) Limited, which is owned by powerful people in this House. I hold here, evidence now, from SGS who tested that water which is manufactured by Westmont Power (K) Limited machines using salt water. The SGS have said that, this water is not good for human consumption since it contains bacteria which can cause cholera. I also hold evidence of proof to show that this company has been selling water to companies which sell water to vessels in the port and the old port. Now, with this revelation, can the Assistant Minister confirm why this company, which, as he says, only manufactures power, is selling this water which is distilled by this plant, to people and it is killing people and a doctor was even transferred because of disclosing this information? I beg to lay down this evidence.

(Mr. Maitha laid the documents on the Table)

Mr. Koske: Mr. Speaker, Sir, the Ministry is not aware that this company is actually in the business of purifying and bottling water.

Mr. Maitha: On a point of order, Mr. Speaker, Sir! I have laid on the Table, evidence to prove that Westmont Power (K) Limited sold water, since there is a rubberstamp of Westmont Power (K) Limited and there is even an SGS report to prove that this water is not good for human consumption. Can the Assistant Minister look at this evidence and say if these people are not manufacturing water since it comes from that company?

Mr. Koske: Mr. Speaker, Sir, with this new evidence that the hon. Member has provided, the Ministry will look into the evidence and report back to this House.

Mr. Speaker: Very well.

(Mr. Badawy stood up in his place)

Mr. Speaker: What is it?

Mr. Badawy: Mr. Speaker, Sir, I am not on a point of order, but I just wanted to ask him a question.

Mr. Speaker: What were you on?

Mr. Badawy: I stood to ask him one question.

Mr. Speaker: Order! But he was asking me to give him time. Would you like to look at those documents, Mr. Koske?

Mr. Koske: Yes, Mr. Speaker, Sir. I have said that we will look at the evidence and I will report back to this House next week.

Mr. Speaker: I hope you will do that on Thursday next week.

Mr. Koske: We are most obliged, Mr. Speaker, Sir.

Mr. Speaker: Very well. Next Question!

REHABILITATION OF ROADS IN NAIROBI

Mr. Anyona: Mr. Speaker, Sir, I beg to ask the Minister for Local Authorities the following Question by Private Notice.

(a) Is the Minister aware that Kirinyaga, Racecourse and Ronald Ngala roads and all the feeder-roads in the Nairobi Central Business District are in a deplorable state of maintenance and repair?

(b) What amount of money from the World Bank Urban Rehabilitation Project has been spent in the rehabilitation of the roads in the City of Nairobi?

(c) Could the Minister ensure that these roads are rehabilitated without further delay to avert the complete collapse of the infrastructure in the Nairobi Business District?

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

(a) Yes, I am aware that Kirinyaga Road, Racecourse Road and Ronald Ngala Street, and a number of feeder-roads within the Central Business District, are in a poor state of repair.

(b) A sum of Kshs669,600,000 has already been spent under the World Bank Urban Rehabilitation Project on roads in the City of Nairobi.

(c) Yes, all the roads within Nairobi Central Business District which require reconstruction or rehabilitation have been identified, and the process of repairs is ongoing. Some of the identified roads have already been repaired and for others, tenders have been received and technical evaluations carried out and adjudications done by the National Steering Committee. What is now remaining is the concurrence of the World Bank for the projects being funded by the bank.

Mr. Anyona: Mr. Speaker, Sir, the roads mentioned in this Question belong to a part of this City referred to as the "Third World". The "Third World" starts after Moi Avenue, or after Tom Mboya Street. From what I can see, this part of the "Third World" has been attended to; some recarpeting has been done, but nothing has happened on the other side of the "Third World".

Mr. Speaker, Sir, there is a story in the Bible about white sepulchre. Sepulchre are tombs. That part of the City is like "white sepulchre". Would the Minister tell this House whether these particular roads have already been approved for recarpeting and, if so, when the work will start?

Prof. Onger: Mr. Speaker, Sir, I am on record, and I want to be equally on record in this Parliament, that the roads so far referred to as in the "Third World", and for purposes of the records of this House are Ronald Ngala Street, Kirinyaga Road, Accra Road, Latema Road, Luthuli Avenue, Lagos Road, First Avenue Eastleigh, Second Avenue Eastleigh, Moi Drive Umoja, Kampala Road, Lunga Lunga Road, Wundanyi Road, Mogadishu Road, State Road, Ol Kalou Road, Kombo Munyiri Road, Desai Road, Race Course Road and Uyoma Street. I have just said that these were the roads that were catered for under the First Track *El Nino* Programme.

The tendering procedures were completed on 21st April and the technical evaluation was done. The papers and the tenderers or the contractors who had tendered were subjected to the national steering committee because, as I indicated, it is a first track decision. What is now remaining is the concurrence of the World Bank. If that comes tomorrow, I want to assure this House that, that part of the road rehabilitation would be a continuous

process and would start immediately.

Mr. N. Nyagah: While thanking the Minister for that, Mr. Speaker, Sir, we would like him to rest the minds of people who live in Nairobi by telling them when this concurrence of the World Bank is likely to come to an end. When are we likely to begin the project as stated from the long list that he has just read out, so that motorists in Nairobi can rest assured that this will be done?

Prof. Ongeri: Mr. Speaker, Sir, the process on the part of Government of Kenya has been completed. One of the stipulations in the agreement between the World Bank *El Nino* Project and the Kenya Government is that before we can give a final word to a contract, we must receive signalling or concurrence from the World Bank. We do not control that process; however, we have told them of the urgency. It is my expectation that come July, we should have gone through this process, and the road network rehabilitation should start because we are equally anxious that project should start expeditiously.

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

Mr. Speaker: I am sorry, time is up! Next Order.

POINTS OF ORDER

MINISTERIAL STATEMENT SOUGHT: DEPLORABLE CONDITION OF NAIROBI-NAKURU ROAD

Mr. P.S. Kihara: Mr. Speaker, Sir, I rise on a point of order to seek a Ministerial Statement from [Mr. P.S. Kihara]

the Minister for Public Works and Housing with regard to the deplorable condition of the road from Nairobi to Nakuru, particularly in the Naivasha area. We are aware that last weekend, over 20 people lost their lives along that stretch of the road. Many more are hospitalised, some of them with very, very serious injuries. It is our hope and prayer that they will fully recover. That part of the road is riddled with potholes, many of them are more than two feet deep. If a pothole can bring down a bus, you can imagine how serious the situation is. From the top of the escarpment, all the way down to Delamere Estate, there is no single bus stop and, therefore, any vehicle picking or dropping passengers has to stop right in the middle of the road. The shoulders of that road are very badly worn out. In some places, the cliffs are as high--

Mr. Speaker: Mr. Kihara, I thought you have already communicated? If you want to talk about the shoulders of the road, give Mr. Nyagah there, next to you, an application for "zero-hour", then you can say whatever you need.

Mr. P.S. Kihara: Mr. Speaker, Sir, I rise to seek a Ministerial Statement so that the Minister can tell us what urgent measures he is going to take to ensure that more lives are not lost on that stretch of the road. Our children in that area are getting traumatised and we hope that we are not going to see this happen anymore. Thank you.

ARREST OF MEMBERS OF THE PUBLIC OVER BUSAA

Mr. Wafula: Mr. Speaker, Sir, I rise on a point of order to seek a Ministerial Statement from the Minister of State, Office of the President, over the arrest of some 40 members of the public from my constituency for allegedly having been found in possession of *busaa*. Section 25, Cap.122 of the Traditional Liquor Act is very clear on what offences may be preferred. In this particular case, "being found in possession of *busaa*" is not an offence. Could the Minister issue a Statement explaining under what circumstances they were arrested, and under what law they will be charged?

BAN ON LIVE MUSIC AND DISCOS IN NYANZA

Mr. Ayacko: Mr. Speaker, Sir, I rise on a point of order to seek a Ministerial Statement from the Minister of State, Office of the President in charge of Provincial Administration and Internal Security. As I stand here today, the Provincial Commissioner, Nyanza, has banned live music, discos and all other forms of entertainment in licensed premises in Nyanza Province. The people of Nyanza are curious to know from the Minister the legal basis, or authority, upon which these bans have been imposed. The PC reckons that the entertainment industry in Nyanza is responsible for the spread of HIV/AIDS. The people of Nyanza are curious to

know from the Minister, the fate of all those who were employed in this industry or the dependants of those who participate in this industry.

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

Mr. Speaker: Very well. Next Order.

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 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 13.5.99)

Mr. Speaker: Who was on the Floor?

Mr. O.K. Mwangi: Yes, Mr. Speaker, Sir, I was on the Floor when this debate was interrupted.

Thank you, Mr. Speaker, Sir, for giving me this opportunity to continue contributing to this Sessional Paper on a very important industry in this country; the tea industry.

I beg that you call for order because some Ministers are making a lot of noise!

Mr. Speaker: Order! Order! Mr. Mwangi, hon. Members never make noise. So, you are out of order. Would you withdraw?

Mr. O.K. Mwangi: Thank you, Mr. Speaker, Sir, I had forgotten. They consult loudly.

Mr. Speaker, Sir, before the debate was adjourned, I was talking about taxation in the tea industry because the Minister for Agriculture has provided in the Sessional Paper that immediately the tea factory companies are independent, they will be taxed Corporation Tax under the Companies Act. But because the tea factory companies do not own any tea and would, therefore, have no money, I was requesting him whether he can exempt the companies because, if he insists on taxing them, then that would mean that the tea farmers will be taxed Corporation Tax, when the other farmers, including maize, sugar and coffee farmers, are not taxed at all.

Mr. Speaker, Sir, at the same time, I would like to ask the Minister for Agriculture to be serious, because I do not think that he is being honest to this House and the country. The Sessional Paper, as I said when I stood here last time, is outdated. I want to repeat that on the basis that the Paper is talking about a limited liability company that will be formed by the farmers. If I may refer to Clause 10.3.1 of the Paper, it says that the new company that will be created will be called the Kenya Tea Development Agency Limited and will be owned by the small-scale tea farmers. But I decry the fact that at the same time, the Minister is telling us that he had also issued an Order under the Agricultural Act, called the Kenya Tea Development Authority Revocation Order, 1999. The Minister gave the Order on the 22nd of March, 1999; that is the same time when this Sessional Paper was being written, because it is said to have been written in March. Yet, in this Order, the Minister says, if I may refer to Clause 3.1 of the Order:

"The Kenya Tea Development Authority shall incorporate a limited liability company."

Mr. Speaker, Sir, that is a contradiction, and I would ask for a clarification from the Minister on whether he is serious when he talks about the small-scale farmers forming a limited company, which they will own, according to the Sessional Paper, or whether it is the KTDA which is transforming itself and incorporating a limited liability company under the guise of liberalisation. I would like to call upon the Minister to abandon the debate on the Sessional Paper and to revise this Order, so that the stakeholders in the tea industry can have a chance of sitting down together and make some consultations, then, it can be agreed upon among all the stakeholders, including the farmers, the Ministry of Agriculture, the KTDA and everybody who is concerned, on what should happen in the tea industry. Otherwise, the Minister is planting a seed that will destroy the tea industry, and we cannot afford that at this juncture.

Mr. Speaker, Sir, I am glad to note that, the tea industry is the only one that has sustained itself against the wilds of the KANU Government. It is the only industry that has withstood corruption and destruction by the KANU Government. I would, therefore, pledge that if the Minister for Agriculture is concerned about this country, he should revoke this Sessional Paper and the Order, so that the farmers can have time to sit down and work for a modality that will work for the tea industry.

Mr. Speaker, Sir, I do not want to go further into this matter,

because I believe---

Mr. Speaker: Your time is up! Order, Mr. Mwangi! Once that red light has shone, you are talking nothing, because it is not being recorded any further. Nobody else is interested in what you will talk.

Prof. Anyang'-Nyong'o: Mr. Speaker, Sir, I had my notes there--- I would like to speak on this Sessional Paper on the Tea Industry. One of the things about Sessional Papers is that, they record broad Government policy on what the Government will do about a particular issue. They are usually passed in Parliament without us realising that, they are of extreme importance in the shaping of the actual Government programmes. Recently, we passed a Sessional Paper here on Water Resources, which I thought was extremely unfortunate precisely because, it should have been amended extensively, but because of the very nature of Sessional Papers, they are very difficult to amend.

Mr. Speaker, Sir, this Sessional Paper on the tea industry must address two key issues; one, the small-scale tea growers, and, two, the large-scale tea growers. I am saying so because the phenomenon of the small-scale tea growers came into being in the 1960s, when the tea industry was being Africanised. A lot of small-scale farmers were settled in the former white farms, or on land that had not been farmed. The small-scale tea sector under the KTDA has been the basis of the growth of the tea industry in this country. Indeed, the increase in both tea production and tea exports can be ascribed to the small-scale tea growers.

[Mr. Speaker left the Chair]

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

The small-scale tea grower contributes to the production export and value addition in this country in two major ways. The small-scale tea grower puts his or her own labour, and if you do a proper calculation, he or she is not properly remunerated for that labour. This is because, that labour is often taken for granted. We usually talk of the amount of money paid at the factory per kilogramme in various regions, and premium is put on the increase of the price per kilogramme, notwithstanding any consideration of the amount of labour or family labour that the tea grower puts into that. I would submit that, given the amount of family and personal labour that the small-scale tea grower puts into the tea production, the small-scale tea grower has added more to the tea industry than the large-scale tea farmers. But, recently, there has been a move in the small-scale tea sector that they be given more recognition in the organisation of the industry, a say on the tea prices and in the amount of money that they get, more than the large-scale tea growers. Indeed, the call to dismantle the KTDA is based on the fact that, that organisation has not been controlled as effectively, by the small-scale tea grower, as it should be.

*[The Temporary Deputy Speaker (Mr. Mkalla)
left the Chair]*

[Mr. Speaker resumed the Chair]

The other issue that needs to be looked into is the issue of credit facilities for the tea growers. Recently, when tea and coffee farmers asked for an agricultural bank, it was not for any discriminatory intention on the part of them; it was a recognition that the Agricultural Finance Corporation (AFC) has failed farmers. About 10 or so years ago, there was a plan by the AFC and the World Bank to establish an agricultural bank in this country. Indeed, there was even a feasibility study, and sufficient steps had been taken to establish an agricultural bank in this country. What stopped the establishment of an agricultural bank in this country was due to the weaknesses of the AFC and the mismanagement of the guaranteed minimum return funds, due to the fact that a lot of money had been granted to farmers through the AFC .

Mr. Speaker, Sir, this was a proof further that well-connected individuals borrowed money from the AFC but did not service that loan. Further, and much more important, due to the fact that the Treasury had on-lent money to the AFC which had not been serviced hence, there was an accumulation of foreign indebtedness accounted for by parastatals to which, money had been on-lent by the Treasury but not serviced. That is explained by the fact that there were weak or non-existent on-lending agreements between these parastatals and the Treasury. If, indeed, that is the genesis and history of the failure of establishing an agricultural bank in this country, we cannot turn around and blame the farmers when they demand that they want to establish their own bank, because the Government had failed to establish an agricultural bank via the AFC proposal to the World

Bank.

Mr. Speaker, Sir, the Ministry should explain to this House the steps the Government has taken over the last ten years, to revisit the creation of an agricultural bank by dissolving the AFC, so that we have a formal commercial and agricultural bank for farmers. In France, a bank called *Credit Agrical*, in other words, Agricultural Credit, is one of the biggest banks in France. *Credit Agrical* which was based on farmer's money has in actual fact gone ahead and financed other forms of development in France; for example, real estates, industries and so on. When we say that the economy of this country is based on agriculture and yet we do not have an agricultural bank, then we are involved in a contradiction. If, indeed, the economy of this country is based on agriculture, and if indeed, agriculture is the sector that has financed development, in this country, then it would make sense that we should have an agricultural bank. We have got the Industrial Development Bank, possibly for financing industrial development and the Housing Finance Company of Kenya to finance real estates. Why can we not have an agricultural bank? We may say that we have the AFC, but it has failed!

As we speak today, I would like to know how many small-scale farmers, who are the majority of the farming community in this country, enjoy credit from the AFC. I would like to know how much the AFC has financed expansion of farming in the small-scale sector over the last ten years. I would also like to know how many other services the AFC is providing to the other small-scale farmers in terms of financing irrigation, crop insurance and the future marketing of crops. We cannot continue with the traditional financing of agriculture; that all we think is that when a farmer comes and says he wants money to buy seeds or a plough, or artificial insemination for his cows, then that is the kind of financing we think of when we talk of financing agriculture. That is a very base, and a very simple financing of agriculture, which we should have done in the 1960s and improved upon, and now, we should be thinking about financing the future marketing of crops, intensification of production, credit, insurance for farmers on crop failures and so on.

Mr. Speaker, Sir, one of the things which has discouraged the sugar industry is that when farmers have their sugar ready for harvesting after 18 or 24 months, it is not harvested until 32 or 36 months, and then the weight is discouraging. If indeed there was an insurance scheme which says that once your crop is ready and it is not harvested, you have access to an insurance fund which will compensate you for the weight lost; by so doing, farmers would get a lot of encouragement. But as it were, our Ministry is extremely unimaginative. With due regard to my friend, the Minister for Agriculture, I would like to say that his Ministry is letting farmers down because, rather than thinking about these advanced forms of improving agriculture, we still come to Parliament year in year out to talk about the old traditional way of financing agriculture that was in place in the 1960s and 1970s. That means we are not developing. So, in the case of the tea industry, I would have liked this Sessional Paper to address itself much more to those modern ways of improving and supporting agriculture financially rather than the old traditional ways that we have known since the 1960s and 1970s. Further, I would like to say something about services related to agriculture. People farm because they want their livelihood to improve; to get money to send their children to school and because they know that if they have that money, they will have access to health services, housing, electricity and so on. I do know that many Kenyans have said that in areas where we have cash crops, some of these services are more available, for instance, in the tea and coffee growing areas. But I have visited Kisii which is a very strong tea growing area. The roads in Kisii are pathetic. If indeed, these people have got to grow these crops so that they can see a change in their lives and improvement in their standards of living, one of the areas in which they should see improvement is in communication, roads and telephones. It is counter-productive to invest in tea growing and not to invest in the transportation of that tea to the factory or to invest in the transportation of farmers to areas of commerce and industry. If farmers are growing tea, it does not matter how much you improve production per acre; if, indeed, that farmer is not going to have access to the rest of the world, and if that tea is not going to have access to the factory; or if it was going to have access to the factory but take more hours getting to the factory and hence lose its value.

Mr. Speaker, Sir, when the cess money was introduced, for instance, the coffee cess, tea cess, sugar cess and fish cess, it was meant to be used to finance, particularly, infrastructure in those areas where those crops are grown. Secondly, this cess was meant to be used by the farmers themselves or through committees that they themselves sit in and determine the use of this money. There was one time in the DDC of Kisumu when we were told that the use of this cess was entirely in the hands of the DC. We were told that this was going to be changed, but I do not know whether it was changed. But still, we know that in the District Treasury there are only two signatories, the DC and the Treasurer. This is one of the reasons why we cannot have proper infrastructural development in this country. You cannot have two people controlling the District Treasury because that kind of system is amenable to corruption and the misuse of funds.

In this Sessional Paper, I would like the Minister to revisit the important issue of cess money and tell us how this money has been used, and whether the Government has a more imaginative way of using this money than

now. It is not just a question of using the cess money itself. That cess money can be invested in such a way that it is used more creatively. Alternatively, the Government can encourage cess to be paid by attaching more Treasury funds to support cess monies. The more cess an area pays, the more the Treasury could add some more funds to finance infrastructure in those areas. We must find ways and means by which we encourage the raising of revenue. A Government that depends entirely on revenue that is collected from taxation is thoroughly unimaginative. If you are going to have people pay more taxes, you must institute a measure where taxation is associated with production; that will encourage the producers by saying that if you produce or pay so much cess in this year, the Government will give you a bonus to add to the cess money to do more things in your area. In that way, we could come to a position where the cess money is not only used for the building of roads but also for the financing of health services, nursery schools and so on. In the old days, a lot of services in the local areas were financed by local authorities, for example, primary schools, dispensaries, health care, rural roads and so on. Once these services were removed from one organisation to the Local Authorities Ministry, then, indeed, we did not only lose the proper use of that money, but we also lost giving responsibility to local authorities and making them conscious that the money raised locally can also be used locally for the interest of the local people.

Mr. Speaker, Sir, in this Sessional Paper, one of the things that I think would have been very important to under-score is the following question: To what extent would the revenue raised in the tea sector be used in the treasuries of the local authorities? To what extent are local authorities going to be enabled to manage and administer finances effectively and properly? We know, as a matter of fact, that many of these local authorities have not had their finances audited for the last 18 years. We know, as a matter of fact, that many of these local authorities do not even have proper internal audit systems. We know, as a matter of fact, that many of those local authorities have their treasurers changed almost every other year. Now, if you have an important position like that being occupied by individuals in and out, playing "kwasu kwasu" every year, then, indeed, we are not going to have competence in the running of these treasuries.

In the old days, here in Nairobi, I remember there was a City Treasurer called Mr. Okuku. This man was a treasurer in this City for decades. He was known for competence and proper running of the City treasury. Since Mr. Okuku left the treasury here in Nairobi at City Hall, I do not think this City has had proper running of finances up to this very day. Nobody knows how water and land rates are collected in this City. Even if you went and asked the Town Clerk, she would not know. If you went and asked the City Treasurer today, he would not know. This is because there are mini-gods and mini-systems under them who collect land and water rates and use them as they want. Nairobi is just one of them. If you go to Kisumu and Mombasa, you will find the same thing. The county councils are even worse.

Mr. Speaker, Sir, these issues must be looked at organically because they are related. You are not going to encourage small-scale farmers to increase production and pay taxes if those taxes are not used properly. You are not going to encourage small-scale farmers to increase production when they do not see services in their areas for which those taxes are paid. You are not going to increase production among small-scale tea growers if other small-scale farmers are not respectively doing their work. The person growing tea does not consume tea the whole year! The person growing tea must eat rice, drink tea with sugar, have some bread, must drink milk and, hence, the Government must have a comprehensive policy of small-scale agricultural production. The Government must not rely entirely on what was done in the 1960s. The policies must change from what they were in the 1960s. In the 1960s, the Kenyatta Government came up with an innovative policy: the Million-Acre Scheme and the AFC. All of a sudden, small-sector production went up across the board. But since then, that policy of the 1960s has not been changed up to now, while the times have changed. So, you find that dairy, maize and sugar production has collapsed. We only have tea and coffee, but it has been collapsing over the time. Now, it is good that we have a Sessional Paper on tea. But we need a Sessional Paper on the whole sector of small-scale production because the agricultural sub-sectors are inter-connected. Improving one in isolation of the others is not going to help us. This is such an important issue that I hope the Government could pay attention to it.

Now, let me come to a very important issue here; the idea of pegging our policies on what the World Bank thinks. I have no portfolio or brief for or against the World Bank. But I have a portfolio and a brief for our country. I think the World Bank looks at every member country to come up with its own policies, good enough for the World Bank to invest. As a bank, the World Bank looks for projects in which it can invest funds. It looks for investible projects. But if a Government waits for the World Bank to come up with proposals saying: "Okay, we have money to lend, but we think this is the project worth lending to", then, of course, we are ceding our sovereignty. We cannot turn around and blame the World Bank, that it is imposing this and that because, as a bank, it must invest in projects which have returns. But if we, ourselves, do not come up with projects which have returns, all kinds of banks will come to us and say: "Chief, do you think this is a possible thing you can do?"

If you agree, then let us invest." In the final analysis, that kind of thing may not be good for our own long-term sovereign interests.

Mr. Speaker, Sir, at this point in time, this country needs an agricultural sector, growing at between 6 and 7 per cent per annum. In fact, it needs an economy growing at that rate, if we have not just to feed our people and provide employment, but also to lay a basis for the future industrialisation of this country. The other day, the Government was proudly saying: "Oh, we have increased growth. We have improved from one and 1.5 per cent growth rate per annum to 2 percent!" That is not an improvement! That is just keeping up with the Jones in the Third World! Now, we do not want to experience the Jones because in the 1960s, we had a 6 to 7 per cent rate of growth. Why did we lose that 6 to 7 per cent rate of growth? Why did we not go up to 10 per cent? It is because of the tendency of this Government to lay emphasis on consumption; projects that go towards consumption and not projects that go towards improving savings and production. Now, we invest too much in consumption and we do not encourage savings, which can further finance production and economic growth. Where we have tremendous saving, we use it for the interest of those who are rich and powerful, and who want to become richer and more powerful.

One of our best sources of savings in this country, as I keep on saying, is the National Social Security Fund (NSSF). We want to ask the Government why the NSSF, which had a surplus in 1992 of Kshs10 billion, is now in the red to the tune of Kshs1 billion? It is likely to go on being in the red and become insolvent. Once it is insolvent, I know it will be disbanded and the people will forget about the NSSF. The Government will turn around and say: "We have disbanded it because we are privatising." Privatisation cannot be used as a cover-up for corruption, and individuals running away with public assets and money stolen from public coffers! They will then say they are handing these things to the private sector, when they are handing nothing but debts.

Mr. Speaker, Sir, I think there is a crisis in the Ministry of Agriculture. The centre of financing agricultural development, that is the Agricultural Finance Corporation (AFC) is completely bankrupt. While it is bankrupt, it is lending money to those who are rich and powerful today. But if a small-scale farmer goes to the AFC today, he will not get a single cent! But I know people who are politically well connected who are getting Kshs2 million, Kshs3 million and Kshs5 million from the AFC. Where is that money coming from and yet, the AFC could not turn itself into a bank? The money was available to start such a bank from the World Bank. But because of unsatisfactory reports and poor financial controls from the AFC, the whole thing collapsed! I know that we have good civil servants in the AFC, but they are being held - you know what I call it - by their balls, if you allow me, Mr. Speaker, Sir. So, they cannot do what is right for this country. Those who hold civil servants by their balls should release those balls so that the civil servants can work for us properly. This is a very serious matter. I do hope that when the next Sessional Paper is written, the issue of balls will be raised. They should be released!

Mr. Speaker, Sir, the small-scale farmer, including the small-scale fisherman in Lake Victoria, needs credit. At this point in time, if you go to Lake Victoria, you will find that the fisherman has been using that dug-out canoe since my father was born! We are saying that we are going to be an industrialised nation by the year 2020, when I know that since my father was born, this fellow has been sweating day and night using a dug-out canoe! When you go to Egypt, which is a very dry country, you will find that the Egyptians produce and export more fish than us. Why, and we are blessed with Lake Victoria, a fresh water lake and everything else?

Mr. Speaker, Sir, the other day when we had COMESA here, which country exhibited more than the others? It was Egypt, because South Africa boycotted the exhibition. Surely, in 1999, Kenya should have been ahead of everybody in this part of the world. But there are two countries which are going to spearhead industrialisation in this continent; these are South Africa and Egypt, whether we like it or not. Kenya and Nigeria could have been some of those countries, but because of poor governance, they are not running ahead like Egypt and South Africa.

Mr. Speaker, Sir, when we write these Sessional Papers, we should take those macro-economic issues seriously. A little Sessional Paper written only to focus on a tiny aspect of our agricultural sector is not going to help. It is going to be one of those Sessional Papers which will sit there, year in, year out, and the Government cannot do anything about it because the Government has not addressed itself to the major macro-economic issues which are keeping everybody down.

Mr. Speaker, Sir, just today, in the *Business Standard*, it was said that the World Bank is now withdrawing credit to the Executive Secretariat to the Technical Unit (ESTU) for the privatisation reform programme. Now, KTDA is one of those parastatals under the privatisation reform programme. We know that the KTDA factories have already been privatised, but that is not the end of the story. Other things need to be privatised so that those which have already been privatised can be part and parcel of a growing economy. If the World Bank is withdrawing credit for the privatisation programme, it means that those aspects of the economy

which have already been privatised are not going to match well because the others will drag them behind. Why is the World Bank withdrawing credit to the ESTU? It is because of mismanagement and corruption in the privatisation programme.

Mr. Gatabaki: On a point of information, Mr. Speaker, Sir. Hon. Anyang'-Nyong'o referred here to 45 companies as being privatised. In theory, they have been privatised, but in practice, the KTDA still controls virtually every activity of those companies. The KTDA has refused to delink itself from the activities of those 45 companies and hence the clamour and cry for total delinking, legitimate and meaningful liberalisation. Thank you.

Prof. Anyang'-Nyong'o: Thank you, Mr. Gatabaki, because that reminds me of one major issue. In privatising, it is important that the Government realises that it must perfect itself as a regulatory agency. One of the crises in the tea industry is that the Government does not know what to do with the KTDA. Should it be a regulatory agency, laying down the ground rules for the privatised tea sector or should it continue to be an intervening agency in the economic running of these factories? This is the question that the Government must answer. In a privatised economy, the Government must perfect itself as a regulatory agency. And in order to perfect itself as the regulatory agency, it must know that things must run under the rule of law. There must be proper governance; public officers must be transparent, and they must be well rewarded so that they do not put their hands in the public till. They must be ready to be questioned by the public. They must be answerable to certain institutions like Parliament. They must understand that those watch-dog institutions are very important. They must be fired from their jobs when they do wrong. But in Kenya, when you do wrong in a parastatal, you are not fired. Instead, you are given money to go and stand for election, and if you win, then you are appointed to the Cabinet. When you do things like that, nothing goes well. We know that there are Ministers in the Cabinet who have run down parastatals and they use the money they get from parastatals to run for election. Eventually, they come and sit here to make policies. Such Ministers cannot make good policies for this country. The problem with the KTDA is that the Government has not made up its mind. Is this agency going to be a regulatory agency or will it continue to be an agency that intervenes economically in the running of the tea industry? That is the question that the Minister must answer because it is the question that also faces the sugar sector. What is going to be the role of the Kenya Sugar Authority (KSA) in the running of the sugar sector? Is it going to be a regulatory agency, or will it be an agency that receives money and disburses it? Once you do that, then you become the over-lord of everybody. And then Mr. Chahonyo becomes a king-maker rather than a civil servant, who makes decisions and ensures that those decisions are brought to Parliament for approval. Those agencies, like the KSA and the KTDA, must be made regulatory agencies. The KSA must not be an agency that receives money from anybody. That money should be in Treasury. What should happen is that the KSA should just make rules. They should not receive any money whatsoever. Their work should be to make rules, regulations and to supervise. When it comes to money, that should be handled by this Parliament and Treasury. And then the farmers, as the producers, must have their own committees which decide on how much they should produce; where their money should be spent and so on. At the moment, the privatisation programme is being bedeviled because the State is not clear on what its role should be in this process or programme. The State must cut itself a clear role as the regulatory agency and give the private sector the room to invest and to produce. The State cannot be involved in production. It can only involve itself in those sectors, like health, education and issues related to infrastructure, which are the traditional province of the State. The State cannot give such functions to somebody else. But precisely because this State has been mismanaged and corrupted, even in those areas where it should traditionally perform, it is not performing well. And it is such areas which it tries to hand over to the private sector in a very haphazard way.

For example, with regard to education, why do we have so many Harambees? We have so many Harambees because the State, as the regulatory agency, has failed to run the education system well. So, you ask people to organise Harambees day in, day out, and run schools whereas the State should be doing that. Across the border in Uganda and Tanzania, and even in a poor State like Ethiopia, they are doing it. Why should Kenya not do it? If Kenya left the agricultural sector to be a productive sector and thus enable the taxpayers to pay more taxes, we would have more money to finance education and health and get rid of this silly thing called "Harambee", which is giving a poor mentality to this nation. It gives a beggar mentality to this nation; the Government, the people, the President and even to little angels in this nation.

Mr. Speaker, Sir, I submit that I support the reorganisation of the tea industry, but with proper policy and direction. Thank you.

Mr. Gatabaki: Thank you very much, Mr. Speaker, Sir, for the opportunity to contribute to this very important Motion. We must ask ourselves why the Government has brought this Motion. Why now? Why is the Government so keen to restructure and privatise the tea industry now? If you go back to the origin of the tea

industry, which is approximately 40 years ago, you will see that when the KTDA was formed, its purpose was very clear indeed: It was to develop and promote the production of tea in Kenya. The KTDA did its job very well up to a time when it became the most successful parastatal within the Commonwealth nations. I mention the Commonwealth because the KTDA was financed by the Commonwealth Development Corporation. It became the most successful public body in the development and promotion of the agricultural sector. Very well; that was done. Then ten years ago, the KTDA became a problem to the farmers. Before the KTDA was formed, there was the Tea Board of Kenya (TBK). The purpose of the TBK was purely regulation and licensing of the tea sector, and it did the job very well, indeed, upto about ten years ago and then the function of the TBK became a problem.

[Mr. Speaker left the Chair]

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

Why has this Sessional Paper been brought before this House? The Paper has been brought here because of the problems facing the tea farmer. Tea belongs to the farmer, and the time for the exploitation of the farmer is gone. The farmer is saying that, that is his tea and he wants his money. He is also saying that he wants to sell his tea to the market and he wants his cheques without the involvement of the regulatory bodies. The farmer is asking what is happening to the horticultural industry? Who is regulating this industry. It is the farmer and the market who are regulating the horticultural industry.

Mr. Temporary Deputy Speaker, Sir, if you go to Europe today you will find that many farmers know about the marketing of the Kenyan tea. The Kenyan tea is the best quality of tea produced on earth. It sells for about Kshs2,000 per kilogramme, while the tea farmer in this country gets Kshs7 per kilogramme. I do not know of any worse unfairness on earth than what the tea farmer in Kenya gets for his produce. The tea farmer is asking why he cannot get a fair price for his commodity. Why can he not be rewarded fairly? Tea farming is a very difficult process. The amount of time that a tea farmer and his family spend, the amount of money he invests and the amount of labour he puts in the sector is enormous, and yet at the end of the day he gets peanuts. Who takes this amount of money? What is the difference between Kshs6 and Kshs2,000 per kilogramme of processed tea, which is the market price? This is the issue. Between the factory and the end process, who are the middlemen? The farmer is saying that he wants to be his or her own middleperson.

Mr. Temporary Deputy Speaker, Sir, we have got experiences with multinational companies which do exactly what the tea farmer does here. The only difference between the multinational companies, for example the Brooke Bond Company, and tea farmers is that the companies can market their tea in the market. They do not go through the process of the Kenya Tea Development Authority (KTDA). They also do not go through the process of tea auction.

Why is there tea auction? Why have we transferred the auction market from London to Mombasa? This tea auction has been in London for many years. The tea auction has been brought to Mombasa now because of the institution that controls it. I would like the Minister for Agriculture to listen to me on this. Why has the tea auction moved from London to Mombasa? This is because the company which controls the largest amount of marketable tea on earth is the KTDA. It is the Authority which wanted to control the tea auction in London. But realising what happened in the auction, that the KTDA did not control the auction market--- The auction market in London was controlled by the global prices. The KTDA decided not to deliver tea to the London market. So, the London auction market was denied tea and had no option but to close down. Therefore, the tea auction moved to Mombasa.

What happens in Mombasa? Two or three forces control the tea market. They are global buyers on one side and the KTDA and the tea brokers on the other side. Among themselves, about 13 parties are the buyers, while there are about 10 tea brokers. A small cartel determines what the tea farmer in Kenya will get. So, the tea moves from the tea factory to the tea auction in Mombasa, and a small cartel decides on the amount of money the farmers would be paid for their commodity. So, the farmer is paid Kshs6 per kilogramme of processed tea at the factory, while at the tea auction, the cartel decides that the tea price should not go beyond Kshs200 per kilogramme of processed tea. But in London and in the global markets it goes for Kshs2,000. The farmer is saying that he does not require the tea auction in Mombasa. He wants to sell his produce directly to the global tea market.

Mr. Temporary Deputy Speaker, Sir, something has happened in Kenya which is frightening. Kenyan tea, which is of the highest quality in the world, is being sold to Sri Lanka. Why is it being used to improve the quality of Sri Lankan tea before it is sold internationally? Ever since tea was introduced in this country, about 100 years

ago, we have never added value to our tea. Sri Lanka has added 500 per cent value to its tea. So, Sri Lankan tea is sold in the world market. If you go to Harrod or any other major supermarket on earth you will not find Kenyan tea, and yet, this country is the biggest exporter of tea. If you visit those supermarkets you will not find tea with the brand name "Kenyan Tea", whereas you can find Sri Lankan tea and any other brand name apart from the Kenyan brand. This is because the tea farmer in Kenya loses the identity of his tea to the global market. The tea farmer is saying that he does not and he will not allow that quality to be squandered by the global cartel.

For how long will the Kenyan tea farmer be at the mercy of an insensitive Government? The World Bank cannot trust the Kenya Government with its money. I am not saying this but that is what it is. The World Bank is saying that it cannot give its money directly to the Kenya Government because it will squander it. The Kenya taxpayer cannot trust the Government. For every amount of money Kenyans pay to the Government, they expect services, which they are not getting. Kenyans are saying that they cannot trust their Government with the taxes. I am happy that the Leader of the Official Opposition is here. There is nobody in this country who has articulated the misuse of taxpayers' money as hon. Mwai Kibaki has done. Kenyans pay about Kshs180 billion every year to the Government and you cannot tell where it goes to. From every sector, you cannot see where Kenya taxpayers' money goes to. Talk about any sector, and tell me any of them which is working. I would like the Minister for Finance to stand up and tell this House a sector that is working. Where does the tax the taxpayers pay to the Government go to?

Mr. Temporary Deputy Speaker, Sir, I am a product of a Government sponsored educational system. I went to primary school, high school and got a degree at the university. My education was sponsored by the Kenya Government and, therefore, I did not pay a single cent; so did so many other people who are here. Today, from the nursery, primary school, secondary school up to the university Kenyans are paying unaffordable amounts of money for their education. This important service of education is unavailable to 95 per cent of Kenyans who are poor. Where has the money that you and I got for our education from primary school to the university level gone to? There is nothing which has changed in this country. The population has increased, but so has the revenue from the Value Added Tax (VAT). So, nothing has really negatively changed. The only thing which has changed is the presence of so many thieves in the Government.

I talk with a lot of passion about tea because I come from Central Province which produces some of the best tea in the world. Tea has also become the largest source of foreign exchange in this country. Without tea earnings, the Kenyan Shilling would have collapsed. The Central Bank of Kenya (CBK) cannot thrive without the earnings from tea.

Mr. Temporary Deputy Speaker, Sir, today, this country is sustained by a few foreign exchange earners; tea, coffee and tourism as corruption rises. From the 1997 Likoni massacre, we saw recklessness you cannot explain. I keep on telling my colleagues from the Coast that they will pay for the consequences of not being critical towards the Government. Today, over 500,000 Kenyans at the Coast are jobless. Kenyans saw with their own eyes, how a reckless Government can wreck an industry. The farmers from the tea-growing areas are saying: "We shall not allow that recklessness to come to the tea farming areas." They are saying they will export their tea to the world market without that Government which is a source of all the problems.

Mr. Temporary Deputy Speaker, Sir, the problem of KTDA--- Mr. Minister, please listen to this because the farmers will not accept KTDA any more just like in Mwea, where the rice farmers rejected the National Irrigation Board, and this is very clear. We have called a meeting of all the Members of Parliament from tea-growing areas on Thursday morning. The reason is to decide on when all the 45 tea companies are going to meet to decide on their directors and from there, they will decide on the marketing of their tea without KTDA. They are going to walk out of KTDA because of harvesting. There are times for exploitation and the farmer will not allow himself to be exploited by this Government.

Mr. Temporary Deputy Speaker, Sir, there are so many vested interests in KTDA. I belong to a body called the Coffee and Tea Parliamentary Association. We presented the Attorney-General with a chronology of mistakes and frauds committed by KTDA Managing Director. We showed him instances of clear theft and the Attorney-General ignored us. We sought legal advice and took the management of KTDA to court through private prosecution and upto now, for the last four years, we have been completely frustrated by the courts. That case has never been heard despite clear evidence of theft by the senior management of KTDA. I wish the former Minister for Agriculture who is also the immediate former Minister for Finance was here. This is because, during his time as Minister for Agriculture, hon. Nyachae completely refused to hear our cries. I am happy now he is the one crying, saying there are corrupt practices in Government. I am happy he has seen the light. But shall we wait until hon. Mudavadi is thrown out for him to come here and say: "Yes, the Government is corrupt"? The time is now when you have got power. I wish the former Minister was here. I would have told him: "Mr. Nyachae, you cannot do anything right now, apart from quitting that party. It is too late for you to talk the way you are talking. You

could have done that when you were the Minister for Agriculture for five years and one year as Minister for Finance." The problem with KTDA is that everybody, from the senior officer to the lowest officer, deals in the business of selling, marketing and procurement of tea services. Tea brokerage is controlled by the who --is-who in Kenya. The President is a tea broker, hon. Biwott is a tea broker and former Minister for Finance, Mr. Nyachae is also a tea broker. Really, when shall we in this country distinguish between vested interests and public interest? So, the reason why the Government wants to continue with KTDA is because of vested interests; it is not for public interest. Between the farmer who gets Kshs6.00 per kilogramme every month and the market which pays for Kshs2,000--- in that enormous gap, are wolves who care nothing about the farmers and the farmer is saying he will not be controlled by wolves any more.

Mr. Temporary Deputy Speaker, Sir, in that respect, I can promise the Minister for Agriculture that it is too late to bring this Bill. Forget about it! We can only improve on the Tea Board of Kenya and make it a purely regulatory and licensing authority and, thereafter, we do not require middlemen to market our tea. It must be very clear. The farmers in this country are revolting against the Government. It is not only the tea farmers. Kenyans are revolting against the Government. We only heard yesterday that the churchmen will come and demonstrate on Thursday against the Government because President Moi is saying this Parliament, where anybody can walk in and buy a certain number of MPs, can be given the authority to change the Constitution of the Republic of Kenya! Everybody is revolting against this Government. It is not only the tea farmers. The sugar-cane farmers have revolted and the rice farmers have revolted. Everybody, apart from this Government--- I wish the President does attend this Parliamentary Session. I wish the President was listening to me. If he was here, I would tell him: "Mr. President, people have rejected you. People are revolting against you. Mr. President, do like President Mandela. Do like General Abubakar, the Nigerian strongman who gave returned the country back to civilian rule." If there is any example in our lifetime, it is to see men, two men who should be honoured by this Parliament. First, take the example of President Nelson Mandela, for promising South Africa that he would be in power for five years and would leave it to somebody else and he did it. South Africa has not collapsed. The biggest economy in Africa has not collapsed. What about a `banana republic' like this? We have seen the Nigerian strongman saying one year--- One year ago, Sani Abacha died. Somebody else took over power and said in one year he would deliver Nigeria back to civilian rule and we saw it. In the next biggest economy in Africa, we witnessed the transfer of power and there is a new man in Nigeria and it has not collapsed. What about Kenya? In Kenya, we hear such talk as: "Oh! Oh! there will be bloodshed! There will be chaos, because of one man gripping the power of a country which he has ruined. It is not only Gatabaki who is complaining. This is a national complaint and it is time this Government understood what the people of Kenya want. The people of Kenya want good governance; the people of Kenya want the thieves to be crucified and some of them shot; the people of Kenya want transparency and accountability and they are tired of you people.

Mr. Temporary Deputy Speaker, Sir, I speak with a lot of emotion because I have seen, within my lifetime, a complete reversal of the Kenyan fortune. When I was a young man, you could walk anywhere with a few shillings and get whatever you wanted. You could get shelter, transport; things worked! If you went to hospital, there was provision of medicine. Things worked! Even during colonial times, things worked! Tell me, can anybody stand here and challenge me and tell me whether, if you go to hospital, that hospital works? If you are driving your car from here to your constituency, tell me the kind of problems and dangers you can encounter. The only place where you would not have problems is from here to Baringo Central.

(Laughter)

Mr. Temporary Deputy Speaker, Sir, the question is this; for how long do we---

The Temporary Deputy Speaker (Mr. Musila): Order! Order, hon. Gatabaki. You are being irrelevant. Could you please, confine yourself to the matter that we are debating; the adoption of Sessional Paper No.2 of 1999, on the Liberalisation and Restructuring of the Tea Industry? That is the subject we are discussing and please, confine yourself to that. Continue.

Mr. Gatabaki: Mr. Temporary Deputy Speaker, Sir, we were elected by our own constituents to come here and talk facts. The people of Githunguri gave me the mandate to talk about their problems, to challenge this Government on their tea and to campaign for better prices for their tea and coffee. What am I supposed to do? The people of Githunguri gave me the mandate to challenge the leadership of this country. We are one hundred per cent Opposition and our job is to remove this Government and put the people on this side there, because they have got a clear focus.

I do not know whether I have done my job but if I do not do that, then I am not worth representing the

people of Githunguri. It may be irrelevant but I cannot fail to mention what happened yesterday, when the President of the Republic of Kenya went to a constituency in Ukambani to buy a Member of Parliament from my party. What a shame! This is a man who wants democracy and yet, he treats Members of Parliament like goats that are bought in an auction. I am happy that hon. Kitonga refused---

The Temporary Deputy Speaker (Mr. Musila): Order, Mr. Gatabaki! That is unparliamentary language. Please, withdraw that remark: "Treats people like goats". Did I hear you make that remark?

Mr. Gatabaki: Mr. Temporary Deputy Speaker, Sir, I said that the President of Kenya has a habit of treating Members of Parliament like goats which can be bought in an auction. Members of Parliament are dignified people who should not be bought in an auction. I am happy that hon. Muthusi Kitonga---

The Temporary Deputy Speaker (Mr. Musila): Order, Mr. Gatabaki! Would you please refrain from that? I told you that under Standing Order No.87, you are being irrelevant. I have also told you to stick to the matter that we are debating - the Sessional Paper on the Liberalisation and Restructuring of Tea Industry. Could you please do that and continue?

Mr. Gatabaki: Thank you, Mr. Temporary Deputy Speaker, Sir. Unless we state some of these things, because they are central to what we are calling bad governance, we are not doing our job. What is bad governance? Bad governance emanates from the State House, President Moi and KANU. If we do not say that, who will say it? I want history to record Mr. Gatabaki as saying here in Parliament that bad governance emanates from President Moi and the time for President Moi to quit has now come.

Mr. Haji: On a point of order, Mr. Temporary Deputy Speaker, Sir. This hon. Member has been told several times to stick to the debate. Apparently, he is all out to abuse His Excellency the President. Is it in order to abuse an hon. Member who is not here?

Mr. Gatabaki: Mr. Temporary Deputy Speaker, Sir, I am happy that I do not qualify to be called a sycophant. But for those who are sycophants, shauri yao! They are lucky that they were not elected by anybody.

The Temporary Deputy Speaker (Mr. Musila): Order, Mr. Gatabaki! I have repeatedly referred you to Standing Orders No.87 which reads as follows:

"Mr. Speaker or the Chairman of Committees, after having called attention to the conduct of a Member who persists in irrelevance or tedious repetition either of his own arguments or the arguments used by other Members in debate may after having first warned him direct him to discontinue his speech."

This is the last warning that, if you become irrelevant again, I will order you to discontinue your speech. So, please do not be irrelevant!

Mr. Gatabaki: Mr. Temporary Deputy Speaker, Sir, I can see the amount of time you have taken to try to intimidate the Member of Parliament for Githunguri. The gentleman on the Floor does not bow to intimidation and I shall not allow that to happen here in this Parliament.

I am talking about tea and that tea constitutes 70 per cent of the income for my constituents. If I do not talk about the mismanagement of the tea industry, who will do it? All we are saying is that, this Sessional Paper is time-barred. I am sorry to state that the farmers are not going to entertain any more nonsense from KTDA. It is high time that KTDA was completely overhauled and de-linked from the tea industry. The time you do it you will rid yourself of the problems of bringing this kind of thing here and boring this House. We, who hail from the tea growing areas, refuse any more to be subjected to dilly-dallying by the Government in the industry. We are unanimous in saying that we do not want any more interference in the tea industry. The time when this Government will understand what we are talking about, it will save this country from ugly incidents being done by the rice farmers. We mean business. We have gone on strike. We have boycotted tea picking and the next stage, we will boycott delivering tea which belongs to the farmers. That tea belongs to the farmer and the farmer is demanding the most appropriate prices which this Government has been unable to provide.

With those few remarks I wish to strongly urge the Minister to withdraw this Sessional Paper.

Mr. Sambu: Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me this opportunity to contribute to this Policy Paper.

First, I want to say that in my view, this is not a Paper that can help in the liberalisation and restructuring of the tea industry. If anything, it is a Paper that is going to constrict the tea industry and strangle the small-scale tea farmer. In my view, this Sessional Paper was not authored by the Ministry personnel, but it was just a direct copy of the KTDA's Progress Report---

(Mr. Gumo walked towards the Bar)

Mr. Obwocha: Mwizi wewe! Thief! Hon. Gumo, wewe ni mwizi!

The Assistant Minister, Office of the President (Mr. Gumo): Mimi ni mwizi wa mama yako? Nitakuchapa hapa! Hapana cheza na mimi!

(Mr. Gumo crossed the Floor and slapped Mr. Obwocha as Mr. Shidiye and other hon. Members tried to separate them)

Mr. Obwocha: On a point of order, Mr. Temporary Deputy Speaker, Sir. Hon. Gumo is being violent in the House!

The Temporary Deputy Speaker (Mr. Musila): What has he done?

Mr. Shidiye: On a point of order, Mr. Temporary Deputy Speaker, Sir. I think you have heard what the hon. Member was saying. He referred to hon. Gumo as a thief. That was very unparliamentary and he should withdraw the remark and apologise to this House.

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

The Temporary Deputy Speaker (Mr. Musila): Hon. Gumo, can you go back to your seat? Continue, Mr. Sambu!

Mr. Munyasia: On a point of order, Mr. Temporary Deputy Speaker, Sir. Was it in order for hon. Shidiye to run across the Floor when he saw hon. Gumo coming to assault hon. Obwocha? He just ran across here to join the fight! That is when I rose up on the first point of order. Should he not be asked to go back to the Bar and bow before he crosses back to his seat?

Mr. Shidiye: Mr. Temporary Deputy Speaker, Sir, I separated the two Members.

The Temporary Deputy Speaker (Mr. Musila): Order, Mr. Shidiye! The question is: If you crossed the Floor without bowing to the Chair, will you go back and bow to the Chair? You should know better, because you are the Deputy Chief Whip.

(Mr. Shidiye walked to the Bar and bowed to the Chair)

Mr. Kombo: On a point of order, Mr. Temporary Deputy Speaker, Sir. We have just witnessed, in the House, one Member assaulting another one. Is that going to be left hanging as if nothing has happened, when so many of us witnessed hon. Gumo assaulting hon. Obwocha?

The Temporary Deputy Speaker (Mr. Musila): I really did not see that and I suppose the best thing is that, we leave it at that until the matter is investigated and the Speaker will deal with the matter tomorrow. We will investigate the matter and a report will be made to the Speaker.

Mr. Obwocha: On a point of order, Mr. Temporary Deputy Speaker, Sir. While I was sitting here and consulting rather loudly, I was not on the Floor, hon. Gumo came and wanted to assault me while this side---

The Temporary Deputy Speaker (Mr. Musila): Order, Mr. Obwocha! Let us hear from hon. Gumo.

The Assistant Minister, Office of the President (Mr. Gumo): Mr. Temporary Deputy Speaker, Sir. I was walking out and I bowed to the Chair at the Bar. Was it in order for hon. Obwocha to call me a thief when I was walking out, as if I have stolen from his ---

Mr. Obwocha: Mr. Temporary Deputy Speaker, Sir, I have the Public Investments Committee Report here for 1993/94 which says: "The Committee had the evidence given by the chief executive and deplored the manner in which the company lost a total of Kshs28 million through fraudulent claims by hon. Gumo". I have evidence here!

The Temporary Deputy Speaker (Mr. Musila): Order! Mr. Obwocha!

Mr. Shidiye: Mr. Temporary Deputy Speaker, Sir, this matter should be settled here by the Chair.

The Temporary Deputy Speaker (Mr. Musila): Order! Order, Mr. Shidiye! I have already said that I did not see what happened. I have ruled that, we are going to investigate this matter and make a ruling on it. Therefore, I cannot start to exchange views here and start hearing who said what or did what. I think the best thing, hon. Members, is that, this incident has been reported and we have noted it. We are going to investigate it and it will be dealt with. A ruling will be made tomorrow. So, there is no point wasting time, saying: "I did this or said that;" because I did not see it and we are not going to start casing here really. I promise that the matter is

going to be investigated.

(Applause)

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

The Temporary Deputy Speaker (Mr. Musila): Is it on the same matter? I have already made a ruling on that.

Mr. Gatabaki: Yes, Mr. Temporary Deputy Speaker, Sir. Let me say what I observed.

The Temporary Deputy Speaker (Mr. Musila): No! I have already ruled on that matter. Mr. Sambu, continue.

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

The Temporary Deputy Speaker (Mr. Musila): Order, Mr. Gatabaki! I have said that if you have any evidence, you will give it to me when I start be investigating. Thank you very much. Mr. Sambu!

Mr. Sambu: Thank you, Mr. Temporary Deputy Speaker, Sir. I have said that this Sessional Paper on the Liberalisation and Restructuring of the Tea Industry was not compiled by independent minds from the Ministry of Agriculture. It was just a copy of a paper compiled by KTDA, dated 9th February, 1998, headed: "Progress Report and Clarification on Liberalisation and Restructuring of the Smallholder Tea Sub-sectos." It was compiled by KTDA management who then took it to the Ministry and influenced them to copy it. After doing that, the Ministry now calls it their Sessional Paper.

Mr. Temporary Deputy Speaker, Sir, it is very sad that a body which has for a long time exploited our small-scale tea farmers, continues to be the one dictating the policies to be made by the Ministry. It is very sad that, a Ministry which is manned by very well educated Kenyans is unable to think for itself. Instead, it has to copy what the KTDA has done. If you look through both Papers, you will see that the Ministry copied the KTDA Paper, word for word. So, there is no point of tabling this Sessional Paper. They might as well destroy it, until such a time when they are ready to liberalise the tea sectorsnak .

The laws on tea were brought by the colonialist; to stop Africans from getting into the profitable tea and coffee industries. This Sessional Paper still upholds these restrictive laws. I thought we were going to amend the Tea Act; to remove some of these functions of the Tea Board. If you look at the role and functions of the Tea Board, Section 5(1) subsection (a) states: "The functions of the Tea Board in particular, without prejudice, the generality of the foregoing includes the licensing of the growers."

Mr. Temporary Deputy Speaker, Sir, I have my land; it has been determined scientifically by soil testing and study of the climate, through the records, that it is viable for tea growing. Then, I have to go to the Tea Board to seek a licence to grow tea. If anything is colonial, then this is top amongst the list of the colonial laws. I hope the Minister is listening. I own freehold land and there is nothing that can override a freehold title. So, if I want to grow tea, why the hell should I have to go to the Ministry or the Tea Board to say: "I am requesting for a licence to grow tea on my piece of land"? That is colonial!

An hon. Member: Say it!

Mr. Sambu: I hope the Minister is hearing this, if his ears are open. If the Minister has qualified personnel, then he should go and destroy this Paper and do it afresh, knowing that today, we have a free Kenya. Our people fought to be able to own their own land and to grow what they want, provided it is not bhang or any other damaging crop. But here, you are telling us in this Sessional Paper that, you are going to licence tea growing. I will lead my people in the western side of Mosop to grow tea without seeking any licence. Then if you want to take us to court, we shall prove to them that we hold freehold titles. Titles in Nandi District are freehold, so why should we go to seek licences to grow tea?

Mr. Temporary Deputy Speaker, Sir, I want to move on to Section 5(1) Subsection (b); the licensing of tea factories. This is where there is exploitation. If you have 50 acres of tea, you can get a small factory which can process tea from your 50 acres. Why do I have to go to the Tea Board to seek a licence to put up a factory when I have my own tea? That is why I say that, this thing was done at the behest and direction of KTDA, because KTDA wants to continue controlling and exploiting our small scale farmers.

Mr. Temporary Deputy Speaker, Sir, Section 5(1) Subsection (c) deals with the regulation, control and improvement of the cultivation and processing of tea. The manner in which one runs his factory or cultivates his tea should never be the business of the Tea Board, because there are agricultural officers. There is a tea officer in every district. Why do we have such officers who are paid by the Government if the Tea Board is performing their duties?

They even talk here about the control of pests and diseases. Yes! You are controlling; then, why are you

not supplying free pesticides? If you want to control, then provide free pesticides.

Mr. Temporary Deputy Speaker, Sir, we also have Section 5(1) subsection (c): The control of the marketing of tea. What are you liberalising? You are calling it here: "Liberalisation and Restructuring of the Tea Industry." What are you liberalising, if you are going to control the marketing of tea?

Hon. Gatabaki has just said that, if you travel all over the world, in every hotel and restaurant; in Britain or America, you will never see any tea bag marked "Kenya Tea". It is either Sierra Leone or other countries. It is because the marketing of our tea has been ruined by the controls imposed by the Tea Board. Who are in this Tea Board, anyway? These are people selected by this Ministry and the Office of the President.

All these investments in parastatals have been ruined by the way we appoint people to man them. That is why we are going back even to the sugar industry to import Indians. We are importing Indians and some half-cooked fellows from America or wherever, to come and man our factories. This is because we do not want to appoint qualified Africans. We take a politically-correct teacher, for example, and go and make him a chairman of a tea or sugar factory. So, in this Sessional Paper, what they are saying about the appointment of people to the Tea Board, is still going to cause a mess.

Mr. Temporary Deputy Speaker, Sir, I said that in my district, we want to expand tea plantations to the western side bordering Vihiga, Kakamega, Lugari and Malava. How are we going to expand when the Tea Board and the Tea Research Foundation cannot provide the right seed cuttings for the seedlings? Clone No.14 which can withstand the soil types in those areas is not available. If you travel to Kericho, it is not there. We try to encourage the people to use the latest Clone No.14 which has been researched into and found to be the most suitable, but it cannot be found. This is what is happening, but they are not saying it.

Mr. Temporary Deputy Speaker, Sir, I want to talk specifically on the marketing. For as long as the Tea Board and the KTDA controls the appointment of the agents to the auction, that is where the problem lies. The problem lies at the price in which they sell the tea which is not open and transparent. There are negotiations going on therein. This is why we are saying: Do not bring these changes piecemeal. Withdraw this Sessional Paper. I am one of those hon. Members who will say, no, when it comes to the oral vote. You could bulldoze it, but as long as you do not amend the Tea Act and the Tea Board Act, this thing is all wrong.

Mr. Temporary Deputy Speaker, Sir, I would like to finish by saying that the blood of our people was spilled in the tea estates area of Nandi between 1899 and 1905. Killing over 11,000 people would be a big crime today, but the British killed 11,000 of our people. It is on record in the National Archives, and it was where there are now 27 or 29 tea estates today. Those who are buying them from the British are wasting their time. That is Nandi land. And I say it with a lot of bitterness. If you are buying those tea estates, get the money now, because you are getting out in not more than three years.

Thank you.

Mr. Khamasi: Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me this opportunity to contribute to this Sessional Paper that has been brought to the House by the Ministry of Agriculture.

The previous two speakers have spoken generally about the feelings of the small-scale tea holders. This Paper, as rightly pointed out by the previous speaker, does not come out clearly to state that the farmer will be responsible for his tea. This has got to come out very clearly in this Sessional Paper. It is time the small scale tea holder felt that the tea that he is having on his small shamba is his tea; the tea does not belong to KTDA. This has been the problem over a long period of time and it is now necessary that the small scale tea holder is made to feel that he is responsible for his tea; it is his and he is going to reap the maximum benefits out of that particular tea that he holds on his shamba. Now, when I read this Sessional Paper, I see quite a lot of things in it which I want to comment on.

Mr. Temporary Deputy Speaker, Sir, first, it is very clear that Kenya now stands out as one of the largest exporter of black made tea. And sooner than later, as hon. Gatabaki said, we have got countries that produce a lot of tea like India and Sri Lanka buying our tea basically for blending. Now, we should be worried about quite a number of things. First, the prices. The Sessional Paper does not come out very clearly on how we are going to be able, in the near future, when we are actually producing a lot of tea, to control the prices of tea. If it is still left to KTDA, it is going to be exactly what the other speakers have said, that this price will never increase; this price will be made to remain at the level at which it is. So, that would be a discouragement on the part of the farmer.

Mr. Temporary Deputy Speaker, Sir, the other point I would like to comment on is that, according to the statistics, about 83 percent of Kenyan tea is consumed in only three countries. That is, the United Kingdom, Pakistan and Egypt. That is a very heavy concentration. If tomorrow we have another Kosovo like occurrence in Pakistan, we are completely in the spot. Because, it means, we shall have no ready market for our tea. This is high time the question of this concentration was addressed very seriously. We would like to see a situation, whereby our tea is sold in many other parts of the world. We want to see our tea promoted and sold in America, Africa and

other parts of the world. Because, with this sort of concentration, we are in a spot. I think it is high time this concentration was looked at, so that we have got a broad based market, and in the event of any market being affected, then we are better placed.

Mr. Temporary Deputy Speaker, Sir, I would like to comment on the quality of tea which is actually threatened. Kenya produces very high quality tea. And this high quality is threatened by various factors. First, the roads which lead to our factories are most of the time inaccessible. Which means the tea gets to the factory late, and that affects the type of quality that would have been produced by that tea. In my area in Shinyalu, particularly, tea stays in the buying centres for even two days, because the lorries which are supposed to transport this tea to the tea factories cannot be able to pass because of the bad tea roads that are there. In fact, the Minister for Agriculture was very mild when he was dealing with this issue. We are hustling about the tea cess between the Ministry of Local Authorities and the Ministry of Agriculture. It is now like an academic exercise. There is nobody who is serious enough in addressing this issue. On the one hand, the Minister for Local Authorities says this money belongs to them and they want to control it. What have we seen in the past? Whenever this money is given to the Local Authorities, it never gets to the farmers or the roads. And here we are, with the Ministry of Agriculture saying: We will sit down and come up with a solution on how this is going to be arranged.

Mr. Temporary Deputy Speaker, Sir, we want definite decisions made on this matter. Tea cess money belongs to tea farmers. The Ministry of Local Authorities has nothing to do with cess money. Therefore, cess money should go back to tea farmers, so that they can maintain tea access roads. Another factor contributing to lowering the quality of tea is that, tea factories are unable to cope with tea processing. For example, in Kakamega District, there is Mudete Tea Factory. I have been told that, that is the most modern factory. For a couple of weeks, the factory has been unable to cope with the tea that was being sent there by farmers. This is so simply because we put too much money in one tea factory, which operates only at a certain capacity. When farmers produce more tea, such a factory cannot cope with the crop. Therefore, it is very important for us to look into this factor, so that roads and factories in tea producing areas are maintained by farmers with a view to coping with increased tea quantities.

I would also like to talk about tea payments. This has, in the past, been a bone of contention between farmers and the Kenya Tea Development Authority (KTDA). Inefficiency, lack of transparency and poor financial management have been very big hindrances in this particular field. A farmer gets his second payment a whole year after submitting his tea to the KTDA when in actual fact, the tea is sold at the Mombasa Tea Auction within a matter of days. What does the KTDA do with the money for 12 months? The farmer is kept in the dark regarding how his money is managed. We want to see a lot of transparency and efficiency in the management of farmers' money; it is very important for this to happen. The Sessional Paper is not very clear on this matter. It should have come out very clean on this. There has been an outcry over this issue in the country for a long time. Farmers have been questioning how their money is used, but they have never had any satisfactory answer from the KTDA management.

Mr. Temporary Deputy Speaker, Sir, as shown in the Sessional Paper, there is too much Government involvement in the appointment of the KTDA Board of Directors. We want to sideline the farmer. The Government comes here to tell us that it wants to liberalise the tea industry. On the other hand, in the appointment of the KTDA Board of Directors, the same Government is still saying: "No, we cannot liberalise this". Every sentence of the Sessional Paper says: "The Minister shall appoint."

We want to get the farmer out of this Government yoke. There is too much Government in it. In fact, one wonders why there should be a Board Member from the Nyayo Tea Zones Corporation. Why should the Nyayo Tea Zones Corporation have a representative, when it is a parastatal which is not even under the Ministry of Agriculture, but which is under the Office of the President? It is a parastatal that is a guzzler of public funds! The Nyayo Tea Zones Corporation is a parastatal which was started for reasons it does not even stand for, right now.

The Nyayo Tea Zones Corporation estates have grown into forests; nobody cares about them any more. If anything, I have been told that some sections of the Nyayo Tea Zones have been given out to the communities living around those particular zones. Because the land in those zones belongs to the people living in those areas, that is the right direction that the exercise has to take. Let the communities living around the Nyayo Tea Zones be given those zones, so that they can manage and maintain them properly.

Mr. Temporary Deputy Speaker, Sir, the Minister for Agriculture has no business appointing the Board's chairman. The Board's chairman has to be appointed by the stakeholders. The Minister's responsibility should be only to gazette the appointment of the chairman, and not to appoint him. We would like to see the stakeholders coming out and saying: "This is the man we want to be the Board's chairman". Therefore, I would like to suggest that, after every factory company has elected its board member, the Minister gazettes those appointments and the election of the Board's chairman takes place within 14 days. There must be a provision compelling the Minister to gazette the directors' appointments, so that non-gazettement does not become an impediment in the working of the

Board.

I would also like to suggest that, the Board be in office for only two terms. Why do I say this? We have got some people who have been in the Board for years on end, and they have forgotten that they were actually elected by the small-scale tea growers. Those people have taken their positions for granted. They even abuse the farmers who, actually, elected them. They have got no moral responsibility to the farmers. Therefore, I suggest that the board only be in office for only two terms, so that a fresh team can be elected.

In constituting up an effective Board, I would suggest that we emulate the Kenya Airways, and not the Kenya Commercial Bank where it is said, that bank is liberalised and yet some persons who have no idea whatsoever of what liberalisation is are still there. We want the management of the KTDA to be vetted, so that people who get there can bring some positive changes. We have got many examples of institutions whose names have been changed, and which have been said to have been liberalised; yet, the same people who do not know what the word "liberalisation" means, continue to manage those institutions. Such people continue to behave like officers of the Civil Service. So, we want to get the Civil Service out of the KTDA business.

Mr. Temporary Deputy Speaker, another thing that I would like to point out, is about KTDA's factories. The Minister for Agriculture has told this House that the KTDA has programmes for getting another nine factories built in various areas. Fine, I agree with him, but nine factories are not sufficient. That is why I agree with hon. Sambu. We must agree to bring in other players, or management agents. We cannot leave the KTDA as the only management agent. The KTDA must feel threatened by competition.

So, we must allow other players to come in, so that we can have some service delivery from the KTDA. We want to have a situation where farmers can be released from the yoke of the KTDA. This should be so, particularly for those factories which still have got loans, as stipulated in the Sessional Paper. There are factories which still have got unpaid loans, which were guaranteed by the Government. Fine, we agree, but if those factories can have other management agents with programmes under which those loans can be paid, we should remove those factories from the management of the KTDA.

Mr. Temporary Deputy Speaker, Sir, we should introduce more other players in this industry, so that we really see privatisation of the tea industry.

With those few remarks, I beg to support.

Mr. Kibaki: Mr. Temporary Deputy Speaker, Sir, thank you for giving me the opportunity to say something about tea, because we have very great interest in tea. The tea now, as you know, is the biggest foreign exchange earner for the economy of Kenya and it should be handled with care. Perhaps, more important is that, the tea growers themselves have now learnt what they want from the organisations. So, they should also be listened to and the Minister should also listen to us, who represent tea-growing areas because we speak with authority. Very fortunately, the Minister also represents partly, a tea growing area; they have the youngest factory and so, he knows these headaches or he ought to know from the grassroots.

So, the aspect we are bringing to this Sessional Paper is that, the Minister should decide on how to handle it. We know that a Sessional Paper is a policy declaration and if it is passed the way it is with the limitations it has, it may then create a difficult problem in terms of implementation. But on the other hand, it can be amended and become a major guideline for the whole industry for a long time. It is in that spirit that we are contributing and I am sure, that is the spirit all the Members have. Nobody is wanting to block it altogether because that would be self-defeating and that is not a purpose for anyone as a Member of Parliament.

Sir, before I get into what we are doing with the raw tea, let me say that an interest we have as representatives of tea growing areas, is that the processing of tea to the extent where it is sold direct to the consumer, should be undertaken in Kenya. As we know, we are selling raw tea straight from factory to other people in the world who blend and package it; and by so doing, the value added is more than five times. Other tea growing nations in the world such as India, Ceylon, Indonesia and others have undertaken major processes, so that the final product as it is sold to the final consumer, comes direct from the producing country. That is the stage we want in this nation and we can be assisted. Until now, we have not gone into that stage because many of the large tea growing companies in Kenya are processors abroad. So, they look at Kenya like a source of raw materials. So, if we are thinking of all these companies and I do not have to name them; around Kericho, Limuru and these other places they look at Kenya as a source of the raw material which they blend, package and then market the tea and that is where the money is to be made. So, we should look forward to a time fairly soon when in Kenya, we shall be processing the tea and packaging it in its final condition which goes to the final consumer. Because by so doing, we shall increase the value of this crop by more than five times. That is an incredible objective for a very small investment and it can be done.

Ceylon now is packaging more than fifty per cent of their tea and only selling raw tea the way we sell

ours, only the other fifty per cent. That way, they have more than doubled; they have increased threefold, the revenue that goes to the farmers of Ceylon. That is what we want to do and we need to do so because Kenya now, is the largest exporter of tea in the world; something to be proud of! Kenyans are not aware that we are the largest tea growing nation or tea exporter in the world. It may sound surprising, but India which is the largest producer, consumes much more of their tea at home. But in the export market, we are the largest, followed by Ceylon and then, India third. So, we have to take this matter seriously. Adding on that international note, the lobbying which has been going on about controls and regulations of international marketing of tea, as Kenya we should keep out of it because it cannot do us any good, because we still have a lot of potential of expanding the planting, the processing like I have just said, and the potential of becoming even bigger in the international market. So, we do not have to go into any agreement which limits production. It is the wrong moment for us to do so. Therefore, I hope that whatever may be proposed, will not be listened to.

Sir, coming to the Sessional Paper itself, the important thing for us as has been said, but it can bear repetition is to make sure that in this declaration of policy, we start off by making it precise and clear that the grower owns the tea. The tea is his, whether it is processed or not; the factory belongs to him and so on. And that, all the institutions which we are proposing are for promoting the net payment to the producer. That must be the objective as a policy. It should be stated and not left to be assumed that, that is the objective. It should be stated here precisely; that, all these structures which we are setting up here are meant to promote the size of the final payout to the producer; the grower. That is the criteria under which it should be judged. Just like we have in minimum co-operative movements, when we had a Sessional Paper here, we were insisting equally that in that Sessional Paper, it should be stated that the maximum payout to the member of a co-operative is the objective of the co-operative. Equally, because this is almost in the nature of a co-operative when you look at it closely, the objective of all these structures and institutions; and they are very many of them here as they are listed is to maximise the payout to the grower per kilo. Once we have agreed on that, we shall see why we want to reduce the role of the KTDA to the minimum; to the smallest necessary role. It has no other role and we do not want a decorative or huge thing. We do not want them to occupy huge buildings in Nairobi. They should be content to have three little offices somewhere in a corner, so that we pay the least that we need to pay for them. And the money which is realised from the auction in Mombasa, will go direct to the producer. That is what should be stated very precisely and that is what our objective is.

Therefore, as for the Kenya Tea Development Agency, the role it has been given here [**Mr. Kibaki**] is a little in excess of what an agency should be. There are aspects which should be reduced. I do not have to read them all, because they have been mentioned here by Members who have spoken before, but we cannot have a KTDA which will in any aspect, control the factory companies. It must have no control whatsoever; whether in appointment of staff, in the question of money or in the distribution of whatever resources are acquired from sales. So, KTDA must remain small and that is what should be stated and spelt out.

Mr. Temporary Deputy Speaker, Sir, that is what should be stated and spelt out. Now, here in these rules, it appears that we are going to retain zonal offices; that is, offices which group two to four factories and they maintain a staff everyday. Why do we need them? We do not need them. Once we have the principles that we the producers will chose our own directors for a factory and that, that factory has the authority to package the tea and take it to auction in Mombasa, we do not need another little organisation of a zone. For instance, in Nyeri you have a zone and there is no need for a zone because each factory is on it's own. You do not need a zone called Mount Kenya, Nyeri or whatever you call it; a zone which has senior staff, it's own offices and we all pay for it. There, the farmer is being deducted money to pay for that. You do not need that office. We should have the factory like Gitugi Tea Factory which produces tea and sells it to the auction in Mombasa. After the auction, the money comes directly to Gitugi Factory and we share it among the farmers. That is what I am talking about, to give a typical example. So, actually, zonal offices here and even the role that they are given, they should be abolished, deleted and they should cease to exist. If you need some of the staff who are there, then absorb them in the factory company. They can be useful in the factory company but there is no role there but if you leave that office there, they are going to create their own role. You cannot create an office and then leave it there and it is not needed anymore and once you do not have KTDA, then why do you have those offices? We do not need them and let us abolish them.

Mr. Temporary Deputy Speaker, Sir, equally, there are three organisations which are middle organisations here and which are listed like they are going to remain there. That is, you are going to have Kenya Tea Growers Association (KTGA), Kenya Small-Scale Tea Growers Association (KSSTGA) and another and another. Do we need these organisations? No! From the grower and since we shall send the tea to the auction, we only need that organisation, which is the East African Tea Traders Association (EATTA) which is what we should liaise with. We have produced tea and we are going to auction it and market it from our factory commercially,

quite apart from anything else. Why do we need anybody else in-between? Since when the tea is produced, it will be transported by the factory company to Mombasa. The factory company will take the responsibility of warehousing that tea and from the warehouse, you will take a sample of your tea to the traders. The only people that you need to deal with is the East Africa Tea Traders Association which is spelt out here. These other organisations, you do not need them. What role do they have, although they will be taking money from us? What job can they do for us, other than to come as bosses touring around and we give them tea and allowances, *et cetera*? We should abolish those organisations. So, tea will come from Gitugi Tea Factory to the East Africa Tea Traders Association in Mombasa for storage in the warehouse there and thereafter be taken into the auction and then, these costs are reduced. They should be abolished, so that the farmer as we said, will get the maximum payout. This is what must be our objective.

Mr. Temporary Deputy Speaker, Sir, equally, some point has been made here by somebody but he was exaggerating it and I want to put it correctly the way I see it anyway. The right to plant and if you want to uproot your tea, the Tea Board of Kenya cannot have such a right to control or licence us. The Tea Board of Kenya should learn from the Coffee Board of Kenya and the Minister should have learnt from the Coffee Board of Kenya. You know what is happening. Since horticulture development grew and became very profitable, the coffee growers were not being well paid and they uprooted their coffee and they planted horticultural crops, vegetables and so on. The agricultural officers then go round and try to threaten them by saying: "I will take you to court and you know the law prohibits you". And he is then in turn told by the grower: "What are you waiting for and why did you not take me to court yesterday and why did you not take So-and-so to court last year, since he uprooted his coffee and planted vegetables?". And then, the agricultural officer says: "You know, you are refusing us Kenyans from earning foreign exchange". I attended one meeting where the growers told this agricultural officer that: "We have never seen that animal called foreign exchange and we do not want to see it and so, keep it and do not interfere with us". Equally, with tea, in other words, they have been unable to apply the law and to have a law which cannot be applied, actually it defeats your purpose. So, you do not have to insert it now. If it was there, we would say delete it but now, you are saying that you are going to insert it. Then, you do not have to bring it because you will find it impossible to apply and implement because as a producer and I myself I am a small-scale tea producer, if I find that something else is more profitable than tea, then I will uproot the tea and plant that more profitable crop and that is a freedom that I should have. In any case, it has been established amongst coffee growers that, such a rule is not capable of being implemented. It is like in Mwea where the board is embarrassing the nation and the Government by telling people: You cannot plough your shamba until we have told you when to plough it. Those are outdated rules. They are from the colonial times and they should just be deleted and equally, that is the same thing here.

Mr. Temporary Deputy Speaker, Sir, there is an organisation and this is very serious. The Minister has omitted talking about it here, but there is an organisation called KETEPA; that is, the Kenya Tea Packers Association. Tea packers are playing a very major role in the marketing of tea of Kenya. In fact, there was a rule, once upon a time, that, every factory had to supply ten per cent of their production to KETEPA for further packaging. But now, KETEPA which supposedly, it's majority shares are owned by KTDA, it is not said here precisely and it should be said; that, now that the KTDA is going to become only an agent, the shares which are held by KTDA in KETEPA at Kericho will be transferred to the factory companies. So, all the factory companies will acquire a share in that KETEPA and that should be stated here as a policy. It is a major sector and there is big money at stake but when the profits of KTDA today are being distributed, they never mention KETEPA. So, as we are here with you, Mr. Temporary Deputy Speaker, whoever earns the profits made by KETEPA, only KTDA and KETEPA themselves know. It is a secret. It is kept very secret and that is an organisation which takes 10 per cent of our tea and they market it and perhaps more terrible, they are able to buy that tea through underhand means.

Mr. Temporary Deputy Speaker, Sir, it should be a rule that, they must now be subjected to the same rule like all other people who will buy tea. They should buy the tea at the tea auction in Mombasa. There is only one tea auction now in Mombasa. The London auction was closed. So, we have the tea auction in Mombasa and so, let the people from international and local markets buy tea at the tea auction in Mombasa.

Mr. Temporary Deputy Speaker, Sir, people who want to buy tea from the tea auction in Mombasa and process it, they should not need special licences. It is normal trade. We are auctioning the tea in Mombasa and those who are buying it and taking it to Britain, Germany or America, we do not subject them to any further controls. In any case, they cannot. Once a fellow has bought the tea, then it is his tea. So, you should not be bothered with him and yet in Kenya, we still want to go on regulating and licensing people who want to process tea in Kenya. It is not necessary. It is strange. We are making these controls and so on, to maintain quality. Once people buy tea in the auction, why do you want to follow them and regulate what they do with the tea? Let them

export it. Let them be encouraged actually as I said earlier, to buy and process it so that we come to a point when at least, more than 50 per cent of our tea will be processed to the final stage because if there is any value added for the Kenyan economy, it will be increased fourfold and that is the development that we are seeking. That is the way to eradicate poverty.

I do not think the Government is serious about eradicating poverty by creating such a Commission. It is a joke! That is the duty of the whole Government together not a commission. I was talking about the Kenya Tea Packers (KETEPA) which is exempt from VAT without any reason. It should not be exempt. In fact, those who need to be exempt from that tax are the tea factories because they will now belong to the small tea producer. The income of this very small tea producer has not even reached the level of paying Income Tax. If we do not take action to protect him, his factory company will be subjected to 32.5 per cent tax under the Companies Tax plus VAT and all other taxes so that eventually, the net payout to the farmer will be reduced by 40 per cent. This is going to be a dramatic thing, we can see it coming. Why do we want to have changes when we see the crisis coming? We should not wait until we reach there then, we quarrel with the farmer at that point. Why do we not take action now to make sure that the farmer pays only the level of taxes he pays now? We should not by this transformation add further taxes to him. All we can do is to make sure that the factory companies are themselves enjoying that exemption or privilege now only enjoyed by KETEPA, a very mysterious organisation.

Mr. Temporary Deputy Speaker, Sir, equally, if you want to export tea today, you still have to get an export licence. This is a hangover from the time when there used to be exchange controls in this nation. This Parliament abolished the Exchange Control Act altogether so that we do not have any control on any of the foreign exchange earned. Even people who trade in these commodities can open foreign accounts and be paid in dollars and Deutschmark. Equally, for tea now, we require to remove this anomaly of a rule which requires traders to have export licences. We do not need export licences. It is a very terrible rule and the Minister should take quick action. To auction tea properly, you have to send a sample to the person who will buy your tea next season or auction. To send a sample of tea to your potential customer, you need a special licence for export. You also need another licence from the Office of the President. Everything now tends to go to the Office of the President. So, a tea trader needs to get a licence for export of tea from the Office of the President and, if you are going to export your sample by air because you must send it by air you have to obtain permission to do that. How else can you send your sample of tea? If you send it by sea, it will take too many days. This is something we can take action on very quickly. Personally, I only learnt about it when I was in Mombasa the other day. I thought all those things were abolished when we abolished the Exchange Controls, but it is still there even today. A fellow sending a sample to his potential customer must get permission for airlifting tea. That there is special permission to send tea only by sea. It is a peculiar thing, but it is an anomaly. Again, you have to go, not to the Ministry of Agriculture, but to the Office of the President. That is something the Minister should look into. I am sure they can do something about it because it is inhibiting growth in trade and delaying various things, particularly payments.

Talking about payments, it is the biggest single omission in this Sessional Paper. We are talking about the structure of organizations and many other things, but you do not talk about money. What was the purpose of growing tea? Money! If money is ignored in this Sessional Paper, then we have not said any policy. What have you said? You have not said anything. Those things may be quite nice to say. They have said a lot of other things like who is to control the auctioning, who is to licence the tea-brokers and all that, but they have not said anything about money. It should be included there that, as a matter of policy and a matter of rule, even if there is a law to be made, after the auction of tea, given a certain number of days and certainly not more than 10, the tea which has been auctioned must be paid for in foreign exchange and paid to the producer. The money should go into the account of the producer not to a middle account run by the KTDA. It is essential because this is the point of control, where we are seeking to have control. The Sessional Paper is silent because the KTDA wants to retain that mystery. So, only they know where the money is going to and they will hand it over after they have kept it in their own accounts and earned nine months rate of interest. If we are talking about a few billion shillings, nine months rate of interest is an enormous amount of money. It is never said who has earned that money. In the final account which comes to us, producers, it is never said what happens to the interest during those nine months. When we talk about something like Kshs20 billion for nine months rate of interest, we are talking about a lot of money and it belongs to the grower.

Finally, Mr. Temporary Deputy Speaker, Sir, I want to talk about the Nyayo Tea Zones. This is a total disgrace. Again, this falls under the Office of the President and it is "Nyayo Tea". Tea is called "Nyayo" so that it may go to the Office of the President. The whole thing is a total disgrace to this nation. Money has been spent in cutting down forests, in planting tea, in taking care of the tea until it is grown. Now, that tea is there, people have left it alone and it has become bushy. Nyayo Tea Zones should be shared amongst the growers who are adjacent to those belts. It is the only answer. There is no way we are going to have administrators; DO. Eti DO anaangalia

chai! He has never known anything about tea. You send a fellow to Othaya who has never seen tea and because he is the DO, he is in charge of the Nyayo Tea Zones there when he has no staff. Above all, he has no right to take Nyayo tea leaves to the factories built by us, the farmers, with our own money. They are actually forcing themselves on us, as peasant farmers. So, we are subsidizing the Nyayo Tea Zones. We shall insist and we shall occupy those tea zones and harvest the tea. It is much better to do it in an orderly manner instead of leaving us to harvest it in our own manner. Make it orderly by transferring the zones to the people who are adjacent to those places. In any case, it is nothing because it does not earn you anything. I was told that when 26 tractors were donated by Italy for Nyayo Tea Zones, they never reached Nyayo Tea Zone. They were sold in between by whoever sold them. So, nobody has interest in the tea belts. Lorries have been brought "kubebwa chai ya Nyayo", but they have never reached there. So, the tea is never transported, it is wasted. To us, it is an asset which could earn us foreign exchange. We could get a bit of money to educate Kenyan boys and girls. It is terrible! So, let the tea zones be transferred to the people who are adjacent to them and that way, we shall have solved the problem.

Mr. Temporary Deputy Speaker, Sir, let me make another final point. The Mombasa Auction, which is the main auction in the whole of Eastern Africa is now handling tea from Uganda, Tanzania, Rwanda, Burundi, Malawi and so on. Soon, even some tea from places like Zimbabwe will come there. It is important that the role of the people who play a role in the tea sector, and who have their own organisation, like the East Africa Tea Traders Association, should be recognised, by not only the way it is said here. They are the ones who should control the marketing of tea. But now, in this Sessional Paper, it is talking about Tea Board of Kenya controlling the marketing of tea. The people who are going to be chosen to that Board will not know enough about tea. So, in reality, they will still delegate to those who are doing that job. Let us recognise them and be consulted when we are dealing with matters to do with tea, because that is something that we should develop and grow.

I would like to suggest to the Minister that he should adjourn this debate, have a good meeting with the Agricultural Committee and agree on how to handle those proposals that we have. If one says that he will reject it, he or she does not mean that he is rejecting everything; we are rejecting some aspects which we would like to be corrected so that it is practical, applicable and it becomes the kind of thing that will guide us into the future. It is in that spirit that we propose that, even if the debate was adjourned and the Minister had a proper session with the Agricultural Committee of this Parliament, then he will arrive at something which is very good and acceptable to all of us.

Ms Karua: Thank you, Mr. Temporary Deputy Speaker, Sir. I could not agree less, with what has been said by the Leader of the Official Opposition so emphatically and eloquently. I think the Minister for Agriculture is doing things in the reverse manner. The policy is well intentioned, but it is not as a result of consultations with all the players involved in the agricultural sector. What is being suggested today, that the debate be adjourned and consultations take place ought to have taken place in the beginning. I would support the call for the debate to be adjourned for further consultations to take place. The Minister for Agriculture who has been very keenly listening to the debate for weeks that it has been on, must have noticed that most of the hon. Members support the liberalisation of the key industry. But there are very serious concerns on the gaps that are left in this particular policy document. I do not think that, it is fair for the Ministry to assume that they can go again and sit alone to rectify the very obvious gaps that have been identified. So, I would emphatically support the call to adjourn the debate to rectify those defects.

Now, there is a lot of contradiction within this policy document. On the one hand, it talks of liberalisation and on the other hand, it seeks to retain control in certain areas. If you look at the role of the Tea Board, they are talking of licensing, when liberalisation takes you away from too many licensing procedures, which are not healthy in a free-market economy. We should forget about licensing of tea growers and the regulation and control of the tea sector. But we can talk about control of pests and diseases, as well as investigations and research. Let us forget about the control of marketing of tea. The Government can only assist those in the tea sector to get the best market and to access the information needed, but not control the market. It is a contradiction to open with a statement about liberalisation and keep on talking about controls.

The Government, I do agree, could also deal with the promotion and exhibition of the tea, as a way of helping farmers in marketing their products and also the collection and dissemination of statistics and other information relating to the tea industry. These are the things that the farmers will not be well equipped to do and they are things that a Government ought to do for a sector as important as the agriculture sector, which is bringing a lot of revenue for the country.

Having said that, the Ministry, in consultation with all interested parties in the tea sector need to come up with a Paper acceptable to all. I would not say just the Agricultural Committee but all those who have been listening to debate, ought to be at liberty to send their memoranda to the Ministry and to the Committee so that they are looked into and then, we can have a final product that everybody in the tea sector feels that they are part

of.

The Sessional Paper talks of allowing farmers to play their rightful role in decision-making. As I have already said, the farmer cannot play his or her rightful role in the decision-making forum if we retain control. The way this Sessional Paper is made is as though the liberalisation of the tea industry is going to be controlled by KTDA and the Ministry; it should not be so. The farmers should be free to make decisions on how they want the liberalisation process to go on. If it is the question of the leaf bases, whatever is owned by the KTDA is held in trust for the farmers. The KTDA has not built those leaf bases; it is the farmers' efforts that have built the leaf bases. We should never talk of KTDA retaining any leaf bases; they should be automatically transferred to the factory companies and KTDA should play its role as an agent. One thing that the Sessional Paper ignores is that, the law of agency applies to the relationship between KTDA and farmers, without exemption. It is as though KTDA is exempt from the law of agency. If we put KTDA as an agency in its proper perspective, then we will see that it has no role in controlling the manner in which the industry is liberalised. We cannot let KTDA retain any control over the farmers, under the guise that the factories have loans.

Normal rules in the market, when there is a hand-over and there are loans, are that arrangements are made with the financiers. These companies have assets and debentures and it is possible to have liberalisation without KTDA retaining any hold over the farmers. We all know that recently, about two years ago, KTDA caused all the factories to take what they were calling "a development loan." Most factories of the 45 in existence took loans of up to Kshs.50 million. That was deliberate by the KTDA; they knew that liberalisation was coming because these are moves that started in 1992. It was a deliberate move, so that KTDA can say what is precisely now being said in this document; that they have to retain control for the purpose of the repayment of the loans. That must be looked into and KTDA must move away from controlling the farmers; the farmers should be left to pay off their debts.

In other agricultural sectors, like the coffee sector, factories borrow directly and they are able to repay their loans. Why is the tea sector any different? After all, it is not KTDA that has been servicing the loans; it is the farmers. So, let us get away from the excuses and contradictions in the Sessional Paper and support full liberalisation of the tea sector. The KTDA should also not involve itself in directing purchases of tea to the factory companies. As we know, there is a lot of corruption in the purchase of supplies for the factory companies. Only recently, we had the gunny bag scandal, which wrong-doing was confirmed by the reduction of the amount of the tender and the very most unusual procedure of awarding tenders to two companies with two different prices. With that having been done and now that the companies are already incorporated under the Companies Act, KTDA should keep off and the companies should immediately source their own supplies. If the advice of the agent, KTDA, is required, farmers are in a position to say so. But KTDA should keep off and leave the farmers to make direct purchases to minimize corruption.

Another very worrying thing is that since KTDA, as presently constituted, has proved that they can have irregular and underhand deals, like the tea gunny bags scandal, the industry should not go through the liberalisation process with the same management.

There is a saying that you cannot put new wine in old wine skins because they can burst. These policies will not be properly implemented if we have the same players in the tea sector. The Ministry ought to be advising the farmers that, as a process of liberalising the industry, they should start with renewal. The farmers can only do that if there are less controls. But the tone of this paper is the Government telling the farmers what they ought to do without giving them any information whatsoever that they are masters of their own. We know that not all the directors may be very enlightened. They do not know that under the law, they are their own masters and they can reject totally the advice given by KTDA. We want to see something in the policy talking about enhancing the awareness of the farmers and the directors so that they are able to go through this liberalisation process with open mindedness and to be able to make informed choices. Currently, one cannot say that we are too sure that all the decisions being made are from an informed position. Perhaps, the farmers may be deliberately misinformed to adopt a certain position. So, we need to see enhancing awareness of the farmers and their directors as a component of this policy document.

In this document, we have also seen the proposal that the company factories should take over the 47 tea extension officers and 188 technicians who are currently employed by KTDA. Under what law are the farmers going to be forced to take over people? I am not saying that these workers should be rendered jobless but the farmers must have a free hand to seek professional advice, evaluate the qualifications and performance of these officers before they take them over. As in any company being restructured, those who are not needed, the company law will apply, they can get their dues, but the farmers should not be forced to take them wholesale without any evaluation. That is why I am saying the paper is contradictory. It seeks to give more powers to the farmers but, at the same time, it seeks to retain control. This is what I call "guided liberalisation" and the guidance is too much. It

is actually dictating to the farmers what they ought to do, which is not correct.

The other point is that KTDA as an agent for the farmers, currently appoints the brokers without consulting the farmers. Once again, it must be made clear to the farmers that it is them who are calling the shots, they are the employers of the agent and that the agent is acting on their behalf and they can, at any stage, reject the advice given by the agent. The farmers should be involved and they should know what rates other brokers are charging and the control of the commission. All the policy should recommend is the upper ceiling of the fees chargeable but it should be left open for the farmers, either directly or through their agent, to be able to negotiate a comfortable price with the broker. Once again, the licensing of the brokers is not left so open and it looks like the KTDA is following what has been done by the Coffee Board of Kenya, leaving only a small clique of persons to marketing. This does not encourage competition. I agree that qualifications should be set but the company factories who want to register their own subsidiaries to market their tea or to be their brokers should be left open to do so as they may be able to minimize costs. The worry that the farmers may not be able to handle should be catered for by the deliberate enhancement of awareness through information provided by the Ministry to the farmers so that they can be able to make informed decisions.

On the election of the members of the Tea Board of Kenya, the Minister should have as little as possible to do with who becomes a member of the Tea Board of Kenya. Where in this policy paper it is indicated that the Minister will appoint a person to represent the tea trade sector, it should be the tea trade sector to give a name to the Minister and the Minister's role should be merely ceremonial - to appoint a person who has been selected by the tea trade sector. The same should be for the person representing organisations that represent small-scale tea growers. It should be the small-scale tea growers to select six members and then the Minister ceremoniously appoints them. The same should be for the organisations representing planters tea growers. I do not see why the Nyayo Tea Zones should have a member on the Tea Board. Most Members, and indeed, Kenyans are agreed that the Nyayo Tea Zones should be done away with and they should actually be handed over to the needy people in the areas where they are. In my Constituency, Gichugu, most of the Nyayo Tea Zones are unkept and they are flowering because and there is nobody to pluck the tea. But if they are turned over to the poor without shambas, they will be well tended and productive. As it has been said, the Nyayo Tea Zones are just a "parasite" who are depending on the farmers. I would urge the company factories to exercise their authority and discretion to refuse to process tea from the Nyayo Tea Zones as a means of forcing the Ministry to dismantle the Nyayo Tea Zones and to hand them over to the farmers. After all, why would the Government create a corporation to be in competition with small-scale tea holders? In what way does it assist? It is not a research organisation or a profit-making organisation and it has been making losses. Telling us that it is providing jobs does not help. We are providing jobs, but at whose expense? This is at the expense of the people in the tea sector!

Mr. Temporary Deputy Speaker, Sir, having said that, I would like to conclude by saying that the Ministry should take the good advice of holding more consultations with the farmers and all the players in the sector and especially the farmers representatives who are Members of Parliament through the Agriculture Committee and anybody else who wishes to comment on this policy paper. That way, even before the Act that is now pending to be tabled becomes a reality, then the Ministry will have harmonised its views with those of the people in the tea trade sector. That is an area where participation of the beneficiary is highly encouraged and the Government is on record as saying that it is encouraging more participation by Kenyans in their day to day affairs. We want to see this happening in reality. We want to see more consultation before such papers are tabled so that we do not waste a lot of time in the House talking about things that could have been dealt with at the Committee stage.

With those few words, I beg to support, subject to the reservations expressed. Thank you.

Mr. Maina: Mr. Temporary Deputy Speaker, Sir, I will not dwell too much on what hon. Members, like the Leader of the Official Opposition have said. This is because the biggest problem with virtually everything is lack of transparency on the part of Government institutions. The biggest problem in the tea industry is that the people who are elected, to represent the farmers in the factory are, in most of the cases, not the farmers' choice. I am saying this in reference to my area. I am sure it is the same in all the other places. The directors were people chosen by somebody. They do not represent the interests of the farmers. When they are elected by whatever means, and join the KTDA, there is something that happens. Through corruption, those people are given money and become representatives of the KTDA and not the farmers. Whatever happens in those factories does not help the farmers.

So, I fully agree with hon. Kibaki that before this Sessional Paper is adopted, virtually, all the stakeholders in the tea industry should have a chance to discuss it. They should say what is wrong and have an input on it. That way, it can become a Paper that can be adopted and be used for very many years to come.

To prove that there is a mischief, after the liberalisation of the tea industry, the same people who are

supposed to liberalise the tea industry, what they have done somewhere in-between is to punish the farmer somewhere by imposing a tax. So, on the one hand, they want to help the farmer. On the other hand, they want to undermine the farmer. So, that is why I said that this Policy Paper is not done with a good heart. If the whole thing is done by people with a good heart, who are willing to help the farmer, we would not be wasting so much energy. We would not be debating for hours and hours. The people should have consulted us, we would have agreed and the Paper would have been accepted very easily. But unfortunately, this is not the case.

Mr. Temporary Deputy Speaker, Sir, there are people who are called the Kenya Tea Growers Association.

When I say that this thing is not done with a good heart--- When another body like KUSTO came in, the KTDA decided to form a parallel body called the Kenya Tea Growers Association, which uses the offices of the KTDA.

Mr. Temporary Deputy Speaker, Sir, that portrays the kind of dishonesty that exists in the tea sector. The KTDA is a body that was formed a long time ago. Another body will be formed parallel to it, to fight it. If there was that kind of honesty in the tea sector, as the Leader of the Official Opposition said, all these bodies would be completely irrelevant. We do not require them. I am a farmer and when I export my horticultural products, there is no middleman. I send my horticultural products abroad and wait for a cheque to be credited to my account. If there was that genuineness in this sector, then we would expect the KTDA, if at all they act on behalf of farmers, to behave in the same manner. We would expect that if tea is taken to the auction, the farmer should get his money immediately. As hon. Kibaki said, at least there should be a guideline in this sector. When would a farmer expect to be paid for his tea after he has delivered it to the factory? For instance, if I am sending my horticultural products abroad, I would expect, possibly to be told when I will be paid. If I am not paid in good time, I would ask them to pay me, possibly, in one week's or one month's time. But in this case, it is as if the farmer does not own the tea he produces. Instead, it is owned by somebody else who dictates when the farmer will be paid; whether he should be paid after one year or nine months. That is why I said there is a lot of dishonesty in this sector. There is no transparency in dealing with tea farmers. There is no transparency in doing anything in this country. If there was transparency, we would tell our farmers when they expect to be paid.

At the end of this Sessional Paper, money will be required in order to implement it.

Mr. Temporary Deputy Speaker, Sir, the tea farmer has to be motivated to grow tea. Unfortunately, that is not the case today in this sector. When a farmer grows his tea, he does not know when he will be paid. Probably, he would be paid after nine months, long after his children have been sent away from school due to lack of school fees. At the end of it, he asks himself why he grew tea if it cannot help him to educate his children. It is a pity that even when he is paid, the money is too little to meet his needs.

I think it is very unfortunate in this country because whoever is given a responsibility to man any public body like the KTDA, the first and foremost thing they do is to steal. They are not concerned with what they can do for the people. It is a very unfortunate situation. I am saying this as a farmer because I have had the opportunity to grow tea. Most of us were educated with money from agricultural products. Today, it is unfortunate that tea and coffee farmers are not able to educate their children. They are not even able to feed and clothe themselves. Then we start asking: What went wrong in this sector? Has tea become cheaper?

Mr. Temporary Deputy Speaker, Sir, we have to look at these things in a more transparent manner. If we looked at the tea industry in a more transparent manner, we would find that this policy Paper would be acceptable to us very easily, although it is not appropriate at the moment.

Mr. Temporary Deputy Speaker, Sir, we have the Nyayo Tea Zones (NTZs). Many of us have spoken about the NTZs, but unfortunately it is also a kind of misuse of people. You are not looking after your crop. If you are not looking after your crop properly you cannot mix it with my crop which is well looked after, and then we get an average price. Is that fair? If your tea fetches Kshs12 per kilogramme and mine fetches about Kshs50 per kilogramme, you cannot come and work out an average price from the prices of Kshs50 and Kshs12 because you are not able to look after your crop properly. The NTZs should be done away with because they amount to a way of milking the tea farmer.

We are supposed to be hon. Members of Parliament when we go to our constituencies. We urge coffee farmers to tend their crop properly. However, we also ask that they should have field officers to make sure that every farmer's coffee is of high quality. This should also be done to the tea farmers. For example, tea produced by the NTZ is not of high quality. The people who live in those NTZs should be allowed to own that tea.

There is another area which we feel the Minister should look into. You will find that in our constituencies, we are ex-officio members of the boards of governors of some schools. We should also monitor the farmers' money. Hon. MPs should be allowed, through this policy Paper, to sit on the boards that run tea factories so that when something goes wrong in those factories they do not come to this House and start raising the problem because they will have been part of it.

The farmer looks after his tea, and there are a few things which might not be very right when one talks

about this policy Paper. The tea farmer needs many other facilities in order to be productive. Examples of these are health care, good roads and education. All those areas require the Government to examine them. The Government should really examine the issues that touch on the tea industry and, at least, make sure that they are addressed properly. When we used to visit tea growing areas some years ago, most of those areas were accessible. Unfortunately, when it rains today I am even unable to get to my tea farm because of the poor roads.

Mr. Temporary Deputy Speaker, Sir, in the 1970s, the roads were passable. Today, it is not possible to get to your farm. Whatever you want to grow, if you cannot be able to market it, it is not going to help anybody. Even that farmer will not be able to grow it. Even if he grows it, he cannot be able to send his tea to the market. I have had some occasions where the Government could not repair the roads and the tea farmers would ask me: "Mheshimiwa, why do you not give us a few trucks of chippings or murrum?" This happens because there are things which are not right; for example, the roads are not passable.

Mr. Temporary Deputy Speaker, my final point is about the amount of money paid to the farmers and that is very pathetic. I have had occasions where, as a tea farmer, I have nearly decided to do away with tea farming, because the money you get from that tea is not equivalent to what you have invested in it. So, I would urge the Minister for Agriculture to look into this issue more critically. We have had occasions where farmers have gone to see him on their payments. The amount of money that farmers are paid is not enough. I am sure if you look at other people who are doing the same thing, for example, the private owners of factories, the amount of money which is paid to those people is much more than what KTDA is paying the farmers. The question you would ask as an individual is this: Who should be paid more money? Is it KTDA or private farmers? All those things happen because of one thing; governance. All this also happens because of the people who have been appointed to positions of responsibility. For example, the people who are appointed as Ministers, Parliament has no powers over them and that is why all these things are not right.

Mr. Temporary Deputy Speaker, Sir, with those few remarks, I support this Sessional Paper, but with amendments.

Thank you.

Mr. Murathe: Thank you, Mr. Temporary Deputy Speaker, Sir. I am surprised at the apparent lack of interest in this Sessional Paper, exhibited by the Members of Parliament, considering that tea is the single largest foreign exchange earner for this country. I think we need to take a bit more interest in sectoral interests, regardless of where we come from.

Mr. Temporary Deputy Speaker, Sir, I wish to quickly go through the policy Paper by the Minister, in view of the fact that there is a Bill pending before this House. We want that Bill to be seen to be consistent with the views of the Members of Parliament expressed on the Floor of this House and the deliberations that will be made by the stakeholders, coupled with the interest of the small-scale tea farmers.

ADJOURNMENT

The Temporary Deputy Speaker (Mr. Musila): Hon. Members, it is now time for the interruption of our business. The House is, therefore, adjourned until tomorrow, Wednesday, 9th June, 1999 at 9.00 a.m.

The House rose at 6.30 p.m.