

NATIONAL ASSEMBLY

OFFICIAL REPORT

Tuesday, 14th November, 1995

The House met at 2.30 p.m.

[Mr. Speaker in the Chair]

PRAYERS

ORAL ANSWERS TO QUESTIONS

Question No.978

STOPPAGE OF POLICE SALARIES

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

- (a) if he is aware that 100 police officers led by a Senior Superintendent of Police, a Mr. Ng'ang'a and a Superintendent of Police, a Mr. Kyalo, plus others, were sent to Cambodia as Peace-Keeping Forces in May and July, 1992 and came back in September, 1993;
- (b) if he is further aware that their salaries were stopped with effect from 1st October, 1993; and,
- (c) why their salaries were stopped.

The Assistant Minister, Office of the President (Mr. Sunkuli): Mr. Speaker, Sir, I beg to give the following reply.

- (a) Yes, I am aware.
- (b) What I am aware of is that the officers received Kshs180,000 as imprest before proceeding to Cambodia. The imprest is being recovered from those officers who have not paid it in full. Their salaries, therefore, have not been stopped.
- (c) As stated above, their salaries were not stopped and, as such, the question of investigating the matter does not arise.

Mr. Sifuna: Mr. Speaker, Sir, arising from the Assistant Minister's reply, could he tell this House why, in the first place, these people were given the money and then, later on, when they surrendered the imprests, the Government went ahead and started deducting their salaries? Some of these officers have not been receiving their salaries since the time they came back.

Mr. Sunkuli: Mr. Speaker, Sir, the Government has not stopped any salaries of police officers who went to Cambodia. What happened is that before they proceeded to Cambodia, the United Nations (UN) was supposed to have paid them their allowances here prior to their departure. However, because the UN did not pay their allowances, the Government gave them imprests and the UN was supposed to re-imburse that. At any rate, we are not demanding that these officers pay Kshs180,000. What we are demanding is that they account for that Kshs180,000 because it was an imprest.

Mr. Mwaura: Mr. Speaker, Sir, can the Assistant Minister tell the House whether that allowance that the UN pays to our soldiers is the only one which is paid to them, or, does the Kenya Government get payment from the UN in any other form?

Mr. Sunkuli: In fact, the Government does not get any payment. What the Government does is that it pays the salaries of those officers here in Kenya. We ask those officers who have bank accounts to give us the numbers of such bank accounts so that their salaries can be paid into those accounts. Those who do not have bank accounts are requested to give the names of their next of kin, who then receive their salaries. Moreover, they are paid allowances which are four times their salaries by the United Nations. The Government does not get anything in return.

Mr. Maore: Thank you, Mr. Speaker, Sir. Given the number of Kenyan servicemen who go to serve overseas, can the Assistant Minister state how much of these allowances that are paid by the UN per soldier are retained by the Government, or, does the soldier retain the total amount?

Mr. Sunkuli: Mr. Speaker, Sir, the allowances are for the soldiers. The Government gets nothing.

Mr. Speaker: Next Question, Mr. Munyasia!

Question No.886

PAYMENT OF DEATH GRATUITY

Mr. Munyasia asked the Minister for Education:-

(a) if he is aware that, following the death of Mr. Timothy Wafula Marani, TSC No.172867, in 1990, no death gratuity has been paid to the late teacher's dependants, Mrs. Margaret Nambuya Wafula (the widow) and children.

(b) what steps the Ministry is taking to ensure that payment of the said gratuity is made without further delay.

The Minister for Education (Mr. Kamotho): Mr. Speaker, Sir, I beg to reply.

(a) I am aware that following the death of Timothy Wafula Marani, TSC No.172867, in 1990, death gratuity has not been paid to his dependants.

(b) The Head Teacher, Kikai FYM School has been advised to contact the next of kin to forward the death certificate among other documents to enable the TSC to process the death gratuity papers so that payments can be made by the Director of Pensions.

Mr. Munyasia: Mr. Speaker, Sir, since the widow, Margaret Nambuya had been making applications for this death gratuity for some time from 1990, can the Minister tell this House why the advice they have given the headmaster, Kikai, had not been given long before this Question was asked in Parliament?

Mr. Kamotho: Mr. Speaker, Sir, I have no reasons to give for that because, as I said, the death certificate was not forwarded to TSC for the processing of the gratuity of these particular dependants. However, now, the Ministry itself has taken action and advised the headmaster to forward the death certificate so that the death gratuity can be processed with immediate effect.

Mr. Sifuna: Mr. Speaker, Sir, arising from the Minister's reply, could he tell this House whether, when making payment to Mrs. Margaret Nambuya Wafula, the Government will take into account the interest on this outstanding amount from 1990?

Mr. Kamotho: I would not like to make a commitment on the procedure and the facts which are taken into account when assessing the pensions or gratuities to individuals in the public service.

Mr. Speaker: Mr. Maore's Question!

Question No.759

CONSTRUCTION OF SEWERAGE SYSTEM

Mr. Maore asked the Minister for Local Government how much money has been set aside for the construction of the sewerage system in Maua Municipality and when the project will commence.

Mr. Speaker: Is there anybody from the Ministry of Local Government? Next Question, Mr. Kamuyu!

Question No. 119

NUMBER OF MOTOR VEHICLES

Mr. Kamuyu asked the Minister for Local Government:-

(a) what the current average number of motor vehicles within the City of Nairobi during the day is; and

(b) how many city council parking bays there are within the City's perimeter.

Mr. Speaker: Is there anybody from the Ministry of Local Government? We will come back to that Question. Let us move on to the next Question.

Question No. 901

TERMINATION OF AGREEMENT

Mr. Kiliku asked the Minister for Labour and Manpower Development why the Management of Cabro Works Limited terminated the recognition agreement and collective bargaining agreements with the Kenya Petroleum Oil Workers' Union on 1st January, 1993, without the consent of their employees, who were members of this union.

The Assistant Minister for Labour and Manpower Development (Mr. Ali): Mr. Speaker, Sir, I beg to reply.

The termination of the recognition agreement between the management of Messrs Cabro Limited and Kenya Petroleum Oil Workers' Union was subject to a trade dispute. My findings and recommendations after investigations were released to the parties on 3rd January, 1995 and none of the parties has so far reacted. It would, therefore, be assumed that both parties have accepted the recommendations.

Mr. Kiliku: Mr. Speaker, Sir, I would like to know from the Assistant Minister why the management interfered with the recognition and the collective bargaining agreements by the employees. The employer has no mandate to choose a union for the employees. Why in the first place did the management terminate the agreements without the consent of the employees who are the members of the Petroleum Oil Workers' Union?

Mr. Ali: Mr. Speaker, Sir, as I said there has been a trade dispute in relation to which union is acceptable by the management.

Mr. Kiliku: Mr. Speaker, Sir, which parties were engaged in this trade dispute?

Mr. Ali: Mr. Speaker, Sir, my answer is very clear. The employees are represented by the union and so the dispute was between the management and the union which is the representative of the workers.

Question No. 854

SACKING OF MR. WAINAINA

Mr. Raila asked the Minister for Labour and Manpower Development:-

- (a) Whether he is aware that Mr. Peter Njoroge Wainaina was summarily dismissed without benefits or lawful cause by the Coffee Board of Kenya on 24th January 1990; and
- (b) if the answer to "a" is in the affirmative, he could instruct the Board to reinstate Mr. Wainaina and pay his outstanding dues.

The Assistant Minister for Labour and Manpower Development (Mr. Ali): Mr. Speaker, Sir, I beg to reply.

(a) I am not aware.

(b) Mr. P.N. Wainaina's case is before court civil suit No. 14/8/93 of 14th April 1993. Any action on my part would be *sub judice*.

Mr. Raila: Mr. Speaker, Sir, in fact I was consulting the Assistant Minister over this Question because I have a letter written to me by Mr. Wainaina dated 7th August 1994 in which he said that he had not taken any court action.

Mr. Speaker: Can I give you more time?

Mr. Raila: Yes.

Mr. Speaker: The Question is deferred to the week after next week.

Mr. Raila: Thank you.

(Question deferred)

Mr. Kiliku: On a point of order, Mr. Speaker, Sir. Is it in order for the Assistant Minister to say in part "a" of his reply that he was not aware and then later on confirm that this case was in court?

Mr. Speaker: We have now deferred that Question.

Mr. Anyona: On a point of order, Mr. Speaker, Sir. This is a very interesting situation because there was a Question involving a colleague of Mr. Njoroge which was brought to this House and was answered by the Minister for Agriculture, Livestock Development and Marketing. At that time the Minister said that he was not aware of these facts and the facts were that the people were dismissed before the court process was complete. Now, today the Assistant Minister for Labour and Manpower Development is answering the same Question and giving a totally different answer.

Mr. Speaker: By the way if I may ask Mr. Anyona because I do not register all these things off head, is it the same Peter Njoroge Wainaina you are referring to?

Mr. Anyona: Yes, Mr. Speaker, Sir. When the other Question was brought here Mr. Njoroge was one of the people who were affected and we are getting two different answers. Can they put their heads together and bring an answer that would---

Mr. Speaker: Was it during this session?

Mr. Anyona: It was sometimes back. I think it was in an earlier session.

Mr. Speaker: Anyway, I have given them two weeks.

Mr. Anyona: Thank you, Sir.

Mr. Speaker: We will move to the next Question.

Question No. 959

RE-INSTATEMENT OF PASSENGER TRAIN

Mr. Mwaura: Mr. Speaker, Sir, on behalf of Mr. Gitonga, I would like this Question to be deferred because he is out today.

Mr. Speaker: Very well, the Question is deferred.

(Question deferred)

Question No. 632

EXPANSION OF HOSPITAL MORTUARY

Rev. Ommani asked the Minister for Health:-

(a) what urgent action the Ministry is taking to expand the Mortuary at Kakamega Provincial Hospital, in order to accommodate the increased number of dead bodies; and

(b) why the doctors and other attendants are paid by the relatives of the deceased when a post-mortem is carried out, while this is part of their job.

Mr. Speaker: Is there anybody from the Ministry of Health? We will come back to that Question later on!

Next Question!

Question No. 830

COMPLETION OF DISPENSARY

Bishop Njeru asked the Minister for Health:-

(a) whether he is aware that Mumbuini Dispensary in Murinduko Location which was started in 1974 has not yet been completed; and

(b) what steps the Ministry is taking to have the dispensary completed.

Mr. Speaker: Anybody from the Ministry of Health to answer that Question? If there is none then we will come back to it later on. We will move on to the next Question.

Question No. 839

PAYMENT OF HARDSHIP ALLOWANCES

Mr. Farah asked the Minister for Tourism and Wildlife:-

(a) whether he is aware that employers of Kenya Wildlife Service in hardship areas like Garissa and Turkana are not paid their hardship allowances; and

(b) if the answer to "a" is in the affirmative, why they are not paid.

Mr. Speaker: Is the Minister for Tourism and Wildlife present in the House? If he is not we will move on to the next Question.

Question No. 779

VACATION OF GOVERNMENT HOUSES

Dr. Lwali-Oyondi asked the Minister for Public Works and Housing:-

- (a) why Messrs Antony Abinya and Abraham Syekei are being harassed by a Mr. J.K. Morjaria to vacate their Government houses on LR Block 5/239 along Maasai Avenue, Nakuru; and
 (b) whether he can assure the two civil servants of their continued stay in the Government houses.

The Assistant Minister for Public Works and Housing (Col. Kiluta): Mr. Speaker, Sir, I beg to give the following reply.

(a) Mr. J. K. Morjaria has filed a civil suit against Messrs Antony Abinya and Abraham Syekei in Nakuru Case No. 1126/95. The suit is pending hearing and under the circumstances therefore, this Ministry cannot pursue the matter before the case is determined by the court.

Dr. Lwali-Oyondi: Mr. Speaker, Sir, the Assistant Minister having said what he has just said, is he aware - not on this case---

Mr. Speaker: Dr. Lwali-Oyondi, would you like to respond to the fact that the matter is *sub judice*?

Dr. Lwali-Oyondi: He has quoted a number---

Mr. Speaker: Are you doubting it?

Dr. Lwali-Oyondi: No, Mr. Speaker, Sir.

Mr. Speaker: Then very well, the Question is over.

Dr. Lwali-Oyondi: I wanted to ask a supplementary question on a similar matter.

Mr. Speaker: Well, if it is not within this particular case please bring it in another forum. Is that okay Dr. Lwali-Oyondi?

Dr. Lwali-Oyondi: Thank you, Sir.

Mr. Speaker: We will now go back and call out the Questions for the second round. For the second time, Mr. Maore's Question!

Question No. 759

CONSTRUCTION OF SEWAGE SYSTEM

Mr. Maore asked the Minister for Local Government how much money has been set aside for the construction of the sewerage system in Maua Municipality and when the project will commence.

Mr. Speaker: Is there anybody from the Ministry of Local Government? The Question is deferred to next week.

(Question deferred)

For the second time Mr. Kamuyu's Question.

Question No. 119

NUMBER OF MOTOR VEHICLES

Mr. Kamuyu asked the Minister for Local Government:-

- (a) what the current average number of motor vehicles within the City of Nairobi during the day is; and
 (b) how many City Council parking bays are there within the City's perimeter.

Mr. Speaker, Sir, I would like to hasten and say that this is a very old Question which I asked at the beginning of the year. That is why it is numbered 119. It is disappointing to note that five Questions have to be deferred because the Ministers are not here yet.

Mr. Speaker: Order! We do not know yet.

Mr. Kamuyu: It is a very big disappointment all the same because if that is the case then we should close Parliament and go to the Airport!

Mr. Speaker: Order! Order, hon. Kamuyu! I expect all hon. Members including the hon. Member for Dagoretti to understand that when given a chance to put a Question you do precisely that and not to make speeches.

Mr. Speaker, Sir, is there any Minister from the Ministry of Local Government? Very well, the Question is deferred.

(Question deferred)

For the second time Rev. Ommanis' Question.

Question No. 632

EXPANSION OF HOSPITAL MORTUARY

Rev. Ommani asked the Minister for Health:-

(a) what urgent action the Ministry is taking to expand the Mortuary at Kakamega Provincial Hospital, in order to accommodate the increased number of dead bodies; and

(b) why the doctors and other attendants are paid by the relatives of the deceased when a post-mortem is carried out, while this is part of their job.

Mr. Speaker: Do we have anybody from the Ministry of Health now?

Mr. Achieng'- Oneko: On a point of order Mr. Speaker, Sir. In a situation like this what do we do when the Ministers are away and we want the Questions answered?

Mr. Speaker: Order! Order! Last time I did say what we do in a situation like this. I did it on a Wednesday two weeks ago when I told all hon. Members, those in front and in the back, to be present when they have Parliamentary business to transact. Next Question!

Mr. Speaker: Bishop Njeru's Question for the second time?

Bishop Njeru: Mr. Speaker, Sir, I beg to ask Question No. 830. But, Mr. Speaker, Sir, I want to say that this same Question was deferred last week.

Mr. Speaker: Order! Let us first of all find if there is anybody to answer the Question.

Question No.830

COMPLETION OF DISPENSARY

Bishop Njeru asked the Minister for Health:-

(a) whether he is aware that Mumbuini Dispensary in Murinduko Location which was started in 1974 has not yet been completed; and,

(b) what steps he is taking to have the dispensary completed.

Mr. Speaker: Is there anybody from the Ministry of Health? There is nobody from the Ministry of Health. So, if there is nobody to answer it, it will be deferred.

(Question deferred)

An hon. Member: It was deferred before!

Dr. Otieno-Kopiyo: On point of order, Mr. Speaker, Sir.

Mr. Speaker: What is it, Dr. Otieno-Kopiyo?

Dr. Otieno-Kopiyo: I just wanted to draw your attention to the fact that you normally advise us to ask the Question and do precisely that. But once that is done, you ask whether there is somebody on the other side to answer the Question, and if there is none, you go straight to the next Question. So, there is no time for the hon. Member concerned to complain to you, Mr. Speaker, Sir. I just wanted you to consider that, Sir.

Mr. Speaker: That is the third complaint I am hearing.

(Laughter)

Mr. Nyanja: On a point of order, Mr. Speaker, Sir. With all due respect, I do not understand your ruling. This side of the House does not understand what happens when Questions cannot be answered simply because Ministers have gone to meet His Excellency the President at the airport.

Mr. Speaker: Order, Mr. Nyanja. Mr. Nyanja, what happens when there are no hon. Members from that side to ask Questions?

Could you answer that, Mr. Nyanja?

Mr. Nyanja: Mr. Speaker, Sir, you know that we all want to be there.

(Laughter)

Mr. Speaker, Sir, it is only fair that you move your chair maybe to the airport so that we can all move there.

(Applause)

The Minister for Labour and Manpower Development (Mr. Masinde): Mr. Speaker, Sir, is it in order for the hon. Member to mislead the House? There are no activities at the airport that prevent any hon. Member of Parliament from being here. We are here anyway.

(Loud consultations)

Mr. Speaker: Order! Order! Order! Hon. Members, there is nothing to excite the House. Absolutely nothing! Can we proceed with business?

Mr. Ndicho: Mr. Speaker, Sir, you have heard what the Deputy Leader of the Government Business has said. That, by the sheer fact that some Ministers are at the airport, they are here. If they are here, can they then answer the Questions. Is he in order to say that they are here? Can they then answer the Questions?

Mr. Speaker: Order! Order! Order! What do you want to say? I want to get rid of that---

The Assistant Minister of State, Office of the President (Mr. Sunkuli): On a point of order, Mr. Speaker, Sir. Are the two hon. Members in order, to allege that there are some hon. Members at the airport, when His Excellency the President has already arrived and all of us were there and we are now here?

(Loud consultations)

Mr. Speaker: Order! Now that the anxiety has been put to rest, can we proceed?

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

Mr. Speaker: Out of order! Sit down please! Sit down!
For the second time now, Mr. Farah's Question!

Question No. 839

PAYMENT OF HARDSHIP ALLOWANCES

Mr. Farah asked the Minister for Tourism and Wildlife:-

(a) if he is aware that employees of Kenya Wildlife Service in hardship areas like Garissa and Turkana are not paid their hardship allowances; and,

(b) if the answer to "a" above is in the affirmative, why they are not paid?

Mr. Speaker: Is anyone from the Ministry of Tourism and Wildlife?

(Loud consultations)

Mr. Icharia: Mr. Speaker, Sir, I have reliably learnt that all the Ministers are at State House celebrating. What are they celebrating, Mr. Speaker, Sir?

(Laughter)

Mr. Speaker: Order! Order! Order! I think, Mr. Icharia you are now out of order, although this is a grave matter. It is a matter that I share the anxiety of the hon. Members on that Questions put to the House by hon. Members must be answered, as and when they appear on the Order Paper. But that does not mean that hon. Icharia is entitled to rise on a frivolous point of order to speculate. You will get away with it now, but you will not get away with it next time around.

(Applause)

QUESTIONS BY PRIVATE NOTICE

BANDITRY MENACE IN MUTOMO

(Mr. Muoki) to ask the Minister of State, Office of the President the following Question by Private Notice:-

- (a) Is the Minister aware that all banditry attacks in Mutomo Constituency (Mutha and Kanziko Locations) occur during the rainy seasons, when the roads in the Constituency are impassable?
- (b) Can the Minister send security personnel urgently to patrol this area to avoid further attacks?
- (c) What plans does the Minister have to eradicate this banditry menace once and for all?

Mr. Speaker: Mr. Muoki is not here to ask his Question. In that case, it is dropped.

(Question dropped)

REVOCATION OF NOMINATION

Mr. Leshore to ask a Minister for Local Government the following Question by Private Motion:-

- (a) Could the Minister state the reasons for revoking the nomination of Councillor Peter ole Sono of Nakuru County Council?

Mr. Speaker: Mr. Leshore is not here. So, his question is dropped.

(Question dropped)

CANCELLATION OF MEETING

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

- (a) Why was the Special General Meeting of Mukurweini Coffee Co-operative Society, which was scheduled to be held on 1st November, 1995, called off at the eleventh hour?
- (b) Is the Minister aware that the 13 officials of the society have been implicated in the report of the Committee, appointed to probe the Society, and that they are in office illegally?
- (c) Could the Minister order that the Special General Meeting be held by mid-November, 1995, and that the findings of the Probe Committee be made public?

The Assistant Minister for Co-operative Development (Mr. Titi): Mr. Speaker, Sir, I beg to reply.

(a) The Special General Meeting of Mukurweini Co-operative Society that was scheduled for 1st November, 1995 was called off. The Management Committee and members of the society sought a court injunction order against the holding of the Special General Meeting at the Nairobi High Court.

(b) I am not aware that 13 officials of the society are being implicated in the Committee's report. Since the contents of the report have not been released up-to-date, it is only the members who elected the Committee who can determine the fate of the elected officials.

(c) The Chairman of Mukurweini Farmers Co-operative Society Limited has been ordered to convene a Special General Meeting within 21 days, as directed in a letter dated 2nd of November, 1995, which I received on 6th November, 1995.

Mr. Sifuna: Mr. Speaker, Sir, my point of order is that the Assistant Minister for Local Government

has just entered this Chamber. Can he be allowed to answer the Questions?

An hon. Member: Yes, yes!

Mr. Speaker: Order! Order! First of all, Mr. Sifuna, what has the entrance of the Assistant Minister for Local Government got to do with the Mukurweini Farmers Co-operative Society?

Mr. Mutahi: Mr. Speaker, Sir, I have been asking Questions on Mukurweini Co-operative Society, and the answers I have been getting are that the Assistant Minister is not aware. It is on record that Gadhi Brothers and Kindaruma have corruptly received over Kshs300 million from Mukurweini Co-operative Society, Murang'a Co-operative Society---

Mr. Speaker: Mr. Mutahi, what are you saying?

Mr. Mutahi: I am asking if he is aware.

Mr. Speaker: Aware of what?

Mr. Mutahi: About corruption. Gadhi Brothers and Kindaruma have corruptly received over Kshs.300 million from Mukurweini---

Mr. Speaker: Order, Mr. Mutahi! Have you got any conviction on those two on corruption?

Mr. Mutahi: Yes, Mr. Speaker, Sir.

Mr. Speaker: Have you got a conviction?

Mr. Mutahi: Yes, Mr. Speaker, Sir.

Mr. Speaker: You have the copy of the judgement?

Mr. Mutahi: No, I do not have the copy, Mr. Speaker, Sir. I did not know that it would be required by anybody.

Mr. Speaker: Order! Order! I have ruled before and I will do it again. No, hon. Member will use the Floor of this House to utter things that will damage the characters of people who are not here, unless you do have, particularly on an accusation as serious as corruption, in your possession a judgement of a competent court that has found those individuals guilty. You will not use your opinion to condemn, unfairly, people who cannot defend themselves here. If you cannot reframe your question, I will have to lay it.

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

Mr. Speaker: Order! It will not be!

Mr. Mutahi: Mr. Speaker, Sir, this is the truth of the matter. I met the Minister on Friday, and he agreed that Gadhi Brothers, who have a shop in Embu which sells radios and households goods only, have now delivered fertilizer worth Kshs20 million.

Mr. Speaker: Is it not possible, Mr. Mutahi, for you to show that, by putting relevant [Mr. Speaker]

question to the Assistant Minister without coming out in judgement of others?

Mr. Mutahi: Mr. Speaker, Sir, what I am saying is that, the Minister himself accepted. He agreed that whatever I have been telling him about---

Mr. Speaker: Order! Order, Mr. Mutahi! It does appear to you that the Minister is another Parliament! We have only one Parliament---

Mr. Mutahi: He is not aware.

Mr. Speaker: Order! Order! The Minister's rules may not be the same as those of the National Assembly. So, will you comply with the Rules of this House!

Mr. Kamuyu: On a point of order, Mr. Speaker, Sir, Question 3 (c) by Private Notice says that, there was a Probe Committee and what hon. Mutahi is asking is whether the findings of the Probe Committee can be made public. He has the findings of that Probe Committee, where he intimates that Kshs300 million has corruptly been misused.

Can I, through you, ask the hon. Questioner to lay the report of the findings of that Probe Committee on the Table of this House?

Mr. Speaker: Order! Order! It is up to him to do so! It is up to every hon. Member who alleges a fact, as you know under Standing Order 76, to substantiate such allegations. It is the business of an hon. Member who alleges a fact, to substantiate it. The other issue which is much more pertinent here is for a Member of this House to stand on the Floor of this House and allege that a certain Kenyan, or a group of Kenyans of a certain company in Kenya, are guilty of serious offenses. Hon. Members, that is unacceptable. If, indeed, you have a judgement from a competent court that actually finds an individual, or group of individuals, or company, to have been convicted of the crime of corruption or whatever, then you are entitled to say that, but no hon. Member is entitled to sit in judgement over Kenyans here.

Mr. J. N. Mungai: On a point of order, Mr. Speaker, Sir.

Mr. Speaker: No! Supplementary questions only. Order! Order, Mr. J.N. Mungai! Mr. Ndicho.

Mr. J. N. Mungai: On a point of order, Mr. Speaker, Sir.

Mr. Speaker: Order! Whether you have it or not, I have overruled it.

(Laughter)

Mr. Ndicho: Mr. Speaker, Sir, I thank you for giving me this chance to ask the Assistant Minister whether he is aware that the Co-operative Movement was established in this country many years ago to help farmers and the common men in this country. But, now, co-operators, particularly in the agricultural sector, are being destroyed by the Provincial Administration especially in Central Province, where co-operative societies of coffee and tea are. Even if you look at this particular Question, the Provincial Administration is behind it. What is the Assistant Minister going to do about the element of Provincial Administration wrecking the Co-operative Movement in this country?

Mr. Kamuyu: Say nothing!

Mr. Titi: Mr. Speaker, Sir, there is something that hon. Kamuyu raised, which is very disturbing. I have said in part "b" of the Question that the report of the findings of the Probe Committee has not been released. So,---

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

Mr. Titi: Just a minute!

Mr. Speaker: Can you give him time to answer?

Mr. Ndicho: But, Mr. Speaker, Sir, can you hear, he is answering Mr. Kamuyu's question---

Mr. Titi: I am coming to your question.

Mr. Speaker: Order, the two of you! Order, Assistant Minister! Order, everyone! Hon. Members, I think now we can come down to earth. It will help us a great deal, if we listen and if the question put can be answered. Will you please answer the question?

Mr. Titi: That one is very simple, Mr. Speaker, Sir, because I am not aware. This is a new allegation. So, if you want to take the matter seriously, then you can consult the Office of the President.

Mr. Mutahi: Mr. Speaker, Sir, thank you very much. Now that the probe has been done on Mukurweini Co-operative Society, would I be in order to request the Assistant Minister for Co-operatives Development, in liaison with Office of the President, also to probe this company called Gadhi Brothers and Kindaruma because they are aware of the results of the Probe Committee in Mukurweini Co-operative Society. I am told that these Asians might run away. So, can we have them probed before they run away and you seize their passports? *Watatoroka wako na pesa nyingi!*

Mr. Speaker: Order! Order! Since hon. Members do not seem to ever get to study their Standing Orders, I wish with a lot of difficulties somehow, to refer to, Standing Order No. 37 - Can I leave it until tomorrow, hon. Members?

(Laughter)

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

Mr. Speaker: Order! Can we have Mr. Wamae, first!

Mr. Wamae: Mr. Speaker, Sir, the question of the Coffee Co-operative Society is a very serious matter and I think the Minister for Co-operative Development might be unable to control it. Could the hon. Assistant Minister lay the report of the Probe Committee on the Table of this House?

Mr. Speaker: Would you like to respond, Mr. Assistant Minister?

Mr. Titi: Mr. Speaker, Sir, I think the report is the property of Mukurweini Coffee Co-operative Society, itself. So, we are making arrangements so that the report is made available. We have asked the Chairman of the society to convene a meeting so that he can table the probe report before the Committee Members.

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

Mr. Speaker: Order, first! Order! I had referred earlier on to a Standing Order when the hon. Member for Mukurweini had made certain assertions, I wish now to refer to the particular Standing Order. That is Standing Order No. 37 (3), which says:-

"A Question shall not contain any argument, inference, opinion, imputation or controversial, ironical, or offensive expression or epithet".

So, from now onwards, hon. Members, when either framing your questions or asking them from the Floor of the House, be mindful of Standing Order No. 37 (3).

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

Mr. J.N. Mungai: On a point of order, Mr. Speaker, Sir.

Mr. Speaker: Order, Mr. J.N. Mungai! Why do you think your point of order must take preference over others?

Proceed Mr. Wamae!

Mr. Wamae: Mr. Speaker, Sir, is it in order---

Mr. J.N. Mungai: Mr. Speaker, Sir---

Mr. Speaker: Order! Mr. J.N. Mungai, you are persistently in argument with the Chair, all the time. I consider that to be an affront to the dignity of this House. Now, do stand warned, and I warned you last week. If you want to be chased out of this House, you will.

Mr. Wamae: Mr. Speaker, Sir, is it in order for the hon. Assistant Minister to refuse to answer my question which was whether he will lay the report of the Probe Committee on the Table of the House?

Mr. Titi: Mr. Speaker, Sir, I said the report will be ready and we are going to present it before the committee of the society.

Mr. J.N. Mungai: On a point of order, Mr. Speaker, Sir.

Mr. Speaker: What is it, Mr. Mungai? Let it be a point of order!

Mr. J.N. Mungai: Mr. Speaker, Sir, my point of order is very relevant. The amount of money involved in this kind of scandal, as claimed by hon. Member, is about Kshs.300 million. This money comes from very poor people who are peasant farmers. In view of the fact that the hon. Questioner, although you warned him here, has mentioned the persons involved in this scandal, can he, therefore, be asked to substantiate that allegation by telling us their names?

Mr. Speaker: First of all, he was out of order!

Mr. Ndicho: On a point of order, Mr. Speaker, Sir. The Assistant Minister did not answer my question was. What is he going to do with the Provincial Administration to stop breaking up the co-operative movement in this country? What is the Government going to do?

Mr. Titi: Mr. Speaker, Sir, maybe, he did not understand me but I had replied and told him to frame a Question to that effect to the Office of the President but not the Ministry of Co-operative Development.

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

Mr. Speaker: Order! Order! Mr. Titi, we honestly cannot follow what you have said. Can you say what you have said loudly?

Mr. Titi: Mr. Speaker, Sir, in simple language, I am not aware of the interference from Provincial Administration.

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

Mr. Speaker: I will give the last chance to the owner of the Question, Mr. Mutahi.

Mr. Mutahi: Mr. Speaker, Sir, since he has admitted that the meeting was cancelled on 1st November, 1995, when is this Special General Meeting going to be held next?

Mr. Titi: Mr. Speaker, Sir, I have replied that we had already ordered the Chairman to convene a meeting within 21 days and if he fails to do so, then we can ask the Commissioner of Co-operative to convene one.

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

Mr. Speaker: Order! Order! I have heard enough of that particular Question!

Next Order!

POINT OF ORDER

SECURITY OF DIPLOMATIC MISSIONS

Mr. Raila: Mr. Speaker, Sir, I rise on a point of order to request a Ministerial Statement on security of Diplomatic Missions in Nairobi.

[**Mr. Raila**]

Kenyans are very concerned about the spate of violent attacks against members of Diplomatic Community in the recent past. The recent raid was on the residence of Indian High Commissioner, where the High Commissioner himself and his wife were seriously injured and property stolen.

There was also the case of a break-in into the residence of Pakistan Deputy High Commissioner, Mr. Mosau Khan, where goods worth Kshs.1 million were stolen. There was also that mid-day robbery at the Argentina Embassy which netted goods worth Kshs.1.7 million.

We are very concerned and Kenya is a signatory to the Vienna Convention on the Diplomatic Privileges

and Immunities which states that the Missions premises are inviolable and the host State has a special duty to protect those Mission's properties.

Mr. Speaker, Sir, we would like the Minister for Foreign Affairs and International Co-operation to issue a Ministerial Statement in the House clarifying the steps that the Government is taking to enhance security around members of the Diplomatic Community and their property and also to tell us whether the Government does not think that these attacks have any relationship, with the constant attacks on the Members of foreign Missions, foreigners and the so-called "foreign masters". Thank you, Mr. Speaker, Sir.

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

Mr. Speaker: I am not aware of anything! I have nothing to do with any of you because I have not been consulted by any of you!

(Loud consultations)

Mr. J.N. Mungai: Mr. Speaker, Sir, I had wanted---

Mr. Speaker: Order! Mr. Njenga Mungai, you are disorderly and you must now leave. In fact, in my opinion, getting you out of this Chamber for one day is not enough, but nevertheless, you must leave!

Mr. J.N. Mungai: Show me the reason---

Mr. Speaker: I will order you to be forcefully removed.

Mr. J.N. Mungai: I am telling you that you will---

Mr. Speaker: Order! Order! Serjeant-at-Arms can you remove that hon. Member!

Mr. J.N. Mungai: You cannot do that!

(Loud consultations)

Mr. Speaker: Order! Order! Mr. Njenga Mungai, unless you move with dignity and honour out of this House, force will be used to evict you.

(Loud consultations)

Mr. J.N. Mungai: Mr. Speaker, Sir, even if I go out for six months, I will still see the Floor of this House!

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

(Mr. J.N. Mungai left the Chamber)

Mr. Speaker: Order! Hon. Members, I have tried all the best I can to put this House into a footing that is expected of it by the Kenyan people. You have complained, even on the Floor of this House, that hon. Members ought to be respected. I agree, but you hon. Members if you expect to be respected first and foremost you must respect this House, the rules of this House and the Chair. It cannot work other way. It is in my opinion, the behaviour of hon. Members who think they will be heroes by destroying the integrity of this House, to say the least, is something that the Chair will not entertain. The rules are made, not for one individual, but for the collective benefit of all hon. Members of this House. I have sworn to apply the rules of this House strictly and without fear and without favour and I will do so. Hon. Members I do urge you that you do respect this House.

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

Mr. Speaker: Order! Order! I had given the hon. Minister for Agriculture, Livestock Development and Marketing the Floor.

Dr. Otieno-Kopiyo: On a point of order, Mr. Speaker, Sir.

Mr. Speaker: Order! Order, Dr. Otieno-Kopiyo! As long as you do not follow the rules of the House, I will not see you, but if you follow the rules, I will see you.

(Laughter)

And there is nothing you can do to commandeer my sight!

Proceed, hon. Nyachae!

MINISTERIAL STATEMENT

PERFORMANCE OF THE KTDA

The Minister for Agriculture, Livestock Development and Marketing (Mr. Nyachae): Thank you, Mr. Speaker, Sir. In the last few weeks, there have been statements in the Press, expressing concern about the performance of the Kenya Tea Development Authority that I have found it necessary to make these statements.

The KTDA which caters for smallholder tea growers has, since 1963, made tremendous strides from a meagre production of 312 metric tonnes of made tea in the 1960s. This small-holder sub-sector has developed dramatically and in the 1994/95 crop year, a total of 140,000 metric tonnes of made tea were produced. During that year, a record of 605 million kilogrammes of green leaf--

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

Mr. Speaker: Order! Order, Mr. Mwaura! I understand, although you are not entitled to rise on a point of order. I can feel somehow why you are agitated. I think the hon. Minister for Agriculture, Livestock Development and Marketing has risen on a very important point of order, addressing this House and through this House, the nation, on a matter that is very crucial to their daily lives. I think it behoves all of us to give a hearing to the Minister so that we do not, after he has sat down, ask "what was he saying?"

So, can we all listen?

Proceed, hon. Nyachae!

The Minister for Agriculture, Livestock Development and Marketing (Mr. Nyachae): Mr. Speaker, Sir, during that year of 1994/95 crop season, a record of 605 million kilogrammes of green leaf tea was produced by over 270,000 small-holder tea growers spread across a wide area of generally hilly and rugged landscape. This marked 41 per cent increase over the previous year production of 430 million kilogrammes. After processing 126.6 million kilogrammes of made tea, out of the total 140 million kilograms were sold by the Authority, both locally and abroad realising almost Kshs10 billion. These total earnings were short of those realised in 1993/94 by about Kshs1.8 billion because the unit net price per kilogramme on the world market of made tea, fell sharply from Kshs109.43 down to Kshs76.78 per kilogramme. This unfavourable price was also compounded by the fluctuation in the Foreign Exchange Market, where the Kenya Shilling exchanged at Kshs80 to the dollar in 1993 and part of 1994. In October, 1994, the Kenya Shilling exchanged at Kshs55 to the dollar, slipping further down to Kshs44 to the dollar in April, 1995.

Mr. Speaker, Sir, at the same time, bank savings interest rate dropped to very low levels for most of the year under review, leading to low interest earnings by factory companies in respect of bank deposits from tea sales proceeds. These factors led to substantial drops in the amounts of financial surpluses declared to the KTDA by the 44 factory companies in the form of second payment which normally is known as bonus.

Mr. Speaker, Sir, it should also be remembered that during the two years prior to the 1994/95 crop season, inflation rate stood at 50 per cent as compared to single digit rate in 1994/95. This single digit rate has made farmers' purchasing power considerably better than it was two years ago. From the foregoing, it will be noted that the earnings to the farmers in 1994/95 crop year, averaged Kshs10.70 per kilogram as opposed to Kshs20.40 per kilogram earned in 1993/94 crop year. This situation did not only affect the small holder sub-sector, but also the estate sector, where an average of 70 per cent drop in profits was recorded in 1994/95 crop year. This was also attributed to the depressed world market tea prices and the strong Kenya Shilling. Our tea industry should be commended for not shutting any factories or laying off workers during this period as happened in other tea producing countries.

Mr. Speaker, Sir, on factory development, 21 factory companies continued to expand their tea manufacturing capacities in order to cope with the increased leaf deliveries while building works at the new Mudete factory in Vihiga District are in progress. Most of these factories have reached advanced stages in civil and steel construction works, while purchase of factory machinery and other equipment has also kept pace.

In order to cope with the green leaf transportation especially during the rainy seasons, KTDA has embarked on a phased plan to replace its aging fleet of 600 lorries. Out of the first 96 trucks, 52 have been fitted with bodies and delivered to the factory companies, while the rest are either being fitted with the bodies or registered in readiness for delivery.

Mr. Speaker, Sir, as I mentioned earlier, tea is produced generally in hilly and rugged areas of our country. In addition, the peak of our tea production falls during the rainy season. This also is the time when the majority of our access roads are at their worst. I have been assured by the Ministry of Public Works and Housing and the local authorities concerned, that efforts are being made to improve the conditions of these roads to ensure

that produce such as tea reaches its destination timely.

Mr. Speaker, Sir, contrary to the current allegations and accusations of mismanagement against KTDA and its Managing Director, I would like to assure this House, through you, and our farmers as well, that KTDA is in a healthy financial position. KTDA's Board of Directors and Management should be commended for the good work they are doing especially in managing the factory development programme and the servicing of the large loan portfolio. Indeed, the Authority has managed to finance new factory expansion projects with minimal Government involvement. These include the new Mudete factory and the feasibility studies for the construction of further seven factories in Embu, Tharaka-Nithi, Murang'a, Kiambu, Kericho, Nyamira and Kisii districts.

Finally, **Mr. Speaker, Sir,** let me assure the tea farming community in this country that the future of the tea industry is bright despite the current low prices in the world market.

In order to maximise on their earnings tea farmers should endeavour---

(Loud consultations)

Mr. Speaker: Order! Order! Hon. Members, let us hear what the Minister is saying.

Proceed, Mr. Nyachae.

The Minister for Agriculture, Livestock Development and Marketing (Mr. Nyachae): Mr. Speaker, Sir, those who come from tea growing areas are listening, unlike people from non-tea growing areas.

In order to maximise on their earnings, tea farmers should endeavour to raise their yields per bush and maintain high quality tea for both local and world market. I would also like to call upon the Board of Directors and the management of the Kenya Tea Development Authority (KTDA) and large scale tea farmers not to be complacent but to redouble their efforts for their benefit, the tea industry and our country as a whole.

Thank you, Mr. Speaker, Sir, for this opportunity.

Mr. Speaker: I will give one chance an hon. Member to seek clarification. Yes, Dr. Kituyi.

Dr. Kituyi: Thank you, Mr. Speaker, Sir. I will need the following clarification. First and foremost, the hon. Minister is not addressing any matter as a Parliamentary one. Why for the second time he is choosing to use the Floor of the House to issue a Press Statement is a confusing matter. Why, particularly, has the Minister chosen to make a statement about---

(Loud consultations)

Mr. Speaker: Order! By the way, Dr. Kituyi, when I have given an hon. Member the Floor of this House just like when you sought indulgence from me no other hon. Member should be speaking. Secondly, a Ministerial Statement can be given at any time. Proceed.

Dr. Kituyi: Mr. Speaker, Sir, why has the Minister chosen to give a Ministerial Statement on a matter where his office has received two Questions by Private Notice from hon. Obwocha and hon. Kareng'e concerning the matter at hand?

The Minister for Agriculture, Livestock Development and Marketing (Mr. Nyachae): Mr. Speaker, Sir, I am not aware of the Questions. They have not reached my office.

Mr. Anyona: Mr. Speaker, Sir this is an extremely important matter because the whole tea farming community has been waiting to hear what the Government has to say about what has happened to this year's second payment. It is all very well for the Minister to address the whole array of issues that affect this industry, but the only issue the farmers want to hear today is about the second payment. Therefore, I would like to seek this clarification from the Minister on behalf of the farmers: Can the Minister clearly tell this House and the country the factors that affected the price of tea so that the bonus is less than what was paid last year? Secondly, can he now tell the House how much he is going to pay the farmers in each factory? Can he also tell us when he is going to pay them? Is he prepared to do that in view of the serious consequences? This is because farmers have made up their minds that they are not going to take this money and will decide what to do. But, can he assure them that there is need for them to continue to grow tea?

Thank you, Sir.

The Minister for Agriculture, Livestock Development and Marketing (Mr. Nyachae): Mr. Speaker, Sir, I thank the hon. Anyona who has raised a number of issues. But I would be quite happy to give him a copy of my statement which has all the answers to the questions he has raised. The average amount of the second bonus is in this statement. The reasons why the price went down are also covered here; in fact, there are several reasons. Thirdly, we are saying that it is not KTDA farmers alone who have suffered the drop in earnings. M/s

Brooke Bond Company, Brooke Bond Liebeg, East African Highlands, Nandi Tea and all the other tea estate companies had their tea earnings drop by 70 per cent compared to what they earned in the previous season.

Hon. Members: What are the reasons?

The Minister for Agriculture, Livestock Development and Marketing (Mr. Nyachae): Mr. Speaker, Sir, the reasons are in this paper but many people who are now shouting were not listening when I was making the statement.

Hon. Members: Lay it on the Table!

Mr. Speaker: Order! In fact, it is unnecessary for the Minister to lay it on the Table. Every word of it that the Minister read out will appear in the HANSARD and all hon. Members are **[Mr. Speaker]** entitled to a free copy of the HANSARD. So, the information is now public.

Now, before we go to business I will ask the Ministry of Foreign Affairs and International Co-operation, which is represented here by its Assistant Minister, hon. Dr. Manduku, to give the House an indication as to whether they intend to respond to the request made by the hon. Raila Odinga. If they do, when do they expect to do that?

The Assistant Minister for Foreign Affairs and International Co-operation (Dr. Manduku): Thank you, Mr. Speaker, Sir. I stand to respond to the point of order raised by hon. Raila regarding the security of diplomats. I request the House to allow us to give a Ministerial Statement next week.

Thank you, Sir.

BILL

Second Reading

THE CO-OPERATIVE COLLEGE BILL

*(By the Minister for Co-operative
Development on 9.11.95)*

(Resumption of debate interrupted on 9.11.95)

Mr. Speaker: I believe hon. Misoi was to continue with debate on this Bill.

The Assistant Minister for Agriculture, Livestock Development and Marketing (Dr. Misoi): Mr. Speaker, Sir, I thank you again for giving me this opportunity to continue discussing this important Bill on the Co-operative College of Kenya. When the House rose last week I was just emphasising the importance of Kenyans to adhere to the laws of the land. This is because to do otherwise would be to invite confusion, chaos and breakdown of law. This legislation has been lauded as a very important instrument to streamline the Kenya Co-operative College and make it independent of the Ministry of Co-operative Development. We hope that this will just not be a change of status or that it will not be a cosmetic change and that it will, indeed, make the college independent and capable of discharging its responsibilities as provided in the Bill.

I had also said that the current Co-operatives Act is outdated and should be amended to ensure that the formation, management and operation of co-operatives is in line with the current liberalised economic status within the country. This is important because the co-operative societies face a lot of competition from private enterprises. This means that co-operative societies have to be managed like all other private ventures.

In fact, the co-operative movement is the only unifying institution which can keep our people on the right track because they will be pursuing set goals and objectives to improve their economic status, welfare and to participate in the economic development of this country. It is our hope that those who will be trained in the Co-operative College of Kenya will be disciplined, well-trained, well-groomed co-operative professionals who would be able to carry on their jobs for the benefit of the farmers and that they would be able to express a dignified attitude. They would be able to do justice to the co-operative societies and that they would not have those characteristics of corruption, bribery and nepotism. It is important that an institution of this kind, should be shielded from interferences from outside parties, politics and so on. If politics is introduced in an institution of this nature, its operations will be distorted.

I was discussing Section 6 of the Bill and I said it contains the best attributes of the law. When one moves to Section 7, the representation of the council in the Co-operative College of Kenya is quite clear but when you read Sub-Section "h" where it talks of three other persons representing the co-operative movement being

nominated by the movement, the criteria becomes confusing since when it says "three representatives nominated by the movement", one wonders which movement are we talking about in this country. As far as I am concerned, we do not have a registered co-operative movement which can nominate representatives to sit in the council of the Co-operative College of Kenya. I would suggest that this particular representation be re-defined to show specifically the manner in which these representatives can be selected. It can either be based on countrywide co-operative union such as the Kenya Farmers Association (KFA) and it would also include the representatives of the SACCOs at a higher level. Thirdly, it could represent manufacturing or financial co-operative unions so that the whole sector of co-operative movement, as it is stated here, would be taken care of. I believe that this needs clarification. It is clarified that the Managing Director of Co-operative Bank of Kenya is represented in the council and it is our earnest hope that representation there would facilitate the provision of credit and financial support to co-operative societies throughout the Republic whether they are in agriculture, industry, commerce and trade, finance, or in jua kali. We need to assist these movements because they mobilise resources from the less able Kenyans. They pool resources for serious economic engagement and it is the only way we will be able to assist Kenyans to participate in the economic development of this country and to share the benefits of the economic progress.

Mr. Speaker, Sir, it is also important that the co-operative officers, whom I believe are well trained wherever they are in the districts, provinces or divisions, facilitate and promote the registration of new co-operative societies and that they rehabilitate those co-operative societies which have become dormant or which are being mismanaged. Establishment of new co-operative societies would be meaningless if the majority of the others have failed to take off; if the majority of the already registered have misappropriated, squandered, stolen or misapplied the funds collected by the people. It is, therefore, necessary and it is very important, indeed, that those at the district level who will have been trained according to the Act do their work well. It is discouraging when new co-operative societies' applications are turned down simply because others have failed or because others have taken loans and they have not serviced them. One cannot see the rationale of relating a new co-operative society to an old one where people fail to do their job. This a warning to co-operative officers to do their job well. I am saying this because I have heard about three complaints from Eldoret, from my constituency, where the youth tried to register a co-operative society to pursue certain goals and they were turned down simply because others had failed. That is not a good reason. If others have failed, it is the failure of co-operative officers. They should advise the co-operators on how to manage their institutions and that excuse cannot be used to demoralise others or to stop others from trying to establish new ones for their development.

Mr. Speaker, Sir, on Section 8 - Functions of the Council, I think the enumerated functions are quite clear and are very important. What perhaps is needed is for the council to operate above board and the college produces graduates of high calibre to serve the nation and the interests of co-operative societies. These specialists are expected to be sort of consultants in the establishment of co-operative societies, in assessing the viability and the management of the co-operative societies. It is a very important job and that is why they have to be well trained and that is in fact the reason why this council must ensure that the skills imparted to these young people are such that they will be able to assist, catalyse, enhance and promote the management of the co-operative societies. We know that co-operative movements in other countries like the Scandinavian are so advanced that they compete well with capitalists, rich people and industries not only in agriculture but also in industry, finance and banking.

In those countries where they have co-operative societies, they process, manufacture, export and import inputs for use by the farmers. We should be able to learn from the techniques and the management style of those countries. I believe that Kenyans are capable of learning the best and also adopting the best to manage the co-operative movement in this country. As it is at the moment, it is likely, that about 50 percent of all co-operatives registered may not be functioning. This is a very serious warning on the status of the co-operative movement in this country, yet we go round encouraging people to establish co-operative societies. We encourage them to pool their resources and establish groups here and there, particularly now that there are no jobs. We are not going to encourage people to look for jobs which do not exist. They have to create jobs for themselves, and the only way they can do that is to pool their resources, to co-operate and to work together with a common bond of solving their own peculiar problems. If as leaders we continue encouraging people to do that, then we must ensure that those who manage these institutions do the job well, because it does not make any sense for us to come back here and complain, accusing them of poor management, inefficiency, ineffectiveness and so on. In fact, it is from this House that the other people will learn to work well, to stick to the rules, to stick to the laws, to implement the laws and to avoid all those other anti-social vices which affect this country. It is we, who should be the model. It is we, who should be an example.

I must congratulate the Speaker because he is the one who keeps order in this House. If he does not keep

order, then there will be a break down of law and order here; that is in terms of Standing Orders. If Members of Parliament cannot adhere to simple rules, how do you expect other people to keep the same rules? We are the culprits. We are the culprits, and we are discussing a piece of legislation. That is why I am discussing it. We need to be exemplary wherever we are. In sub-section (f); the Council and the College will provide for the welfare of the students of the college thus the formation of the Student Alumni Association. It is very important. I do not see any conflict or interference with the rights and freedom of students to form any welfare society, as one of my colleagues has said. I think, it is good that the College should have in mind the welfare of the students and provide for the establishment of this Student Alumni Association and assist the same to function well with whatever is necessary; finances, material support and so on. By so doing, the college will reduce areas of conflict, misunderstanding, dissatisfaction and where external interference of politicians can penetrate to cause chaos in the College. What has happened before is that such institutions have been neglected and have become a fertile ground for political activists to engineer their games and to use the same games to sabotage the workings and the operations of institutions, colleges, universities and others. Maybe this one is an oversight. But I thank the Minister for including this which will be a safety valve in the running of the College.

Mr. Speaker, Sir, going to Section 10, where the appointment of the principal and two deputy principals is provided for; I think, this is in order because you have two clearly defined areas. We have the academic and the administration and finance areas. So, it is in order that a principal should have two deputies. The question of an acting principal or a principal to act in the absence of the principal or when he is incapacitated should not be a problem because the Council would be able to identify one of the deputy principals to act. So, I do not see the reason why we should criticise and say that there will be competition among the two principals. Competition is very healthy because after all, we live in a competitive world. In politics, we are competing, everywhere we are competing and in business we are competing. So, let these deputies compete because so long as they are doing a good job, it would make the work of the Council easy, it will be easy to pick one who would assume the duties of the principal as specified in Section 13.

Mr. Speaker, Sir, Section 12, (6), talks about the College Staff Welfare Association. That is also another important innovation in ensuring that the College does not remain without an organised welfare association. In the recent past, we had problems with even universities where lecturers had to form their own welfare organization outside and created chaos and difficulties for everybody else. If this had been looked into, then the problems of the college staff would have been eased and, therefore, the area of conflict would similarly have been very limited. So, I support the inclusion of this provision which the college staff should use well. There is no need for college staff to establish associations to deal with issues like politics. If college staff want to go into politics, we have registered political parties. They can go out and become members of those political parties. I do not see the reason why political parties also would try to use college staff welfare associations to promote their goals. That would be a grievous and serious interference in the running of colleges of higher education; a college like this one.

We must allow institutions to operate in their own environment, without interference from outside. Political parties should be able to persuade people to join them in the streets or in their Agip House, KICC or in the other house in Westlands. Let those people go there. Politicians have no business engaging in this, because they will pollute the minds of the members of staff and students because they want to exploit them. They give them so many false promises which will never materialise and at the end of the day, they will end up going on strike and they are the people who lose. When they are chased out of colleges, they are the ones who lose time. They will not graduate on time and the public would have spent so much money and it is simply because of us politicians. We think we can take advantage of situations of that kind. To me, this happened because of failure by political parties to win people outside their own institutions. We are saying that even the Government has to operate. Even the Public Service has to do its job without politicising development projects. We do not have to politicise anything. Education is education as long as it is being given in the right way and according to the current curriculum and development. We have no business getting worried. Mr Speaker, Sir, I support this particular one. It does not necessarily ban the staff, teachers and lecturers from doing what they want outside. They are free because we have freedom in this country, which is provided for in the Constitution. People are free to talk and express their opinions anywhere. So, to misinterpret this to mean we are curtailing the freedom of staff welfare, lecturers and professors, I think, it is a wrong deduction.

Mr Speaker, Sir, it will be also suicidal for the Government, for example, to leave provisions of these kind outside, because at the end of the day, when problems crop-up in the colleges and so on, it is the Government which will be blamed for having not done this or that, and the other one. So, we in the Government must ensure that there are no loopholes for others to use, in order to sabotage the good running of the Government to provide services to the people. We know that in this country, sometimes we even in this House without, perhaps, thinking. We even reject Bills and Motions which are useful to the people simply because we want to preserve

the interest of the party; the party line. This is dangerous because we can kill Bills and Motions which are beneficial to the people of this country. I am not convinced that it was right for the Opposition to "kill" the Exchange Control Bill, except for the interests known to themselves alone. After all, that was to liberalise the financial market and that was the interest of everybody.

Mr. Michuki: On a point of order, Mr Speaker, Sir. Is the hon. Dr. Misoi in order to revisit a matter on which this House has debated and concluded?

Mr. Speaker: Which one is that hon. Michuki? I am sorry, I was not following it.

Mr. Michuki: Mr Speaker, Sir, he was talking about the Exchange Control (Repeal) Bill, which is not really a matter for this House to revisit.

Mr. Speaker: Hon. Dr. Misoi, were you revisiting the Exchange Control (Repeal) Bill?

The Assistant Minister for Agriculture, Livestock Development and Marketing (Dr. Misoi): Mr Speaker, Sir, I was just by-passing. I was not debating it.

Mr. Speaker: Order! Order! Either by-passing or by sitting or by looking or by seeing anything that has been dealt with by this House, shall not be repeated by any Member of this House under any circumstances! Do you understand?

The Assistant Minister for Agriculture, Livestock Development and Marketing (Dr. Misoi): Mr Speaker, Sir, I have clearly understood.

Mr. Speaker: Very well! Proceed.

The Assistant Minister for Agriculture, Livestock Development and Marketing (Dr. Misoi): Mr Speaker, Sir, going to Section 14 on the Academic Board, this is, of course, the unit which runs the College, and its composition follows the normal principles. The Academic Board is critical in ensuring that the courses provided are wide and deep enough to produce a co-operative specialist, who will be versatile, who will be able to interact with the farmers and workers in their circles, and co-operators in the industry and banking institutions. This is the person who is really the engine of co-operative development. It means, therefore, that the College should be able to train not only the 8-4-4 graduates, but also to provide courses to other graduates from even universities tailored to meet the needs and aspirations of the co-operative movement. This is important because co-operative movement should just not be taken to mean simple co-operatives because these societies are capable of venturing into any economic activity from farming, agriculture, tea, coffee, everything, name it. The societies are important in the overall development of the nation and that is why we expect this College to train not just simple co-operative officers, but also others who have been trained in any other disciplines outside in certain specific areas required in the co-operative movement.

Mr Speaker, Sir, going to Part IV, with regard to financial provisions, it is our hope that funds from sources indicated or from any other sources which the College may determine, will be properly safeguarded for the interest of the College and the students, and for the interest of the community at large. It is also important that financial control within the institution and other financial directives and instruments are strictly enforced so that a situation should not arise where the funds of the College are misdirected by anybody especially when we have a management specified in the Act of a Council of re-known personalities; very senior managing directors and others. Then, we have the College staff, from the Principal downward, who should to manage the funds properly.

Mr Speaker, Sir, the Auditor-General (Corporations) should be able to institute frequent auditing in the course of the year to out weaknesses in the financial management of colleges and other Government institutions. It makes no sense to wait until the end of the year, when all the audited accounts and reports have been prepared, only to find out that money has been lost; lots of finances have been stolen and that looting has taken place and that you go round asking the officers charged with those responsibilities to explain how the money was used. We must be able to foresee chances of financial mismanagement and seal the loopholes where such money will find its way out. As it is now, the Auditor-General (Corporations) does his auditing after a year, two, or three years and people have swindled the money. Some have retired, some have died, some have been transferred and the reports are brought here into this House and we engage our minds debating, criticising and condemning. At that time, we cannot get back the money because it is already gone. So, we must have provisions, practices and programmes to continuously monitor financial management of these institutions. This should not happen just in colleges, but in the Government institutions; parastatals and so on. That should be the condition, so that any malpractice can be stopped before much more damage has been done to the public. This will stop these cases of corruption which everyone is talking about everywhere. We must deal with these problems on the spot and that is the work of the managers and the Auditor-General (Corporations) or the Controller and Auditor-General. The office of the Auditor-General (Corporations) should be provided with enough funds to employ auditors to do casual checking so that we are spared the headache in this House where every year, we have to talk about billions of shillings stolen

and everything under the sun. We spend a lot of energy in debating losses which cannot be recovered, or losses that have been written off from the books. So, what I am trying to emphasize is that we need a system which works from the beginning of the financial year to the end and from the time the Estimates and the budgets for the year are made. We need units of that kind to ensure that those accounting systems and programmes are in place and the same are not doctored for other purposes. I am saying this because, those who misuse public funds are clever enough to make sure that they are not caught red-handed. We must also be clever enough to devise ways and means of countering this practice which is taking root in the whole society. Sometimes you cannot understand why leaders stand up and say, "KANU is corrupt." We are talking about Kenyan people! We are talking about officers in the system, Government, teaching institutions or medical institutions; who come from the society - all the tribes put together and if they are corrupt, it is in fact unreasonable to attribute that corruption to anybody. I think this is misinforming the public and this is failing to tell the public to get rid of the corruption syndrome within the society. It is the failure of the leaders to say so wherever they are. It is the failure of even the clergy to preach to their members on Sundays that this corruption syndrome should be removed because 80 per cent of Kenyans are Christians and every Sunday they go to church. When they come out, maybe they do these things. So, it is us, leaders, to do the job at the right place.

I have been looking at the provisions of the Bill. There is Part I, "Preliminary", and Part II, "Establishment", Part III, "Management of the College." I think there is an oversight in the body of the Bill. Part 3, ideally, should appear on page 751(7) just as the others have appeared also! It appears in the arrangement of clauses but when you look at the body, it does not appear. I think it was an omission. The Minister should perhaps look into that one because I was trying to point out that it should appear somewhere, just to make sure that it is in line with all the others.

In general terms, the Ministry of Co-operative Development should put more effort into the entire management of the co-operative movement; from a College like this, to the other small co-operative societies. In the management of these units, the management committees, General Managers and all the others should be made to act and work according to the by-laws and rules of the Co-operative Society Act. This, will remove all the shortfalls and bottle necks which we have had in this country where serious implications are created by poor management of co-operators. These shortfalls have created poverty, misery and all sorts of difficulties for the population of Kenya. It is a challenge which the Ministry has to face because as we keep on strengthening the institution, to train good officers, we also want these officers, wherever they will be, to ensure that all is done well.

We do not wish to have a situation arising where millions of co-operators' money get lost because of a few individuals who manage to put themselves in that position to reap rewards which they never worked for.

We are happy that KCC is now working and I hope the Minister will ensure that the payment of all the arrears for milk delivered is done in good time and that the management there also works. In case the Co-operative Officers you send there to assist are not performing then we must make sure that this Bill produces good ones to be watchdogs in those places.

I know that you have a task force there and it should do a good job because they could also be earning public money when the directors are there. I would also wish to request the Minister to look into other ailing co-operatives such as KFA. You have officers who have been trained in co-operative management and they should be dispatched to these co-operatives countrywide which have been the lifeline of many farmers. The KFA has cereal based co-operatives and all the farming institutions in this country should be assisted with proper advice and management from your good officers. The co-operative movement should also be structured in such a way that its operations meet the needs and aspirations of Kenyans. We must also realize that a lot of produce which is exported and which earns this country a lot of foreign exchange is produced by co-operative societies under the Ministry and those who advise them are the same people we are talking about and we are saying they should be trained well. When there is a break-down either in pyrethrum, tea, horticulture, coffee and cotton industries, then there is a break-down everywhere in the economy. These are the institutions which keep our industries working by producing raw materials. That shows the importance of proper management, education and awareness to the farmers and the only people who can do that are the cooperative specialists! Not the politicians!

Mr. Speaker: You have already said that one. Can you say something new?

The Assistant Minister for Agriculture, Livestock Development and Marketing (Dr. Misoi): Mr. Speaker, Sir, I will definitely say something new and very important. It is also important that we now redirect our efforts to the idle youth of this country who cannot get jobs. We should also be able to redirect our efforts to women groups all over the place because when they went to Beijing, they said "we are equal." So, we must redirect our efforts towards them...

Mr. Speaker: Order! Order! If you are saying we shall make all women groups part of the Co-operative College, you are irrelevant! Can you proceed?

The Assistant Minister for Agriculture, Livestock Development and Marketing (Dr. Misoi): Some hon. Members here are interrupting my speech!

Mr. Speaker: Order! Order!

The Assistant Minister for Agriculture, Livestock Development and Marketing (Dr. Misoi): With these few remarks, Mr. Speaker, Sir, I beg to support.

Mr. Muite: I thank you, Mr. Speaker, Sir. One feels that the Memorandum of Objects and Reasons for this Bill, at page 761, provides in (a) that, the main objectives are to provide co-operative education and training for various categories of personnel of the co-operative movement; and (c), to undertake research into disciplines related to co-operative management either directly or through approved instructions; and (d) to provide consultancy services in co-operative management.

Mr. Speaker, Sir, in a country like ours which is a developing economy, the co-operative movement constitutes a critical vehicle for economic development. This is because most of our people are poor. If one looks at the dairy industry in this country, most of our farmers are small-scale farmers, those with one, two or three cows. So, it would be impossible for these humble farmers with two or three cows to be able to erect a dairy plant in order to process milk from these two or three cows. But if those small-scale farmers get together in a co-operative society with their neighbours, they then are able to constitute a viable unit and to run a co-operate society that is going to be able to collect the milk and perhaps even process and market it.

That example about milk, goes for coffee. Over 60 per cent of our coffee again is grown by small scale farmers. In the same way, those small-scale farmers with one or two or three hectares of coffee are not able to construct their own mills because of the economic size of their unit. Yet when they come together with their neighbours, they are then able to make a co-operative unit - co-operate society which is viable. So, the point I am making here is that whether it is in the coffee industry; whether it is in dairy industry; whether it is pyrethrum, rice growing, name it, the co-operative movement constitutes the only viable way - given our level of economic development; poverty and our very humble nature of the situation in agriculture, co-operative movement is the only way out. Therefore, it becomes a matter of very, very great concern that we in this country have ruined the co-operative movement.

Mr. Speaker, Sir, the highest casualties in terms of failures, are to be found in the co-operative movement. I am pleased to see that the Minister concerned is listening very, very intently and I am quite certain that he is following the thrust of my argument. I am saying that we can revolutionise this country, we could take off economically, if what is ailing the co-operative movement in this country is addressed and a solution found. In my humble view, one of the reasons why the co-operative movement has died in this country is because the Ministry of Co-operative Development has not drawn a line, has not distinguished between regulation and control.

Mr. Speaker, Sir, the Ministry should confine its role; its intervention in the co-operative movement, regulation, advising and giving consultancy services, as is set out in the present Memorandum of Objects. At the moment, what is happening is that the co-operative officers do not confine their participation in the co-operative movement to advising and regulating. They extend it to controlling and running the co-operative movement. That is something that they leave to the co-operative movement itself; to the co-operators; to the employees of the various co-operative societies and to the elected management committee. In other words, the co-operative officers, should confine their intervention and their role of advising and regulating. But otherwise, they should leave the co-operative movement to run itself. By and large, these men and women who get elected to run the co-operative societies, if they are given an enabling environment; a friendly environment, they know what is best for their members, they know how to do it, and they would do it.

What we find in this country today, is a situation where a co-operative officer in a particular area will not only seek to manage and run the co-operative society, but in a majority of cases, that co-operative officer will seek to supplant the elected management committee and to directly manage and run that particular co-operative society.

As if that is not enough, the co-operative officers not being content in running the co-operative society, or interfering or even controlling that particular co-operative society, they go further. With the assistance of the headquarters, the commissioner's office, they then get into a very unholy alliance with the Provincial Administration. Today, it is not the elected management committees of the co-operative societies which are running the co-operative societies, practically all of them are being run by the Ministry of Co-operative Development, the headquarters and the office of the commissioner. They are being run by the co-operative officer on the ground, with the District Officer, the D.O and the chief. The Provincial Administration is the one which has entered into a very unholy alliance with the co-operative officers and the Ministry of Co-operative Development in order to run the co-operative societies. That is how the majority of them are being run.

Mr. Speaker, Sir, it is not just the Provincial Administration which has entered into unholy partnership with the co-operative officers, they have also enlisted the police. If one goes to the countryside today, one will find

that the centre of power, the inner core, the people who are running any co-operative society are the police in conjunction with the Provincial Administration and the co-operative officers, with a backing from the Ministry of Co-operative Development. So, we have

stifled the co-operative movement in this country. A registered co-operative society is a legal entity, and as such, it should be permitted, not just to manage its own affairs, but indeed to have a meeting of its members, as and when it wishes, in order to discuss matters of interest to that particular co-operative society.

[Mr. Speaker left the Chair]

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

Mr. Temporary Deputy Speaker, Sir, a co-operative society cannot have a meeting of its members without a licence from the DC and the chief, yet this is not a public meeting? A meeting of members of a co-operative society, is a meeting which is only in law open to the co-operators of that particular meeting. Therefore, it is not a public meeting, and it does not require licensing from the Provincial Administration, any more than a general meeting of the Kenya Breweries. The shareholders of Kenya Breweries are entitled to meet in a general meeting and no one has heard the management of Kenya Breweries going to get a licence from the DC, because they are having their own general meeting. That annual general meeting of the Kenya Breweries is not open to anyone who is not a shareholder. That is how it is not a public meeting; it is only those legally who are members who are entitled to attend that meeting.

So, it is a violation of the law for co-operative societies to be told that they cannot have a meeting of their members, unless they get a permit from the DC. But that is the reality of the matter. That is what is happening today. The co-operative officers, the Provincial Administration to violate the law and to strangle these co-operative societies to the point where they cannot have genuine meetings of their members in order to discuss matters of interest to the co-operative society. The alliance between the co-operative officers and the Provincial Administration has ruined the co-operative movement in the country.

In the most cases, co-operative societies in pyrethrum, tea, sugar, dairy and coffee sectors control a lot of income. Therefore, the complaints that some of us elected Members of Parliament receive on daily basis from co-operators is that you get a situation where a very unpopular management team finds itself in power. Perhaps, it is elected by members and once it is in power, it starts putting its fingers in the tune; it starts misappropriating the income of the general members. If the general membership of that particular co-operative society seeks to remove this management committee that has now started defrauding and misappropriating members' money, it then rushes to the Provincial Administration, the police and the co-operative officer. Instead of a co-operative officer, the Provincial Administration and the police assisting the general body of members of that co-operative society, they then get involved in misappropriation. In most cases, when members of a co-operative society want to vote out a very unpopular management committee, they will not be allowed by the co-operative officer, the police, and even by the Provincial Administration. And they are even denied a permit to hold a meeting which is said to be illegal. So, instead of the co-operative officers standing very firm and looking after the interests of the general body of the members, they will be the first one to keep the Provincial administration and the police out of the co-operative movement. Instead, they ensure that the meeting does not take place, whereas, they should be the first ones to facilitate the holding of elections so that any unpopular management committee can be voted out by the general body of members. The way that the co-operative officers should be able to help the co-operative movement in this country is by advising, regulating and not controlling or managing and above all, where there is a corrupt management committee which is misappropriating funds or assets or the income of the members of that particular co-operative society, an able and efficient co-operative officer should at that point in time be able to call on the police or the CID to investigate the misappropriation and those concerned be taken to court, and charged. If found guilty they should be sent to prison. That is the assistance that the general membership of any co-operative society is looking for. But instead of this happening, we find this very corrupt management committee, which is misappropriating the assets and the money of co-operative societies getting the protection, of the co-operative officers. In according that protection the co-operative officers bring on board the Provincial Administration and the police.

So, a corrupt and incompetent management committee is then given a free hand to continue misappropriating the assets and the funds of a co-operative society. This is how we have killed the co-operative society in this country. And I express the hope that when this Bill which I support becomes law, we are going to see the people who are going to be trained in the new Co-operative college adhering to the interests of the

co-operative movement as a whole; the interest of the general membership of the co-operatives societies, and that they will confine their role to regulation so that they can ensure the success of the co-operative movement in this country without providing cover and without going into unholy alliances with the Provincial Administration and the police.

It would be a very good starting point if the Minister who is in this House, could issue a directive to all the co-operative societies, all co-operative officers, that a legitimate meeting of any co-operative society is not a public meeting and, therefore, members of any co-operative society, as long as they are able to show their membership cards, are entitled to hold a meeting that is not going to be presided over by a DC or a DO and that does not require a licence. Let them meet freely!

Mr. Temporary Deputy Speaker, Sir, coming to some of the more important co-operative societies like the KCC, if we were again to allow the farmers themselves to freely elect those they want to elect to the Board to manage these very important co-operatives in the manner in which they should be managed, namely on commercial basis, people should be recruited and employed on the basis of merit and competency. It is a co-operative society that can be brought round very quickly in order to continue serving the interests of the dairy farmers in this country.

But what we find is, again, the old practice where we appoint individuals to head that important corporation, not on the basis of ability or merit, but on the basis of their political inclination or political allegiance.

Now, this is something that we have got to get rid of. If we are going to succeed in the liberalised market, we must get away from appointing people to key positions on the basis of patronage or their political inclinations or allegiance. Even in the case of this Co-operative College that we are trying to set up under this Bill, when one looks at Clause 7, for example, particularly at the Council of the College, the appointment of the individuals concerned leaves a lot to be desired. I think this is a point that has been raised several times in this House. Can we not make a start by expanding a little bit more, instead of concentrating appointments round the Government? Here, the people who are going to serve on the Council have to do with the Government and it is only three, under Clause 7 (h) who are going to be appointed to represent the co-operative movement, and they will be appointed by the movement itself.

The strong recommendation I would like to make here is that, indeed, it should be the other way round. Let the Chairman of the Council of the College be appointed by the Minister. Let the vice-chairman and even the principal be appointed by the Government, but as far as the Council itself is concerned, let us involve the co-operative movement itself. Let it appoint, at least, five of the eight people so that we can bring commercial considerations into the constitution of the college. This should be repeated even in the case of appointment to important positions like the Kenya Co-operative Creameries (KCC). With those few remarks, I would like to very strongly support this Bill in the hope that the officers who will be trained in the re-constituted Co-operative College will be a new breed of co-operative officers, different from the ones that we have had. Let us, as Kenyans, realise the central role the co-operative movement plays in our economy. We are not a developed economy, therefore, we must get together these small scale holders, be they dairy farmers or coffee farmers. We must clean the mess in the co-operative societies, if we are going to use the co-operative movement in this country as a major vehicle, which we can, for economic recovery and economic growth.

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

The Minister for Information and Broadcasting (Mr. Makau): Thank you very much, Mr. Temporary Deputy Speaker, Sir. I would like to make a few comments on this Bill. First, this Bill which is meant to create or establish the Co-operative College of Kenya is very important, in that, it will bring a lot of changes in the co-operative movement. As you are aware, today the Co-operative College is under the Ministry of Co-operative Development and everything that is done there is done under that Ministry. So, the passing of this Bill will make the Co-operative College almost an autonomous college that will have its own Board and Council which will look into the matters of that college. What is very important is that the college, at present, like any other college which falls under a Ministry, is finding it difficult to run on the grants that come from the Government. So, one of the most important things, as far as the setting up of this college is concerned, is to enable the college to deal with its financial matters. This will enable the college to run, not only on Government grants but also on the fees that is paid by the students and also on donations and gifts that they might get from willing donors and charitable organisations. Most colleges that are run through funds that are given by the Ministry are having a lot of problems. For example, it is not possible for such colleges to attract qualified staff or to retain them because the salaries and benefits cannot be improved by the Ministry. That is why most staff of the Co-operative College leave after a short while because the available remuneration and benefit are not sufficient to make them stay.

Mr. Temporary Deputy Speaker, Sir, we cannot talk about the college in isolation from the co-operative movement. The co-operative movement in this country, as the earlier speaker said, is very crucial to the

socio-economic development of this country. The co-operative movement has helped Kenyans a lot, when it comes to the mobilization of funds. There is no Kenyan in this country who is not touched, in one way or another by the co-operative movement. The farmers of this country have, in the initial stages, benefitted a lot from the co-operative movement. Later, I will talk of the problems that the co-operative movement has caused to many farmers in this country. When it comes to those who are working, most of them belong to various co-operative societies. Many people in this country, particularly those who work in towns, have benefitted from loans which they get from their co-operative societies. Many people who live in the urban areas have been assisted by the loans they have borrowed from their co-operative societies. This includes even Members of Parliament who belong to the Parliamentary Co-operative Society. They, too, have benefitted from borrowing and whatever they have borrowed, they have put to good use. That is why I am saying that the co-operative movement is extremely very important.

However, those of us who come from areas where the co-operative movement has played a major role in the socio-economic development have found that the difficulties that the people, especially the farmers, are having are due to the fact that the co-operative movement has been misused.

Mr. Temporary Deputy Speaker, Sir, I have been talking to the Minister for Co-operating Development and I have been asking him to look into the problems that afflict the co-operative movement. In Machakos, and what is now called Makueni district, there was a giant co-operative movement called Machakos district co-operative union. This union encompassed many farmers. It included cotton and coffee farmers and many other farmers. Any type of cash crop farming was included the Machakos District co-operative union. While blaming those who were managing this co-operative union one thing that happened which was very strange was that, when there was Machakos Integrated Development Programme like the one in Kitui, those who sponsored it got themselves entangled in situations involving corruption. This giant co-operative union in which farmers had a lot of hope in became a Union that was involved in making every farmer in Machakos and Makueni lose all what he had invested either as a coffee or cotton farmer. A lot of corruption and swindling took place. The co-operative movement got grounded because all the money that had been invested had been stolen by those that had been put in position to manage it. What they did and which we have always asked the Minister for Co-operative Development and his Permanent Secretary to look into, was that the Co-operative Union in Machakos created a banking section with branches all over Machakos and Makueni. We came to realise that after all the money was stolen from the offices from these banking sections in all the branches. All the money was stolen by the Chairman, Treasurer and the officers that were running the Union. The coffee farmers, especially from Mbooni and other places like Kangundo who were getting their payments through those banking sections of the Union were one day told that those banking sections were closed down because there was no money. This is an event that the Minister is aware of which has caused untold sufferings to the farmers of those areas. I am also told that the same thing happens in Kiambu and other places. As leaders of the area, when we followed up the matter because, we thought that it was the co-operative bank that had done this, we were told that the Co-operative Bank had nothing to do with the banking sections of the Union. Up to date money from schools, farmers and from any person who had put his money in those banking sections of the Union has been recovered. They were told that there is no way that, that money can be recovered. This is a big problem and I would like to appeal to my colleague to look into the issue because there is no point of saying that the money cannot be recovered when we know the people who stole it and even know the amount of money that they stole. We have already put that to the Minister for Co-operative Development. The Permanent Secretary too is aware of the matter. People in those areas do not understand how such people can steal their money and get away with it. They even know where the money these people stole is invested and yet they are told that, that money cannot be recovered. I am saying that because the farmers in those areas have found themselves in situations where, for example, they cannot afford to pay school fees and even buy inputs for their farms. Those coffee farmers in Mbooni have found it difficult to get inputs like for example, buying fertilizer and any other input they would like to use in their farming. So, I would like again to appeal to the Minister and the entire Ministry of Co-operative Development, to look into that matter. The banking sections did encourage many schools to bank their money in these branches. Some schools that had conducted Harambee to construct classrooms had actually banked their money in those banking sections only to be told that they could not get their money back. People cannot understand how the offices of these banking sections are still operational yet their money got lost.

Another problem that we hope will be tackled by the people who will be attending training in this college is that of producing competent co-operative officers. It is important to have competent co-operative officers, especially those attached to various co-operative unions in the country. The co-operative officers seem to be playing a role that is not theirs. There is a lot of collusion between the co-operative officers and the elected officers, especially when it comes to investment or purchase of various items like for example, vehicles. The

Machakos Co-operative Union purchased vehicles that lasted for a very short time. We are told that a co-operative officer is one of the key signatories to any monies that are to be withdrawn from the accounts of co-operative societies and I am told that this is something that is practised all over the country. Sometimes these co-operative officers force those who have been elected to be involved in these corrupt practices. When we talk about this we should not cover anybody because when the farmer is affected the whole country is affected. When a person who has put his money there---

Dr. Lwali-Oyondi: On a point of order, Mr. Temporary Deputy Speaker, Sir. The Minister has just stated that sometimes the co-operative officers force those who have been elected by the Co-operative Movement to become corrupt. That is quite a serious statement. Can he substantiate that.

The Minister for Information and Broadcasting (Mr. Makau): Mr. Temporary Deputy Speaker, Sir, I am talking as a person who comes from an area where the Co-operative Movement is very strong and anybody who knows the operations of the Co-operative Movement and the role the co-operative officers play knows that those who are elected like for example, the Chairman, Secretary, Treasurer and others, have a role that is most crucial. If there are any corrupt practices going on within the union, the co-operative officer is involved. If there is any malpractice going on, the officers are involved. There is nothing that the Chairman, Secretary and Treasurer can do with the funds without the approval of the co-operative officers. This is a fact. If you go to Meru Co-operative Union, Machakos and any other place you will find that the collapse of those unions has come as a result of the collusion between the co-operative officers within that district and the elected leaders. This is a fact. There is no cover-up and there is no question of anybody saying that we cannot talk like that. That is a sickness that the Minister for Co-operative Development needs to address. When you look at any co-operative union that has collapsed or any place where the Commissioner of Co-operative has dissolved the operations of a union, at the end of it you will find that it is that person who is supposed to advise the co-operative movement that is involved in corruption. I said that the role of the Co-operative officer has to be redefined by the Minister for Co-operative Development because those officers have become laughing stocks. In some areas like Machakos, leaders and farmers have seen glaring malpractices that have resulted in the collapse of the co-operative unions. He should also explain the role of the banking sections have caused untold suffering to the people in those areas.

I am saying this with a clean heart as an advice to my colleague, because I have talked to him. This is nothing new. I have talked and written to him, that we would like to see action because farmers cannot continue suffering. This is the only income that a coffee farmer in Mbooni or a cotton farmer in Kalawa, Makueni gets and puts into their co-operatives.

The other area as far as the co-operatives are concerned that needs to be looked into is that the difficulties that farmers are facing, as a result of liberalisation. For instance, the prices of inputs like fertilizers, pesticides and other inputs that the farmers need to improve the yields are exorbitant. They cannot be afforded by farmers. So, I would like to appeal to the co-operative societies in this country to be importing those inputs. We hear that the co-operative movement in Murang'a is more successful than in any other place in this country, because it has been involved in the importation of inputs, and when they import inputs, they become cheaper when they are being sold to the farmers. So, I would like to appeal to the co-operative societies to emulate those that are importing these inputs to enable farmers to buy them at cheaper prices.

I would also like to take this opportunity to compliment the Co-operative Bank for the role that it has played in financing the activities of the co-operative movement in this country. One of the things that is very commendable when you look at the operations of the Co-operative Bank is that despite the fact that it is a bank that is competing with other banks with a lot of qualified and experienced people in the banking industry, they have come up with very innovative marketing strategies. Having seen the competition that it is facing from the other banks like the Standard, Barclays and the others, they have not lagged behind and they have come up with various financial instruments that have made them to be in line with any marketing strategies that other banks have introduced. I have in mind the introduction of credit cards that they are advertising, and this is an innovation that is very, very commendable. I would like to appeal to the Co-operative Bank to continue putting more money or having more loans given to farmers so that farmers who are finding it difficult to get any finances from the normal commercial banks, they are supposed to lend at least 15 per cent of their deposits, but they are not doing so can get it here. I would like to appeal to the Co-operative Bank to continue helping the farmers because they look at the Co-operative Bank as their bank.

Another area that needs to be looked into is that of the operations of various parastatals that have relations with the co-operative movement. Here, I am talking about the Kenya Co-operative Creameries (KCC). I would like to appeal to those institutions to make sure that they serve the farmer. In areas where farmers deliver their milk to KCC, they should know that the farmers are suffering. These are the areas where we have farmers who derive their livelihood from the sale of milk. This is an area that need to be looked into so that KCC

performs in such a way that the dairy farmer is not left to suffer.

I would like to conclude by saying that if this Bill that we are discussing, will be able to achieve the functions that are set out, especially in offering training facilities or offering co-operative education, it will go along way in making the co-operative movement a success.

Mr. Temporary Deputy Speaker, Sir, I would like to appeal to the Minister to encourage extension officers who fall under the Ministry responsible for agriculture to advise the farmers on proper farming methods. Extension officers should work hand in hand with co-operative extension officers to offer advice to the farmers on the best way of running those small co-operative societies that are found all over the country.

Another area that needs to be looked into, although it is put as a function, is that the Co-operative College should be involved in offering consultancy. This will be a very important function, and we hope that through offering this consultancy, the Co-operative College which will be established when we pass this Bill will benefit financially. The consultancy will be the source of financing the Co-operative College. After we have passed this Bill, the Co-operative College will get powers to enter into agreement with societies, especially in Scandinavian countries because they have a lot of experience in the co-operative movement and also seek financial assistance to enable them to carry out their services efficiently.

With those few remarks, I beg to support.

Mr. Mwiraria: Mr. Temporary Deputy Speaker, Sir, thank you for giving me this opportunity to support this Bill.

Let me first and foremost, say that while I agree with the functions of the college as listed in Section 5 of the Bill, I would like to suggest seriously that the college should first and foremost, start off by training the staff of the Commissioner of Co-operatives and the staff of the Department of Co-operatives.

Let me join my colleagues who have spoken before me, in stating that the co-operative movement in Kenya plays such a critical role in the development of small scale-farmers that we cannot afford to let this movement grind to a halt, as it appears to be doing at the moment.

Mr. Temporary Deputy Speaker, Sir, the last speaker talked about the giant Co-operative Union in Machakos, which is no more. It is regrettable that I am going to talk about the giant Co-operative Union of Meru, which is also about to be no more. It is very sad story.

Mr. Temporary Deputy Speaker, Sir, I am glad the Minister is here and for that reason, I am going to take the liberty to talk about the goings on of the Meru Central Farmers Union at the moment. Let me start off by saying that, in early 1993, things started going wrong with the Meru Central Farmers Union. A lot of anonymous letters started circulating and the District Development Committee (DDC) of Meru, asked the management of the Union what was going on. At that stage the District Development Committee (DDC), after listening to the answers from the Meru Central Farmers Union Management, decided to ask the Commissioner of co-operatives to appoint a probe committee to look into the Meru Central Farmers Union and see whether all was well as we had been told by the management of the union or to identify what was wrong.

Mr. Temporary Deputy Speaker, Sir, the Commissioner for Co-operatives in his wisdom, appointed through Gazette Notice No. 3076 of 11th May, 1994, two Co-operative officers to probe into the Meru Central Farmers Union issue. These officers did an excellent job. They wrote a report and in February, this year, the Commissioner of Co-operatives sent his Provincial Director of Co-operatives to Meru to read the report to the leaders of the Meru Central Farmers Union. The report was read to the leaders in English but unfortunately the *Wazee* who can only speak Kimeru and Kiswahili did not follow what was happening. The few who followed at least understood the recommendations of the report and among those recommendations was the fact that the allegations which had been made earlier against the management of the Union were correct and that the management of the Union had therefore wrongly spent about Kshs100,000 advertising in the daily newspapers that they were right and the other people were wrong. So, the recommendation was to charge the management for that money.

The second recommendation was that the Chairman and the Deputy Chairman of the Union should be removed immediately and should not be allowed to stand for election. The Commissioner of Co-operatives went ahead to try and implement this decision, but on the day of election, the Chairman of the Union went to court to seek an injunction against the Commissioner of Co-operatives. After the lawyer for the Chairman of the Union and that of the Commissioner had exchanged words, maybe over a cup of tea or a glass of beer, because it was not done in an open court, agreement was reached that the Commissioner of Co-operatives, who in his report had found the Co-operative Union management rotten to the core, was all over a sudden satisfied that this management of the Meru Central Farmers Union was now wonderful. So, he stopped the election of the management committee of the Meru Central Farmers Union.

An hon. Member: Alikula kitu kidogo!

Mr. Mwiraria: Mr. Temporary Deputy Speaker, Sir, I hear an hon. Member, observe that alikula kitu kidogo. It is my conviction that hakikuwa kidogo! Let me say what makes this case so sad. In 1953, the same Union embarked upon the renovations of the Meru Central Farmers Co-operative Union building in Meru. Tenders were invited in the normal manner and people responded to them. In the Union's Minute No.MC56/92, it is recorded that this meeting was held on the 9th September, 1992. It is recorded that Messrs Draft and Developing Engineering Limited, who ultimately won the tender did not indicate either the amount or the duration of the renovation in their tender, yet they won the tender.

The tender which they won was for Kshs5.6 million. Later on as the Minister himself indicated to this House, they were given materials worth Kshs700,000 and hon. Members were surprised to find that you can have a tender with two modes of payment, where you buy the materials for the contractor and where you pay him in cash. So, to cut a long story short, the tender was varied and the contractors have already received Kshs7.6 million. They were taken to court so as to hand over the key but they refused because they were claiming Kshs19.6 million as still owing for the work they had done. If you go to the site, the building is leaking profusely. You do not see any renovation for the Kshs7.6 million. So, the Union has not really been doing well as anybody would want us to believe and yet a Union which cannot carry out renovation for Kshs5.6 million has been authorised by the Minister sitting opposite me to embark on a construction of a new skyscraper in Nairobi, valued at Kshs1 billion. I am not opposed to development. I would be the first person to want a new Imenti House, which is perhaps 30 to 40 floors high, which is profitable to the farmers. The only suggestion that I want to put to the Minister is that, we need to safeguard the poor farmers in Meru. We do not want a construction which will impoverish them for the next 20 or 30 years; repaying a loan for a building which is not going to benefit anybody. It is for this reason that I had asked the Minister, first and foremost to give the value of the old Imenti Building. Secondly, to attribute that value to the primary societies which originally made the down payment before they took a loan for the building in 1975. Thirdly, I wanted the Minister to assure me that he was going to protect the interests of the farmers because once that building is pulled down, it will be difficult for anybody to tell what the individual societies owned in it. Am I asking for too much? I do not want to block development, but I want to make sure that it is done in an orderly fashion, so that those who have invested in the co-operative movement are protected and a good case is that of the Meru Central Farmers Union.

Mr. Temporary Deputy Speaker, Sir, from the facts I have, Imenti House was bought for the sum Kshs9.25 million at the end of 1975. That building was bought from a down-payment of Kshs2.25 million. Then the Co-operative Bank lent the Union the balance of sum Kshs7 million which has since been repaid in full.

Now, talking to one of the managers of the Union and he told me that the building belongs to a Union and coffee societies have got no interest at all in it. Quite honestly, I do not understand that language and I would appeal to the Minister for Co-operative Development to find out exactly who owns that building and in what form of shares, so that as we embark upon building a new property, the current owners reap the full benefits of their investment. We do not want the investment of the farmers to be lost as has happened many a time just because we knock down one building and put up another!

Mr. Temporary Deputy Speaker, Sir, maybe today we should be discussing an amendment to the Co-operative Act itself and not the establishment of this new college. The reason why I say this is that the present Co-operative Act seems to give the Commissioner of Co-operatives so much powers that he does not have to respect his Minister's or PS's word at all. I am saying this from experience which Mr. Munyi will remember. About two months ago, I had an occasion to take aggrieved co-operators, in fact, leaders of nine co-operative societies in Meru, to see the manager to put up their case and ask for redress. What had happened in that case was that the Commissioner had supervised the throwing out of these people because of two things: First and foremost, you remember I said that the report was read to the leaders of co-operative societies in English and the nine happened to be the ones who could understand English. We took copier notes to those who understood what was being recommended. The Minister will bear me witness when I say that. Now, after understanding that there was going to be an election to replace the chairman and his deputy, those people formed a caucus to ask themselves who would be the new chairman, and they wrote a letter, to the Minister, through the Commissioner of Co-operatives asking that the recommendations of the Probe Committee Report be implemented. For that letter not only were they thrown out as delegates to the Meru Central Farmers' Union; they were also barred from standing for any elective office in the co-operative movement for the next three years. They appealed to the Minister, in the presence of his PS and the Commissioner of Co-operative and they agreed with them that these people should be reinstated and they should be allowed to seek election should they so desire. The Minister promised them, on a Thursday, that they would get a written reply through Co-operative Development Officer, Meru, by Monday of the following week. When they went, they got letter sacking them and confirming that they should not even stand for election for the next three years.

I served in the Government of Kenya for some years. I was a PS in the Ministries where there were officers holding powers under Acts of Parliament but I have never seen such abuse of power as we are witnessing from the Commissioner of Co-operatives, and I am sorry to say so. Quite honestly, I would urge the Minister to bring to this House an amendment to the Co-operative Act to clip the wings of the Commissioner of Co-operative.

He has become so powerful that he is no longer helpful to the co-operatives. He is, in fact, supervising and overseeing their destruction through managements of those societies, unions and even through his own officers out in the field.

I do not want to belabour the points but I have a lot of documents here to show what is actually happening in Meru Central Farmers' Union. I think time has come for the farmers of Meru to be protected. It is time for them to get proper guidance. We are not opposed to development and I said that earlier on. I would be the last person to oppose the co-operative movement because I know it is the very livelihood of the Meru people, I want it to be run in such a way that it benefits the *mwananchi*; that it benefits the ordinary farmers, but not for it to be run in such a way that it benefits few leaders. We cannot afford it! We have too many poor people growing coffee, keeping dairy cattle, growing cotton, participating in the flour mills and so on. They all need protection and they will not be protected if the Commissioner of Co-operatives makes it his duty to sack the enlightened leaders and to bar them from elective offices for three years without good cause.

Turning now to the Bill under discussion, I would like to say that I support the sanctions, but the question I want to raise is whether it would not be completely in order to mention specifically that the College should be giving training, not only to the officials of the Ministry of Co-operative Department, but more importantly, to the co-operators; the poor farmers who need training so that they can understand their rights in order that they know, for instance, that it is improper for them to be represented by delegates at Annual General Meetings (AGMs). We want ordinary farmers to attend and say what they feel about the movement. When a primary society elects two people, for example, in Meru, it shows clearly that it is very easy for a corrupt management to buy two people. It is not possible to buy all the farmers in a co-operative movement. I would like to appeal that representation through delegates should be stopped forthwith and AGM be held by members who are able and willing to attend so that they can air their views.

Mr. Temporary Deputy Speaker, Sir, I fully support the proposals of the Council for the College, but I would like the Vice-Chairman also to be appointed by the Minister and when we say the Minister, we mean the Minister, not the Office of the President as has become the practice of late. We have heaped too many powers in the Office on the President. That practice should stop. Where the Act mentions the Minister, the Minister should exercise those powers.

I would like Item "H" to be widened a bit so that instead of appointing only three other persons, representing the co-operative movement we have six. We want representatives of the co-operative movement to be as many, if not more than the *ex-officio* members listed in Paragraphs "c", "d", "e", "f" and "g".

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

*[The Temporary Deputy Speaker,
(Dr. Ombaka) took the Chair]*

Mr. Temporary Deputy Speaker, Sir, let me now conclude my remarks by expressing the hope that the Minister and his staff will address themselves to the very serious management problems facing the co-operative movement in the whole country. Today, we hear of co-operatives being managed by Commissions; we hear of co-operatives wanting to meet, but are dispersed so that they do not meet and we hear of co-operators being bull-dozed by a few managers to undertake projects which will benefit the managers and not the co-operative societies and the co-operators. We want the Minister to address these issues and address them urgently. Unless he does so, I am afraid the co-operative movement in Kenya is in danger of total collapse.

With those few remarks, I beg to support.

The Assistant Minister for Tourism and Wildlife (Mr. Kisiero): Thank you very much, Mr. Temporary Deputy Speaker, Sir, for giving me a chance to support this Bill. Everything possible on earth should be done to ensure that the co-operative movement does not die. The co-operative movement has assisted our people to develop right from Independence and it is the only vehicle that can push them forward in the years to come. From what we have seen and heard from our colleagues here, there is some truth in the fact that some of the management staff of various co-operative societies and unions have acted in such a manner that they have actually killed or are bound to kill the co-operative movement.

Mr. Temporary Deputy Speaker, Sir, one hopes that through the training of staff at the proposed Kenya Co-operative College, we shall be able to get staff who may be more dedicated in ensuring that the movement does not die and I think it will be necessary that some measure of morality is present in the hearts of those who are given the duties of running the co-operative societies. At the moment, we get cases where there is a lot of nepotism and brothers and sisters are appointed to work in various positions and when they mess up, nothing is done by the co-operative societies concerned or the union and the Ministry. We hope that the proposed Co-operative College will instill in the hearts of the trainees a spirit of being fair to the poor men, the farmers who made the savings through the SACCO *et cetera*.

The White Settler realised right at the beginning of this Century that it was necessary to unite, to put ideas together and to put resources together, so that they could succeed in their, farming and businesses. That is why we see from our records that as far as back in 1903, the settlers had established what they called Planters and Farmers Association, which was charged with the duty of marketing potatoes and which was very successful. In 1907, they followed this up when they established the Uplands Bacon Factory and in 1908 they established Unga Limited as some kind of an association. In 1912, they established the Creameries Co-operative, which was based at what was then known as Lumbwa, which is now known as Kipkelion. But it is surprising that as far back as 1912 they were able to think of uniting. This was because they had discovered that through unity they were able to market their produce. By 1916 the Big Breeders Association had been formed by a group of settlers so that they could market their products.

Mr. Temporary Deputy Speaker, Sir, what I am trying to say is that it is imperative that the small, medium and large scale farmers should be able to unite so that they may be able to get good prices for their products instead of acting separately. This is why we have to do everything possible on earth to ensure that the co-operative movement does not "die". We know that what used to be called the Kenya Farmers' Association (KFA) was changed to Kenya Grain Growers Co-operative Union (KGGCU) some time back. But when one looks back into the history of that organisation he finds that a lot had been done. From this we should see that it was necessary to strengthen an organisation like the KFA. In 1915 the whites were able to get together under what they called Maize Growers' Association which in 1919 was turned into the British East Africa Farmers' Association. The prime purpose was to unite as farmers growing maize so that they could market it properly.

However, I am very happy at the moment to have heard my friend, Mr. Mark Too declare that the KGGCU will revert back to KFA. Those of us who are farmers, or who know farmers, know that farmers are very conservative. They are not easy to change in their beliefs and acts to new ideas. They take time to change. Probably, that is why they were not able to accommodate the idea of KGGCU. They did not understand it and probably thought that it was something else. Now that the KGGCU is reverting back to the old name of KFA I believe that many, or all farmers, should be able to support that organisation. This is because they need the KFA for various reasons, especially in these times of liberalisation and Structural Adjustment Programmes (SAPS), which have disorganised the farmers. These programmes have made the life of a farmer very difficult. For a farmer to get goods in the right place at the right time, it is not easy. But if they could reorganise themselves again in a solid manner under the KFA and support their various branches to get strong they should be able to fight these problems that are afflicting them at the moment.

We know that a properly organised KFA, as it was in those olden days, was able to act as a second window in giving advances to the farmer in addition to what the Agricultural Finance Corporation (AFC) was giving. We hope that if the organisation is properly organised farmers will be able to get some advances from it when the AFC is unable to give out the same. We know that in the current season the AFC was not able to give the farmers some advances. So, farmers have had to fight on their own. They have had to use their own resources to grow wheat, maize and so on. But if it was in the olden days when the KFA was able to assist farmers they would not have suffered the way they have done. In those old days farmers were able to get goods at cheaper prices because of the fact that the KFA was importing them in large quantities. Consequently, it was able to charge reasonable prices because it was selling goods in large quantities. During those old days, the KFA had a shipping department which was able to assist the farmer in getting goods exported. As a matter of fact, in 1922 European farmers were able to export over 390,000 bags of maize and they were able to get a lot of profit.

This is why I am really thanking Mr. Mark Too and his Board of Directors for deciding that they will go back to the old KFA, so that the glory and life of the farmer may be salvaged. As I said, it can only be salvaged through a co-operative movement which is properly organised and which is free of influences of any description. I know that it would not be possible for anybody else to succeed if nothing is done about re-organisation of staff in the KGGCU. Something should be done because at the moment one can see that there is a problem in various branches of this organisation. I think the staff morale has gone down. Probably, some of them are not acting in

the best interests of the farmer. So, it will be very necessary that Mr. Mark Too and his group are given a free hand to re-organise staff so that they can make a new KFA a reality.

As I have said we are in the age---

The Temporary Deputy Speaker (Dr. Ombaka): Mr. Kisiero, I have been reluctant to interrupt you, but this is a Bill on the Kenya Co-operative College. You have been going on for over 10 minutes but you have not addressed any issue in the Bill!

The Assistant Minister for Tourism and Wildlife (Mr. Kisiero): Thank you, Mr. Temporary Deputy Speaker, Sir. I do agree with you that this Bill is about the Kenya Co-operative College. But this College will be training staff for societies like the KFA, the KPCU, the KCC and many others. I am sure that even the Co-operative Bank of Kenya will benefit from its training. This is why I decided to highlight on one of those co-operative societies that will really need assistance from the proposed independent Kenya Co-operative College. So, we hope that the farmer will be given a free hand to decide on the future of those societies, including the KFA. This is because training staff alone is not enough. The farmer should also be given an opportunity in this age and time of transparency. He should be given an opportunity to make his decision as to how he wants to proceed into the future.

With those few remarks, I beg to support the Bill.

Dr. Lwali-Oyondi: Thank you very much, Mr. Temporary Deputy Speaker, Sir. I rise to support this Kenya Co-operative College Bill, 1995. Its aims are noble and the training of expert staff to man co-operative societies and the co-operative movement in general is quite a noble idea.

But where are they going to fit in? The infrastructure of the co-operative movement, as it has been stated by both sides of the House including a Cabinet Minister, is completely rotten. Once the framework of a given structure or edifice is rotten, it does not matter what sort of painting you put on it, what sort of wallpaper you put on it. However beautiful it might be, the whole thing will collapse. By this I mean, the Government has been interfering with the co-operative movement to its demise. Too much government interference as we have said here before, is the cause of bad performance in anything, including economics. Those who man the Government are only taught how to administer and nothing else. There is a saying that "if you do not play the game, do not make the rules". The co-operators co-operate because they have got something at stake. The co-operative officer, due to negligence on the higher levels of management, is there only to earn his living and, if possible, as it has been stated by the Minister here, get something small from there. The co-operator himself gets nothing. It is high time that the infrastructure of the co-operative movement was completely overhauled to allow one word the farmer and any other co-operative society, even the workers' co-operative societies to do what is necessary for their progress. This is the reason why the Government, with our support, is going for liberalisation to allow those who are interested in trade and in commerce to do their things without interference of the bureaucrats who, in most cases, are just mechanically doing their job to earn money. That is why, if this college is meant to train people so that we can improve upon the infrastructure of the co-operative movement, I support this particular Bill. At the moment, the mwananchi is really in trouble. The co-operative officers are overseeing corruption. They are supposed to be there to oversee the running of farmers' co-operative societies. The Government should audit their accounts, and, if possible, get hold those officials who misappropriate funds and take them to court to be judged according to the law. Unfortunately, it is the co-operative officers, who of course, take part in the signing of cheques who get involved in the theft of money and as such make the co-operative movement collapse.

We have a new co-operative movement, the so-called savings co-operative societies. These gather a lot of money and are for the non-agricultural sector; the worker. So far, many have done well. They have put up impressive buildings in Nairobi, but I would suggest that after investing in such big buildings, they should embark on putting up residential buildings for their own members because Nairobi residents and residents in most of the other towns have been reduced to slum dwellers. Most of the workers now live in slums; even some very respectable workers like clerks in various companies and Government are now living in slums because rents in towns are too high. I would ask the Minister to encourage the savings co-operatives to put up houses so that workers can benefit from those houses by either letting them or selling them straight at a good price to the co-operators.

Nairobi and many other towns are already running short of land and I would suggest that instead of putting up these small buildings that are scattered all over in form of bungalows or small maisonettes, we build apartments whereby we can have two to four storey flats with good accommodation; two or three bedroomed flats which can be sold to the co-operators or to the wananchi and they can be given title deeds for them. Parliament has already passed a Bill to that effect; that one can get a title deed of an apartment in a storey building. I think that would be more of a help because the idea of a co-operative movement is to try to help those who cannot raise money to help themselves.

When we go back to the farmer, who is one of the most important cogs in the economic set up of this country, he has to be helped by the Minister. Farmers have been trying to put the right people in their co-operative societies, but unfortunately, they have been let down by the hierarchy of the co-operative management, beginning from the Commissioner of Co-operatives, I would not hesitate to blame my colleague the Minister because farmers are really making noise out there that they tried to sack one of the chairmen in KCC but unfortunately, the Minister re-instated him. That was not good enough. The farmers know what they are doing. Once they have said they do not like so and so, even if it is my wife or brother, I think, we have to bend to that. We have a saying: "Let the people decide". They had decided to sack the chairman of the KCC. The Minister has to explain why, he alone, had to overrule the farmers. KCC at the moment is in trouble because the new management there, the chairman and his deputies are, at the same time, using their own lorries to supply and distribute milk products. The farmers are not amused by this because they are charged a lot of money for that work. It is high time we said that if I am on the board of a given body, even a school, I should not supply anything to that school. This is only common decency. But in this case, those who are on the board of the KCC have become the transporters to the amusement of the farmers.

Now, one of the oldest co-operative society in Kenya, is the Kenya Farmers' Association (KFA). At first, this was a wonderful organisation, a super shop, from which every one of us, at least, has bought something. Then politics came in; everything that is spoiling the economy of this country. Politics went into KFA and for some unknown reason, they came out with what they call KGGCU. This body was supposed to improve the KFA.

But what happened is that it has produced worst results than KFA. Then they have come back to KFA. Well, I am not so sure whether, if today I change my name from Lwali-Oyondi to Abdi Mohamed my character will change because I have adopted an Islamic name. I do not think that would change my character. Therefore, changing of names from KFA to KGGCU and then back to KFA, does not help things. It is not your name that makes you what you are, but your inner soul and brain. Therefore, it is not the name that is wrong, but it is interference. Once politicians had grabbed enough money from KFA - and they have got a very big debt there - they changed it to KGGCU so that, that debt would be written off.

Now, I personally brought a Question here and there was a lot of money owed to KGGCU. Now, they have asked: "How do we write it off?" They have decided to change it to KFA so that the money owed can be written off. So, the secret behind these changes is due to the fact that people, particularly very influential ones, have taken a lot of

goods from this organisation and they are trying to avoid paying for them.

The Assistant Minister for Land Reclamation, Regional and Water Development (Mr. Ligale): On a point of order, Mr Temporary Deputy Speaker, Sir. I have been listening very carefully since my hon. friend began to speak. I have not heard him utter a word on the Bill that we are discussing. I am wondering what we are discussing. I have been waiting for a long time.

The Temporary Deputy Speaker (Dr. Ombaka): You are quite in order. Hon. Dr. Lwali-Oyondi, you have been on the Floor for quite awhile and you are still to address a single issue on the Bill before the House.

Dr. Lwali-Oyondi: Mr Temporary Deputy Speaker, Sir, the Bill is here and, we agreed that it deals with the establishment of the Co-operative College to teach co-operators.

Mr. Moiben: On a point of order, Mr Temporary Deputy Speaker, Sir. Is it in order for the hon. Members to say that the KGGCU has changed its name to KFA, because they have an intention of writing off some debts? Can he substantiate that?

The Temporary Deputy Speaker (Dr. Ombaka): That is not a point of order.

Mr. Moiben: What is it then?

(Laughter)

Mr. Shikuku: On a point of order, Mr Temporary Deputy Speaker, Sir. I have a problem with my voice. I thought I heard you loud and clear saying "that was not a point of order" Did you hear the interjection?

The Temporary Deputy Speaker (Dr. Ombaka): I did not.

Mr. Shikuku: He said, "what is it." Is that in order?

The Temporary Deputy Speaker (Dr. Ombaka): That is totally out of order! Hon. Dr. Lwali-Oyondi proceed.

(Laughter)

Dr. Lwali-Oyondi: Thank you, Mr Temporary Deputy Speaker, Sir. So, this Bill is supposed to be enacted, so that a Co-operative College is instituted to teach our co-operators, and our co-operators are aimed at running these co-operative societies. That is why here in Parliament, we are talking about the immediate problems of the farmers, the immediate problems of the Kenyans. There will be no other opportunity if we cannot highlight these problems in this august House while debating this Bill. We agree that we should set up a college, but we are trying to look at our infrastructure and problems, so that those officers, who will come from this College, will get into a better place and be given an opportunity to improve upon the co-operative movement. But we should travel from the "known" to the "unknown," and the "known business" is what we have heard. While setting up this College, which will train these officers, where will they work? Will they work with people who have been appointed by politicians to man this College? Politicians cannot man a co-operative movement. Therefore, I am totally opposed to the appointment of hon. Dr. Lwali-Oyondi to KFA. I am also totally opposed to the appointment of the Minister for Co-operative Development, to be the Chairman of KFA, and also I am opposed to the appointment of politicians like my friend Chebelyon or Mark Too, to the various chairmanships of the co-operative movement. Why is this so? This is because a politician tends to look for political capital. Personally, I have been the Chairman of the Parents Teachers Association in Moi Secondary School; Nakuru High School and Menengai High School. I have resigned from that position because I do not want to make use of those schools. I have managed them fairly well except for Nakuru High School, where there was political interference.

I have resigned so that I can pave way for non politicians to man them. It is only right that politicians should get out of co-operative societies and leave them to professionals. The civil servants appointed to guide these societies should not be the work of one man. We should change the Co-operative Act such that the Commissioner of Co-operatives is appointed by a body that will scrutinize him so that he does not have to report only to one person to whom he owes his allegiance and therefore work like an army officer who is commanded to do something and he does it. At the moment, I am afraid to say that the co-operative officers, led by the Commissioner of Co-operatives have done very badly and they ought to be ashamed of themselves because what they are leading is a den of corrupt officers. The farmers have really suffered because of the corruption existing in the co-operative movement. The officers should have done better than that.

Mr. Temporary Deputy Speaker, Sir, when we come to Clause 7, it says, "The governing body of the College shall be a council of the College which shall consist of the Chairman shall be appointed by the Minister."

From what we have seen before, the Minister appointed the KCC chairman whom the farmers rejected. Why can such a person not be appointed by the farmers? It goes on to say: "The vice-chairman who shall be appointed by the council from amongst its members" and then we have the Permanent Secretary. The PS is manning the Ministry of Co-operative Development. Why has he not dealt with the corruption in that Ministry? There he is again appointed to man the College; what will he do? We have the PS of Co-operative Development and Finance; the Chairman of the Kenya National Federation of Co-operatives and the Secretary of the Commission of Higher Education. I do not need to repeat what others have said but we have to emphasize the fact that; if we have a co-operative movement which in essence is the wananchi's movement, we ought to let them put enough of their people there and suggest what they would like. The Government should give the technical advice and manage the school but more of the cooperators should be on the Board so that they guide the College on the areas that they would like to be covered during the training of co-operators.

I do not want to consume too much time because some other people want to speak on this. I would like to end my contribution by saying that, whatever we have said here, should be taken seriously. The Government should try to improve on it. If the Government is an overseer and it fails to do its work then it has no business being there. If I were the watchman on this door and I fail to see somebody breaking into the house, then it is only prudent that I resign from my work. It is sad that while we have a Government and we support it, we have ended up having everything in a mess.

Co-operatives are in a mess, people are stealing everything ranging from houses, motor-cars, parastatals and so on. You are asking for something new? These are the things the Government should be preventing or else, what is the job of the Government? These are the questions everybody is asking, not only from the Opposition. My friends from the other side are asking, is the Government dead?

With those few remarks, I beg to support.

The Assistant Minister for Land Reclamation, Regional and Water Development (Mr. Ligale): Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me the opportunity to contribute to this very important Bill, which has been long overdue.

Mr. Temporary Deputy Speaker, one cannot over-emphasize the importance of the co-operative movement in the economy of this country, whether one talks of the primary co-operatives that have assisted our farmers to market their produce, or the purely marketing co-operatives, or the more recently established SACCO societies

which are helping the workers to save their meagre resources to be able to borrow and to invest in significant ventures to better their own lives. It is a well known fact that many people who could not have hope to get anywhere in bettering their lives have been able to do so, through the co-operative movement. It has been variously argued that, in effect, put together, the co-operative movement may well contribute close to 45 per cent of our GDP in this country. And that is a very significant contribution that the movement has made. It has been able to make this significant movement because of the sacrifice of the farmers, by and large, but also because of the sacrifice of those SACCO members who have joined the savings and credit co-operative societies.

Mr. Temporary Deputy Speaker, Sir, we do have a co-operative college already in place, but it is, in fact, a department of the Ministry of Co-operative Development. The reason for bringing about this Bill is, first to ensure independence and autonomy away from the normal budgetary process where the co-operative college is a department and which then tends to be hemmed in and be curtailed in terms of its importance because of being tied to the parent Ministry. It is also a recognition of the fact that, we are now moving away from the past where the co-operative movement has not played a significant role. The Government has administered and been able to run the movement. But for a long time we have been wanting to show that the co-operators themselves are able to manage their own affairs. After all, running a co-operative society is business. It is an important business and those business people themselves should be allowed the opportunity to manage their own affairs.

In many other countries, you do not even have a Ministry of Co-operative Development. If you go to Scandinavian countries, from whence we have derived most of our co-operative laws and most of the assistance we have rendered to our co-operative movement, they do not have any Ministry of Co-operative Development. They normally have a registrar who registers the co-operative societies and ensure that they have a proper legal framework within which to operate. Beyond that the co-operators themselves manage their own affairs. They are able to audit their own books just like any business has their business audited internally and then examined by an external auditor, because this is a business and they ought to know what is good for them. But in our own case, of course, because we were infants, it was necessary that a Government department be there to assist in development and particularly, in the training of managers as well as the management committees of the various societies. But we are coming of age and, therefore, the movement is becoming much more significant in the management of its own affairs. I think it is important, therefore, that the training of managers of this movement be restructured. It will, in fact, become necessary that some of those managers who were trained earlier, be retrained so as to look at the management of the co-operative affairs differently, from the way they have done it in the past. Rather than depend on the officials from the Ministry, they should understand that it is their own business to manage these affairs for the benefit of the members. Mr. Temporary Deputy Speaker, Sir, I, therefore, do support very wholly and very strongly the establishment of an independent and an autonomous co-operative college which shall be managed by a council, and a council which shall derive most of its membership from the movement. And to a certain extent, I agree with one or two members who spoke earlier that maybe, in addition to those officials, whether from the Ministry of Co-operative Development or Finance, or Commission for Higher Education, perhaps we should also increase the number of members from the movement because this college is essentially meant now to benefit the members of the movement, as opposed to the earlier times. In fact, initially, when the co-operative college was established, it was mainly training the co-operative officers and the auditors. Now, it has to re-orient itself to training more of the movement managers, but more significantly, the management committees. I say so because, in spite of the clamour for management of the affairs of the co-operative movement, and in spite of the need for the farmers and, the members of various societies to understand and appreciate the importance of their own activities, we still have too many members being elected who are not well tuned to their responsibilities, either for lack of basic education or basic understanding of the co-operative law and the management principles. Therefore, it becomes necessary that we spend much more time on training the management committees and the members of the co-operative movement generally through, maybe short courses, conferences and such organisations.

Mr. Temporary Deputy Speaker, Sir, it is also important that by having this autonomous college not tied to the Government budgetary process, we attempt to tap other sources of funding so that this institution can be able to get adequate funds to run the courses properly. I know that for example, if you go to the Scandinavian countries where the movement is very strong, they would be quite happy to give assistance to the College by way of grants and endowments. But because so far those funds have to be channelled through a Government Ministry here, they are not keen to do so because in their own case they do not go through a Government Ministry or a Government budgetary process. So, this Bill is important and in giving autonomy to the Co-operative College, we shall have opened opportunities for those donors that are likely to want to assist an autonomous college as opposed to assisting a Government department. I think that will be very significant.

Mr. Temporary Deputy Speaker, Sir, in terms of the functions of the Co-operative College, we want them

to do train people to the highest level or degree level if it becomes necessary. But, we have mentioned here they will be carrying out functions including research and consultancy. All too often, we tend to give lip service to these other functions. You might easily find that we confine ourselves to only training. I want to emphasize here that these other functions are equally important if not more important than the actual training. In terms of research, I would like them to be able to address the basic co-operative movement as such and to get away from the European concept of the movement. They should try and attune it to our requirements; to the African concept of the co-operative; of working together and pooling resources. They must be able to research and come up with modalities of enhancing and bringing together our resources so that we can benefit many more people than we do at present.

Mr. Temporary Deputy Speaker, Sir, in terms of consultancy, all too often, we have had a lot of donors coming to assist the movement and very often they flood our own country here with consultants from the Scandinavian countries. Even where you are dealing with the basic concept, or fairly simple matter which we should be able to understand ourselves; you find that they will bring in donor funds but mostly that tends to be siphoned back, through consultancy. I am suggesting that we have now a chance here for the Co-operative College to set up a consultancy. Not only a consultant but to ensure that, that money if it comes, remains in this country. It is an opportunity to ensure that the College, in fact, gets a basic source of funding for itself so that we can get away from this business of depending on the Exchequer to our institutions. I believe this is an important Bill. We need to support it.

Mr. Temporary Deputy Speaker, Sir, in conclusion, I want to say this; it is so easy to shout and say the movement is corrupt, the Government is corrupt and everybody is corrupt, and for that case, we cannot do things properly. The corruption is embedded in our society. It is not embedded in this Government. If there is corruption, it is in the basic society of this country. We should be fighting it from that end and this end.

Mr. Temporary Deputy Speaker, Sir, I support the Bill.

ADJOURNMENT

The Temporary Deputy Speaker (Dr. Ombaka): Hon. Members, it is now time for the interruption of business and the House is, therefore, adjourned until tomorrow Wednesday, 15th November, at 9.00 a.m.

The House rose at 6.30 p.m.