

# NATIONAL ASSEMBLY

## OFFICIAL REPORT

Thursday, 24th October, 2002

The House met at 2.30 p.m.

*[Mr. Speaker in the Chair]*

### PRAYERS

### PAPER LAID

**The Assistant Minister for Finance and Planning** (Mr. Arap-Kirui): On a point of order, Mr. Speaker, Sir, I would like to seek your guidance because I have a Paper and a Motion.

**Mr. Speaker:** Which Paper?

**The Assistant Minister for Finance and Planning** (Mr. Arap-Kirui): Mr. Speaker, Sir, it is Sessional Paper No.4 of 2002 on Non-Performing Government Donor Credit with the Co-operative Bank of Kenya.

**Mr. Speaker:** Ordinarily, you lay the Paper on the Table and then give the notice of the motion!

**The Assistant Minister for Finance and Planning** (Mr. Arap-Kirui): Thank you very much, Mr. Speaker, Sir.  
Sessional Paper No.4 of 2002 on Non-Performing Government Donor Credit with the Co-operative Bank of Kenya.

*(By the Assistant Minister for Finance  
and Planning (Mr. Arap-Kirui) on behalf  
of the Minister for Finance)*

### NOTICE OF MOTION

ADOPTION OF SESSIONAL PAPER NO.4 OF 2002 ON  
NON-PERFORMING GOVERNMENT DONOR  
CREDIT WITH CO-OPERATIVE BANK

**The Assistant Minister for Finance and Planning** (Mr. Arap-Kirui): Mr. Speaker, Sir, I beg to give notice of the following Motion:-

THAT, this House adopts Sessional Paper No.4 of the year 2002 on non-performing Government donor credit with the Co-operative Bank of Kenya, laid before this House this afternoon.

### ORAL ANSWERS TO QUESTIONS

*Question No.401*

HARDSHIP ALLOWANCE FOR  
MASINGA CIVIL SERVANTS

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

(a) whether he is aware that Yatta and Masinga Constituencies have been declared hardship areas and teachers are being paid hardship allowance while Government officers are not paid the same; and,

(b) whether he could correct the anomaly.

**Mr. Speaker:** Is anybody here from the Office of the President? Is the Question not yours, Dr. Anangwe?

**The Assistant Minister, Office of the President** (Dr. Anangwe): Mr. Speaker, Sir, this Question belongs to another Minister of State and we are still awaiting his arrival.

**Mr. Speaker:** We will leave this Question until the end. Let us move on to the next Question by Mr.

Kitonga.

*Question No.452*

NUMBER OF POLICE VEHICLES IN MUTITO

**Mr. Speaker:** Is Mr. Kitonga not here? His Question is dropped.

*(Question dropped)*

Let us move on to the next Question by Mr. Wamunyinyi.

*Question No.509*

GOVERNMENT POSITION ON  
EMPLOYMENT OF EXPATRIATES

**Mr. Speaker:** Mr. Wamunyinyi also not here? His Question is dropped.

*(Question dropped)*

Let us move on to the next Question by Mr. Omamba.

*Question No.466*

TERMINAL DUES FOR MR. OWITI

**Mr. Omamba** asked the Minister for Transport and Communications:-

- (a) whether he is aware that Mr. Silvester Oyuko Owiti, who retired from Kenya Railways Corporation in 1996, (Pension No.88638) and was a member of the Reli Co-operative Union (Membership No.17448), has not been paid his dues to date; and,
- (b) when Mr. Owiti will be paid his share contribution and other final dues.

**The Assistant Minister for Transport and Communications** (Mr. Lengees): Mr. Speaker, Sir, I beg to reply.

(a) Mr. Silvester Oyuko Owiti, who worked with the Kenya Railways Corporation retired in 1996, and was paid all his terminal dues by 14th January, 1997. However, Reli SACCO is yet to refund Mr. Owiti his share contribution amounting to Kshs34,000.

(b) Due to cash-flow problems, the management of Kenya Railways and Reli SACCO have prepared a schedule for payment of the retired staff, who have applied for a refund. According to the schedule, Mr. owiti is due to be refunded his share contribution in June, 2003. Preferential treatment cannot be accorded to Mr. Owiti in the refund process without causing upheaval amongst those who have not been paid.

**Mr. Omamba:** Mr. Speaker, Sir, it is very sad because since 1996, it is a long duration. Mr. Owiti has a family and children in school. Why should we punish him while waiting for others to be paid? The proposed date of June, 2003 is far away! Why could the Assistant Minister not consider giving that man his money?

**Mr. Lengees:** Mr. Speaker, Sir, I sympathise with the hon. Member, but there are so many people who have requested refunds from the SACCO, and Mr. Owiti is among them. They will be given back their money in June. As you know very well, the Kenya Railways has no money at the moment. It is going through a serious financial problem! We cannot single out Mr. Owiti and he will be paid in June, next year.

**Mr. Angwenyi:** Mr. Speaker, Sir, the Kenya Railways employee retired in 1996 - that is six years ago! The amount he is seeking is only Kshs34,000. Could the Assistant Minister undertake to give the employee Kshs34,000 only, or the Kenya Railways is actually bankrupt?

**Mr. Lengees:** Mr. Speaker, Sir, I cannot undertake that and single out Mr. Owiti. I have said that there are more than 200 people to be paid in June, 2003. If we pay Mr. Owiti his Kshs34,000, everybody else will come and ask for their money!

**Mr. Achola:** Mr. Speaker, Sir, could the Assistant Minister explain to the House how the cashflow problem

of the Kenya Railways Corporation is affecting the pensioner? He is just asking for his shares which had been deducted from his salary. Could he tell us why he is not able to get it?

**Mr. Speaker:** Mr. Lengees, where did the money contributed by the shareholders go?

**Mr. Lengees:** Mr. Speaker, Sir, you are all aware that in the past few years, the staff of the Kenya Railways have not been getting their salaries in time. So, the deductions were not submitted to the co-operative society. Maybe, this is what delayed payment to this pensioner.

**Mr. Achola:** On a point of order, Mr. Speaker, Sir. Is the Assistant Minister saying, therefore, that the Kenya Railways is bankrupt?

**Mr. Lengees:** Mr. Speaker, Sir, I have not said that the Kenya Railways is bankrupt, but like any other parastatal, it has been experiencing financial constraints.

**Mr. Omamba:** Mr. Speaker, Sir, considering that it has taken too long to pay the pensioner, will he be paid his dues with interest?

**Mr. Lengees:** He will not be paid his dues with interest, Mr. Speaker, Sir.

**Mr. Speaker:** Very well! Next Question, Mr. Onyango!

**Mr. Wambua:** On a point of order, Mr. Speaker, Sir. If the Ministers who come late are allowed to answer Questions, would the Chair allow hon. Questioners on this side who come late to ask their Questions instead of dropping them in the first round?

**Mr. Speaker:** What about hon. Questioners on this side?

**Mr. Wambua:** I do not mind about that side.

**Mr. Speaker:** Order! Order! I want every hon. Member to know the sitting time of the House. It is from 2.30 p.m. So, I am not likely to change. First of all, your Question is there. What is bothering you?

**Mr. Wambua:** I am bothered because I am sure my colleagues are losing their Questions during the first round.

**Mr. Speaker:** Well, it is not my fault. They must come!

**Mr. Wambua:** And what about the Ministers who come late?

**Mr. Speaker:** Order! Order, Mr. Wambua! Are you asking me to drop your Question as well for no fault of your own?

Next Question, Mr. Onyango!

#### *Question No.529*

#### BENEFITS FROM GOGO POWER STATION

**Mr. Onyango** asked the Minister for Energy:-

(a) if he is aware that the people living around Gogo Power Station are not benefiting from the station by being supplied with electricity; and,

(b) what action he has taken to ensure that the people get benefits.

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

(a) No, I am not aware.

(b) Although the Kenya Electricity Generating Company (KenGen) is not supplying electricity to the people living around Gogo Power Station, the Company through its corporate responsibility programme upgraded 12 kilometres of Gogo-Macalder Road in 1999 at a cost of Kshs1,323,850. A foot bridge for use by the local community has also been constructed across the Gucha River. The company has also employed a teacher for Gogo Nursery School, which caters for both KenGen staff and the local community. The Gogo Primary School also gets assistance to improve its facilities.

With regard to electricity supply, the Government has no policy that requires power utility companies to supply power to communities living within the vicinity of power generation stations. The procedure for accessing power supply is for the community, or individuals to apply to the Kenya Power and Lighting Company (KPLC) for commercial power connection. The KPLC would then do a quotation for the job. The community, or individuals can also apply for assistance under the Rural Electrification Programme (REP). This request should be channelled through the DDC, which will do the requisite recommendation and priority ranking. The application will then be considered alongside other eligible applicants. The people living around Gogo Power Station in Migori District are, therefore, advised to use either of the options indicated above to enable them benefit from the station.

*[Mr. Speaker left the Chair]*

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

**Mr. Onyango:** Mr. Temporary Deputy Speaker, Sir, we have got KenGen in Gogo Falls and also in the Kerio Valley Development Authority (KVDA). In the KVDA, as a social responsibility, the company is involved in building schools around that area, and also doing irrigation to help improve the living standards of the people. Why do they not also do the same for the people living around Gogo Power Station?

**Mr. Sasura:** Mr. Temporary Deputy Speaker, Sir, they cannot do the same because these are two different places, which have different problems, resources and needs.

**Mr. Mwakiringo:** Mr. Temporary Deputy Speaker, Sir, I have an interest in this Question, because when we went to Australia to see how they manage their power generation, we discovered that all areas within the power generating stations had been supplied with electricity. This is one way of letting people feel that they own these institutions. In Kenya, this is on the contrary. Why are they not supplied with electricity? What long-term plans does the Government have to supply electricity to people living around the generating stations? Why do they have electricity within their offices there and yet the surrounding villages where electricity comes from do not have it?

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

*[Mr. Speaker resumed the Chair]*

**Mr. Sasura:** Mr. Speaker, Sir, I said very clearly that as at now, it is not the Government policy that power generating companies supply electricity to the residents of these areas. But, nonetheless, these companies have been assisting the residents in other ways. It is not that they must be supplied with electricity. I have just mentioned the case of Gogo Power Station where they have assisted a primary school, upgraded roads and even employed a teacher. In any case, policies are formulated in this House, and as a matter of policy, if this House passes such laws, then we will consider looking at what the hon. Member has asked for in future.

**Mr. Kamolleh:** Asante, Bw. Spika. Ni lazima tuyatafakari mambo ambayo Waziri Msaidizi huyu ametuambia. Kampuni hiyo ya umeme inapitisha umeme huo kwenye mashamba ya watu baada ya kukubaliana nao. Wanawapelekea watu wengine umeme huo kwenye miji huko wakiwanyima wenye mashamba. Je, mwongozo huo wa Serikali unaweza kubadilishwa namna gani kwa sababu ikiwa hivyo, basi, wananchi wale hawatakubali umeme huo upitishwe kwenye mashamba yao? Serikali inaweza kugeuza mwongozo huo ili iweze kuwapatia wananchi umeme pale unapopitia?

**Mr. Sasura:** Mr. Speaker, Sir, in cases where you find electricity wires passing over people's land, farmers are normally compensated. They do not give out the land for free.

**Mr. Onyango:** Mr. Speaker, Sir, I asked the Assistant Minister a very specific question and he is avoiding to answer it. We have got KenGen in Gogo and also in the Kerio Valley Development Authority. Why do they build schools and provide irrigation to the people around the area of KVDA? Why are they not doing the same for the people of Gogo? If it is a matter of policy, which policy states that it should be done in the Kerio Valley and not in the Gogo area?

**Mr. Sasura:** Mr. Speaker, Sir, this Question is very specific and I answered it very specifically. For Gogo, the hon. Member wanted to know how people are benefiting and I stated how they have benefitted by way of upgrading of roads, assistance to the school and even employment of staff to the school. The Minister has no problem with the company irrigating the Gogo area. Also, the Ministry has no problem with KenGen irrigating the Kerio Valley area, but these are two different areas. If he had requested that they help his people in irrigation, maybe, that would have been done, but he asked for assistance in schools. They were even given iron sheets the other day.

**Mr. Omamba:** Mr. Speaker, Sir, Gogo is right inside Uriri Constituency. Could the Assistant Minister give the name of the road constructed in this constituency by this company?

**Mr. Sasura:** Mr. Speaker, Sir, I do not know which constituency Gogo falls under, but the road is in this place, and it is called "Macalder Road".

**Mr. Wambua:** On a point of order, Mr. Temporary Deputy Speaker, Sir. Is it in order for the Assistant Minister to deceive this House that---

**Mr. Speaker:** Order, Mr. Wambua! Hon. Members do not "deceive"!

**Mr. Wambua:** Mr. Speaker, Sir, is it in order for the Assistant Minister to mislead this House by saying that

whenever electric poles pass through people's farms they are compensated? All the four power generating stations, namely, Masinga, Gitaru, Kindaruma and Kiambere have their pylons passing through my constituency and my people have never been compensated. Is it in order for him to mislead this House? If that is true, would he tell us how many have been compensated in my constituency?

**Mr. Sasura:** Mr. Speaker, Sir, as a matter of policy, the farmers are supposed to be compensated.

**Mr. Achola:** Thank you, Mr. Speaker, Sir. I just want to draw the attention of this House to what happens in the game reserves in so far as electricity generation is concerned. Game reserves pay cess to the various county councils. Why would it not be reasonable to ask the power-generating stations to pay cess to the county councils where they get their electricity from?

**Mr. Sasura:** Mr. Speaker, Sir, I would like to request the hon. Member to repeat his question.

**Mr. Achola:** Mr. Speaker, Sir, the question is very simple. I have given him an example of the cess that is paid to some county councils by game reserves. Like in Trans Mara District, game reserves pay cess to the County Council of Trans Mara. In Gogo, why should the power-generating company not pay cess to Migori County Council so that it can provide services to the people who live in those areas?

**Mr. Sasura:** Mr. Speaker, Sir, county councils in this country earn revenue from the national parks and game reserves in form of contribution in lieu of rates at the end of the day. That is how they are paid the money. I believe that the power-generating stations situated in specific local authorities pay rates in terms of land rates. I am not sure of the cess he has talked about.

*Question No.477*

NON-PAYMENT OF DUES TO PYRETHRUM FARMERS

**Mr. Speaker:** Is Mr. Kihara not here? His Question is dropped!

*(Question dropped)*

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

**Mr. Angwenyi:** On a point of order, Mr. Speaker, Sir. Mr. Kihara's Question is very important. Could I ask it on his behalf?

**Mr. Speaker:** Order! Mr. Angwenyi, if that Question is that important the owner should have been here! It has already been dropped!

*Question No.565*

FLOUTING OF SUGAR ACT

**Dr. Kulundu** asked the Minister for Agriculture:-

(a) whether he is aware that Mumias Sugar Company is openly flouting the newly enacted Sugar Act; and,

(b) what urgent action he is taking to have the company comply with the said Act.

**The Assistant Minister for Agriculture and Rural Development** (Mr. J.D. Lotodo): Mr. Speaker, Sir, I beg to reply.

(a) I am not aware.

(b) The sugar companies have had difficulty in implementing the Act because of apparent conflicts within the Act which must be addressed, for example,

(i) In the amended Act, Section 6, in the roles of millers and outgrowers institutions, it is the role of the millers to harvest, weigh at the farm gate, transport and mill the sugar-cane supplied from the growers' fields, while in Section 13 of the same Schedule, it is the role of the outgrowers institutions to deliver to the millers from the growers sugar-cane in such quantities and on the dates agreed upon between the millers and the outgrowers institutions.

(ii) The change of cane payment system from a weight-based to quality-based system requires the installation of sampling equipment, special laboratories for testing and training personnel to undertake the sucrose testing. It will also entail the establishment of a functional arbitration tribunal to deal with conflicts arising from the system. The investment involved is colossal making it impossible for the sugar companies to comply with the Act immediately.

(iii) A zone has been defined as an area within a radius of up to 40 kilometres of a factory. This definition is

not *in tandem* with the realities on the ground in that some factories have zones in excess of 40 kilometres, a situation which is likely to give rise to litigation.

Given the enumerated contradictions, it is not easy to actualize the new Sugar Act.

**Dr. Kulundu:** Mr. Speaker, Sir, that is a very lengthy answer which says nothing. The Chair will recall that when we passed the Sugar Act, this Ministry did not point out the contradictions that the Assistant Minister is now carefully pointing out to the comfort of the millers. You will realise that part "b" of the Question seeks some remedial action which would make the sugar companies comply with the Act by way of, maybe, amendments from the Ministry. Is the Assistant Minister saying now that the Sugar Act is null and void because of these contradictions?

**Mr. J.D. Lotodo:** Mr. Speaker, Sir, I am not saying that the Act is null and void, but it contains some conditions. For example, where we said that we would weigh the sugar-cane at the farm gate, it was contradictory to the previous Act which states that you weigh it at the company's compound. That is one of the issues which has brought a lot of controversy between the millers and the farmers. In the stakeholders meeting which was held on 10th January, 2002, in Kisumu, it was resolved that on appointment of Kenya Sugar Board Directors as per the Sugar Act, the Board will constitute a technical working group which comprises of all the key stakeholders to advise it on the operational modalities of the Act. Therefore, the Board will make its recommendations to the Minister for Agriculture on the need to amend the Act, and we will act accordingly.

**Mr. Osundwa:** Thank you, Mr. Speaker, Sir. In July, this year, the Government authorised importation of cheap sugar to the tune of 200,000 metric tonnes. Mumias Sugar Factory produces 200,000 metric tonnes a year, while seven other sugar factories produce 300,000 metric tonnes. This adds up to 500,000 metric tonnes, while the national demand is 400,000 metric tonnes. Could the Assistant Minister explain why the Government intends to licence importers to import 200,000 metric tonnes of sugar when there is no short-fall in this country?

**Mr. J.D. Lotodo:** Mr. Speaker, Sir, the Government was anticipating shortage of sugar in the country. The treaty which was signed in the COMESA region states that 200,000 metric tonnes of sugar could be imported into the country in case of any shortage.

**Mr. Ndwiga:** Mr. Speaker, Sir, I have a problem. The business of this House is to make laws, and this House did enact the Sugar Act. The Assistant Minister has said that Mumias Sugar Company cannot comply with the law because there was another law in place before the new Sugar Act was enacted here. Is the Chair satisfied that the Assistant Minister is not misleading the nation? The current law is the one which should be followed regardless of whether it contradicts another law or not. We insist that these sugar companies must follow the law as passed by this House.

**Mr. J.D. Lotodo:** Mr. Speaker, Sir, I have no quarrel with the law which was passed recently, but it became contradictory in its operation. We are saying that the millers are not in a position to weigh sugar-cane at the farmers' gates. The previous law stated that sugar-cane was to be weighed at the company's compound. That is what has brought the contradiction. Therefore, a meeting has been constituted to put those things in order. An amendment will be brought to the House later.

**Mr. Ndwiga:** On a point of order, Mr. Speaker, Sir. I have a problem. Is the Assistant Minister in order to continue misleading this House by saying that the previous law stated that sugar-cane should be weighed at the factory, while the current law states that sugar-cane should be weighed at the farm?

**Mr. Speaker:** Order! Order, hon. Members! Mr. Ndwiga, what I understand the Assistant Minister to be saying is that the law passed recently in this House has a contradictory clause within it. Is that not what I understand you to mean, Mr. J.D. Lotodo?

**Mr. J.D. Lotodo:** Mr. Speaker, Sir, that is what I have just said. For example, the current law states that the sugar-cane should be weighed at the farm gate as opposed to the previous Act, which states that you weigh the sugar-cane at the factory level. This is what has brought the contradiction between the farmers and the millers. Therefore, a consultative meeting has been put in place to iron out these differences.

**Mr. Speaker:** Order! Order, all of you! I think this is the second, third or fourth time we are bringing this matter of the contradiction or the inability to operationalise the Sugar Act. In my view, hon. Members must enforce the law. You must enforce the law in court, not here, because I have no power to enforce it here. We are taking a lot of time arguing about what should be done in court!

**An hon. Member:** We will then take the issue to court!

**Mr. Speaker:** Order! Order! If you went to court, you would get the order!

**Ms. Karua:** On a point of order, Mr. Speaker, Sir. I do not believe that we have to go to court because we must do what we are paid to do here. We can force the Government to enforce the law by denying them money when the Budget comes. Therefore, it is right that hon. Members insist that the Minister enforces the law. There is no such a thing in law as a contradiction between the law and the farmers. It is a mere refusal by the Government to enforce the

law. Is the Assistant Minister in order to mislead the House that the Act is in operation, instead of admitting that the Government, because of vested interests of certain individuals, is unwilling to operationalise the law since they still want to trade in sugar and kill the sugar industry in Kenya?

**Mr. J.D. Lotodo:** Mr. Speaker, Sir, I would like to deny the allegation made by the hon. Member that the Government is interested in stifling the farmers. We are there to assist the farmers and, in any case, I have said that there was a meeting held in Kisumu on 10<sup>th</sup> January, 2002, to try and harmonise these issues. After settling the differences between the farmers and the millers, the Ministry will be in a position to bring an amendment so that, that section can operationalise the Act for the benefit of the farmers and millers.

**Mr. Muite:** Mr. Speaker, Sir, I think you have heard the Assistant Minister say that they permitted the importation of 200,000 metric tonnes of sugar because the Government anticipated a shortfall in production. Could the Assistant Minister elaborate and give this House the basis on which they anticipated a shortfall? How much sugar did he expect Mumias Sugar Company and all the other companies in this country to produce?

**Mr. J.D. Lotodo:** Mr. Speaker, Sir, the anticipation came as a result of the last prolonged drought. Therefore, it was agreed upon since it was a bilateral or a multilateral agreement among the COMESA countries. Since we are members of the COMESA countries, instead of importing sugar from other countries like America, and so forth, it was agreed that we should have 200,000 metric tonnes as a ceiling for any shortage that might arise.

**Mr. Muite:** On a point of order, Mr. Speaker, Sir. Is it in order for the Assistant Minister to refuse to answer my question? Could he tell this House how much sugar he expected from various companies in this country to produce so as to arrive at a shortfall?

**Mr. J.D. Lotodo:** Mr. Speaker, Sir, I may not be in a position to bring the figure which the hon. Member is demanding right now. But in case that question was to arise--- We have been answering questions pertaining to sugar factories in this country over the last one year or so. I might not be able to quote the figures off head. But if need arises, I can bring the figure next week.

**Mr. Shitanda:** Mr. Speaker, Sir, the Assistant Minister has told us that we have a few sections which are in conflict with each other. Now that there is no conflict about the prices, could he tell us why these same sugar factories are reducing prices of sugar-cane? What is in conflict about the prices of sugar-cane?

**Mr. J.D. Lotodo:** Mr. Speaker, Sir, what I said is that the law is not in conflict, but it was the disagreement between the millers and the farmers over the position of weighing sugar-cane. Previously, it was done at the factory level and currently it is done at the farm gate. The Ministry has got no problem with that. The question which now arises is, how much do we pay per kilo in every zone? That will depend on the area of operation, of course, considering the cost of production.

**Dr. Kulundu:** Mr. Speaker, Sir, one area of concern to the sugar-cane farmer is the question of harvesting and transportation costs being transferred from the farmer to the miller. Even in the recent meeting held in Kisumu between various stakeholders in the sugar industry, this particular proviso was left intact as it is in the Sugar Act. Could the Assistant Minister give instructions to the sugar companies to go ahead and implement this particular proviso where harvesting and transportation costs are borne by the sugar-cane miller rather than the farmer?

**Mr. J.D. Lotodo:** Mr. Speaker, Sir, as I have said, what has been passed as an Act, the Ministry would like to reinforce it. However, there is some conflict which might arise, of course out of the sheer refusal by the millers to agree to act on what the Act says: That is why a consultative meeting was held on 10<sup>th</sup> January, 2002, so as to harmonise this matter and probably bring an amendment where need arises.

**Dr. Kulundu:** On a point of order, Mr. Speaker, Sir. Is the Assistant Minister insinuating that sugar-cane millers are superior to Parliament, and that what the millers say must carry the day, rather than what Parliamentarians have said? Is that what he is saying?

**Mr. J.D. Lotodo:** Mr. Speaker, Sir, when all the transactions are done, at times they conflict. It is sometimes very difficult to try and force people to accept things because this is business. Otherwise, as far as we are concerned, the Act is in force.

**Mr. Speaker:** Very well.

*(Several hon. Members stood up in their places)*

Order! Order, all of you!

**Mr. Achola:** On a point of order, Mr. Speaker, Sir. Thank you, Mr. Speaker, Sir---

**Mr. Speaker:** Mr. Achola, I have not given you the chance. Do not thank me for nothing!

*(Mr. Choge, escorted by Mr. Musila,*

*was applauded as they entered the Chamber and sat on the Opposition Bench)*

Order! What is it, Mr. Achola?

**Mr. Achola:** Mr. Speaker, Sir, I think there is one thing we are missing in this Sugar Act. It is only the clauses that were modified on the Floor of the House here; that is Clauses 2 and 28, which are being defied by the millers. It is after instigation---

**Mr. Speaker:** What is your point of order now?

**Mr. Achola:** Mr. Speaker, Sir, my point of order is that the Government is not telling us the whole truth because it is the one which is inciting the millers to refuse to implement certain sections of what we passed in this House. Could the Minister - not the Assistant Minister - tell us whether he is not the one instigating the millers?

**Mr. Speaker:** Order! Order, now! The Minister may wish to comment on that, but can I say the following: I do not think it is the role of Parliament to decide what the prices of goods and services are and legislate! That is not our job! We should not take more time on this matter.

Next Question, Mr. Kihoro!

**Mr. Kihoro:** Mr. Speaker, Sir, I thought you were going to allow us one minute for NAK to receive and welcome Mr. Choge---

**Mr. Speaker:** What are you saying? Are you pleading that I drop the Question?

**Mr. Kihoro:** No, Sir!

*(Laughter)*

*Question No.496*

#### TERMINAL BENEFITS FOR SEREMWAI ESTATE EMPLOYEES

**Mr. Kihoro** asked the Minister for Labour:-

(a) whether he is aware that the services of 12 employees of Seremwai Estate in Nyeri were terminated by the proprietors in June, 2001;

(b) whether he is further aware that the terminal benefits of the employees amounting to Kshs437,870.50 have not been paid in spite of numerous demands; and,

(c) when they will be paid their respective benefits.

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

(a) Yes, I am aware.

(b) I am aware that the terminal benefits of the 12 employees amount to Kshs270,095.50 and not Kshs437,870.50.

(c) Up to date, Kshs104,532.20 has already been paid to the said 12 employees. The balance of Kshs165,562.80 will be paid once the employer deposits the same with the Labour Department as per the understanding between the employer and my Ministry.

**Mr. Kihoro:** Mr. Speaker, Sir, the hon. Assistant Minister has reduced the amount of money that is due to these 12 employees by more than 50 per cent. I do not know what he proposes in terms of terminal benefits because he has reduced the actual benefits by 50 per cent. The amount given by him is not correct. The amount I gave is correct. But more important is that he is waiting for the culprit to forward this money to the Department of Labour. Why can he not enforce the law and make sure that the proprietors of Seremwai Estate pay the money to the 12 employees? They have been waiting for more than two years and we know Christmas is around the corner. Why can he not enforce the law and make sure that those employees are paid?

**Mr. Chanzu:** Mr. Speaker, Sir, this amount of money is what was agreed between the employer and the former employees of the farm. It was agreed that Kshs50,000 would be deposited with the Ministry of Labour every month. That is the understanding between the two parties and we are enforcing that. When they deposit the money with the Labour Department, then we pay the former employees. I do not think we can go against that now because it was already agreed and signed. In fact, two payments were made in the months of June and July. The first payment was Kshs51,621.60, while the second one on 10th July was Kshs52,910.60. If there is any problem in the subsequent months, then we will follow up the matter.

**Mr. Mwenje:** Mr. Speaker, Sir, the Ministry of Labour and Human Resource Development has totally failed



to serve Kenyans. There are so many cases of former employees who have gone to the Labour Department to seek assistance. They have been given letters to take to their employers so that they can be paid their dues, but the employers have refused to pay them. I know of about 50 cases. What will the Assistant Minister do to make sure that all these pending cases, particularly here in Nairobi, are honoured by the employers? The employers have ignored the instructions given by the Ministry. I think the Ministry has become toothless because it is unable to solve these cases.

**Mr. Chanzu:** Mr. Speaker, Sir, I would not say that the Ministry has become toothless. But what I would say is that sometimes there is a problem of follow up. Those who are sent to go and get certain information delay in doing so. I think that causes problems. If we get a case like this one, where I have got evidence that it was followed up and the former employer agreed to pay, we deal with it accordingly. But when people are sent to go to certain places and they do not come back to us on time, then there is a delay. I would like to assure the hon. Member that we will do our best to ensure that we streamline this.

**Mr. Kihoro:** Mr. Speaker, Sir, the Assistant Minister is avoiding a valid point about an agreement that was signed and agreed to by the two parties. Since June and July when the last payments were made, the Assistant Minister has done nothing, even though he was my classmate at the university and his arithmetic was usually bad. Could he inform this House when he will enforce the law and make sure the remaining balance is paid? That is what is important. He should not just keep a piece of paper and continue to tell us an agreement was signed between the two parties.

**Mr. Chanzu:** Mr. Speaker, Sir, there has been no complaint from these former employees. Because of paper work, I think this payment will take some time, but I am sure this agreement will be honoured. If there is any problem, let us know and then we can follow it up.

**Mr. Speaker:** Next Question, Ms. Karua.

*Question No.502*

FUNDING OF KIAUMBI WATER PROJECT

**Ms. Karua** asked the Minister for Water Development:-

- (a) whether he is aware that the funds voted in the 1997/98 budget for Kiaumbui Water Project have never reached the intended beneficiaries; and,
- (b) what he is doing to ensure that the funds reach the beneficiaries.

**Mr. Gatabaki:** On a point of order, Mr. Speaker, Sir. You are very conversant with the traditions and conventions of Parliament. Therefore, when an issue of such significance as the resignation of Mr. Choge from the Government and his defection to the Opposition occurs, could the Speaker not mention that kind of event? Could we not celebrate that kind of event?

**Mr. Speaker:** Order! Mr. Gatabaki, if we are not coming to the tail-end of the House, that point of order would have earned you a send off. It is the most frivolous point of order I have ever heard this century!

**Ms. Karua:** Mr. Speaker, Sir, I notice that the Minister for Water Development is not present. But I also want to remind you that this Question had come some three weeks ago. The Minister gave an answer which I did not find quite satisfactory. I promised that I would give him some documents. I want to report to you that yesterday, I gave the Minister the documents and I would like to lay them on this Table here. These documents clearly show that Kiaumbui Water Project was funded by the IFAD. The IFAD released the money through Grant No.BG007KE which was for Kiaumbui Water Project, the farmers group and community budget. The first AIE was issued by the Ministry of Water Development, No.D20 2204995 on 21st August, 1997 for Kshs1,375,000. The second and final AIE was issued---

**Mr. Speaker:** Ms. Karua, what is going on?

**Ms. Karua:** Mr. Speaker, Sir, I want to lay this document on the Table of this House. The second AIE, No.D20 2204990 of 25th May, 1998, was for Kshs4,215,000. I would like to table this document to show that Kshs5 million was released by the IFAD to the Ministry of Water Development. Therefore, when the Minister told this House that the project could not go on because the Government was short of funds, he was not being truthful because the Government had received the donor funds, but did not use it for the proper purpose. The Minister did confirm to me that this information is correct. He is, therefore, deliberately avoiding to come to the House. I have no problem with that. This Parliament is coming to an end and the new Government will implement Kiaumbui Water Project.

*(Ms. Karua laid the documents on the Table)*

**Mr. Mwenje:** On a point of order, Mr. Speaker, Sir. We all know there is what we call collective

responsibility in any Government. At one time, I served in this Government as an Assistant Minister. The money referred to by Ms. Karua was released by the Minister for Finance. This money is in the Budget. Could the Minister for Finance tell us whether this money actually went back to him? Where is this money because it was not used and it was sent back to the Ministry. Could the Minister for Finance confirm whether this money is in his Ministry or not?

**Mr. Speaker:** Order! Order! First of all, do you know what money the Minister was talking about? Is the money on the Table? You are referring to it as "this money" as if it was on the Table!

**Mr. Mwenje:** Mr. Speaker, Sir, with me here is a copy of the Authority to Incur Expenditure (AIE), and the funds have been provided for in the Budget.

**Mr. Speaker:** Those are documents, and not money!

**Mr. Mwenje:** Mr. Speaker, Sir, the relevant copies of the AIE and the Printed Estimates, as well as the Minister, are here.

**Mr. Speaker:** Mr. Minister, do you know anything about this matter?

**The Minister for Finance (Mr. Obure):** Mr. Speaker, Sir, this matter does not fall under my docket. Also, it is not on the Order Paper. So, I know nothing about it.

**Mr. Speaker:** Let us proceed to Mr. Gatabaki's Question.

**Mr. Mwenje:** On a point of order, Mr. Speaker, Sir. Since the Assistant Minister for Environment and Natural Resources responsible for this Question has decided not to come to the House when he is required, would I be in order to move that he be named?

**Mr. Speaker:** As the Speaker of this House, I am very generous. We are at the tail end of the House and, ordinarily, I would not want anybody to suffer, including Ms. Karua. That is why I allowed you to discuss this matter as much as you wanted, and let Ms. Karua to table the documents even without the presence of the Minister.

**Ms. Karua:** On a point of order, Mr. Speaker, Sir. We are now confusing issues. If a Minister fails to come to answer a Question, the blame cannot be put on the Questioner. Dereliction of duty ought to be punished by the Chair under Standing Order No.88(3). An hon. Member has requested the Chair that the Assistant Minister for Environment and Natural Resources responsible for this Question be named for failing to take this House seriously, and failing to appear when he should be answering the Question. It would be unfair for you to equate the chance you gave me to ventilate the matter with gross dereliction of duty by the Assistant Minister. Therefore, I invite you, under Standing Order No.88(3), to name the Assistant Minister, who is now strolling in as though time does not count.

*(Mr. Noor strolled into the Chamber and sat down on the Front Bench)*

**Mr. Speaker:** Mr. Noor, are you the Assistant Minister who is supposed to answer Ms. Karua's Question?

**The Assistant Minister for Environment and Natural Resources (Mr. Noor):** Yes, Sir.

**Mr. Speaker:** Where were you?

**The Assistant Minister for Environment and Natural Resources (Mr. Noor):** Mr. Speaker, Sir, I am very sorry; I was late because---

**Mr. Speaker:** You were doing what?

**The Assistant Minister for Environment and Natural Resources (Mr. Noor):** Mr. Speaker, Sir, I was caught up in a traffic jam.

*(Laughter)*

**Mr. Speaker:** Order! Order! Mr. Noor, you have come in an hour after the House was convened, and you seem to be taking the matter so casually. You are not even apologetic! You are looking at this whole issue as a joke!

**The Assistant Minister for Environment and Natural Resources (Mr. Noor):** Mr. Speaker, Sir, I am very sorry for coming late. I apologise to the House and the hon. Questioner. I am now ready with the answer.

**Mr. Ndicho:** On a point of order, Mr. Speaker, Sir. If I could be allowed to use the word "lie", I would. Unfortunately, I am not allowed to use it. The Assistant Minister has misled the House by saying that he was caught up in a traffic jam. He is one whole hour late. Could he tell the House the direction of the City he was coming from when the traffic jam caught up with him? Was he coming from Maji House, from where he could walk and arrive here within 15 minutes?

**Hon. Members:** He was travelling from Mandera!

**An hon. Member:** He should be named!

**Mr. Speaker:** Order! Order! Hon. Members, one thing which has never been challenged in this House is that

once an hon. Member has tendered an apology to the House it is accepted, and the matter ends there.

So, could you now answer the Question, Mr. Assistant Minister? By the way, do you know exactly what you should answer? While you were away, Ms. Karua produced some documents relating to the Question. So, could you respond to the matters raised by Ms. Karua while you were absent?

**The Assistant Minister for Environment and Natural Resources** (Mr. Noor): Mr. Speaker, Sir, I am supposed to answer Question No.502.

Mr. Speaker, Sir, I beg to reply.

(a) I am aware that the Government voted Kshs5,500,000 for Kiaumbi Water Supply in the 1997/98 financial year but the funds were frozen, and did not reach the beneficiaries.

(b) Because of the prevailing conditions of scarcity of resources in the country, the Ministry is unable to give commitments to fund Kiaumbi Water Supply at the moment. However, the Ministry will fund the project in the next financial year.

**Ms. Karua:** The Assistant Minister is taking this matter casually. Yesterday, I sat with him; I gave him copies of the documents I have just tabled, and he now repeats the same inadequate answer he gave last time. Could he respond, specifically, to the fact that this was an International Fund for Agricultural Development (IFAD) grant; that IFAD released the money to the Government, and that two AIEs totalling Kshs5 million were issued? Could he further tell the House the persons who shared out this money? The Government should not have claimed that it did not have money with which to implement the project when it had received funds from a donor for that particular project; not unless the Government was a party to the embezzlement of that money.

**Mr. Noor:** Mr. Speaker, Sir, I can assure the hon. Member that the money has not been embezzled. The issue at hand is that two AIEs were issued.

**Ms. Karua:** Who funded the project?

**Mr. Noor:** Mr. Speaker, Sir, it is true that the project was funded by IFAD. After the AIEs were issued and forwarded to the District Water Engineer, Kirinyaga, tenders were awarded. However, the suppliers declined to supply the goods before they were paid. According to Government regulations, one cannot be paid for goods he has not supplied. With regard to IFAD-funded projects, the Government spends its own money on any project and then asks for reimbursement from IFAD. In this case, the funds meant for the project were frozen; the financial year came to an end before the project was implemented.

**Ms. Karua:** On a point of order, Mr. Speaker, Sir. Last time, the Assistant Minister told the House that the project was not to be funded by IFAD. Now that I have given copies of the documents I have just tabled, he admits that the project was to be funded by IFAD. From the HANSARD, it is clear that last time the Assistant Minister misled the House. So, could he apologise for misleading the House last time by denying that the money with which the project was supposed to be implemented was an IFAD grant? Could he also confirm that IFAD actually disbursed the funds to the Government? The IFAD grant number is shown on the documents that I gave him, and copies of which I have tabled.

**Mr. Noor:** Mr. Speaker, Sir, obviously, IFAD does not reimburse the Government funds which have not been spent. The fact of matter is that no funds were spent on the project because at that particular time the Government did not have liquid money. So, IFAD could not reimburse the Government money which had not been spent.

*(Several hon. Members stood up in their places)*

**Mr. Speaker:** Hon. Members, we should come to the end of this matter. Therefore, Mr. Michuki's will be the last question on this issue.

**Mr. Michuki:** On a point of order, Mr. Speaker, Sir. Is it in order for the Assistant Minister to continue misleading this House? First of all, he walked into the Chamber as if it was a *manyatta*. Secondly, he has not produced any evidence to the effect that the funds were frozen, whereas Ms. Karua has produced several AIEs. Would I be in order to demand that by next week, the Assistant Minister produces a letter from IFAD, confirming that the amount was, indeed, frozen?

**Mr. Noor:** Mr. Speaker, Sir, I never said that IFAD froze the funds. Hon. Michuki was once a very competent Permanent Secretary. I have even the AIE numbers and the dates on which they were released. The first AIE No.55011/98 for Kshs1,367,000, was released during the January/June half; the second AIE was for Kshs4,125,000. I have all the documents to prove that the AIEs were, indeed, released, the quotation floated, but the contractors declined to supply the goods, demanding advance payment. So, they did not honour the Local Purchase Orders (LPOs). Finally, the financial year came to an end, marking the end of the programme.

**Ms. Karua:** On a point of order, Mr. Speaker, Sir. The Assistant Minister is still not intent on telling the

House the whole truth. He says that the first AIE was withdrawn because the contractors refused to supply the goods without advance payment. However, he is not explaining why the second AIE was released a year later if the suppliers had already refused to supply good. It is quite clear that the Assistant Minister thinks that this matter is a joke and, therefore, he is misleading the House. Is he in order to mislead the House although doing so is quite characteristic of the Ministers of this Government?

**Mr. Noor:** Mr. Speaker, Sir, it is a Government regulation that we release AIEs in bits. Before the Medium-Term Expenditure Framework (MTEF) procedures came into place, we used to release the first AIE for the months of July to December, and a second AIE for the months of January to June. That is exactly what we did. Therefore, the money meant for the project was not embezzled as the hon. Member insists; it was never released by the Government. So, I assure the House that the money was never used. Its allocation elapsed at the end of the financial year, before the project was implemented.

*Question No.414*

INCORPORATION OF CONCRETE ROADS  
IN GOVERNMENT ROADS MANUAL

**Mr. Gatabaki** asked the Minister for Roads and Public Works why he has not incorporated the use of concrete roads in the Government's road manual.

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

Concrete pavements have not been in use in Kenya and, therefore, no locally developed guidelines exist on their design and performance. At the moment, the pavement design manuals are being revised and concrete specifications and a trials section will be included as a chapter in the design manuals.

**Mr. Gatabaki:** Mr. Speaker, Sir, you are a witness to the fact that every day that we sit in this House, a Question about roads is asked. These Questions have to do with potholes and roads which are constructed and wear out very fast. There are better ways of constructing roads. We spend billions of shillings constructing roads using bitumen which does not last long. Why has the Government not used available resources to construct roads? We have got factories which produce concrete. How long will the Government take before it starts using concrete to construct roads and ensure that they last longer? I can see the Minister for Finance appreciating my concerns.

**Eng. Rotich:** Mr. Speaker, Sir, we have established a Steering Committee to look into this problem, and hopefully in the next one or two years, concrete will be part of our specification and the process of constructing roads.

Hopefully, we will use blocks. The problem with concrete is that it is rigid and has certain problems. It cracks and breaks. Concrete is not elastic or even plastic. But there are ways of dealing with this problem by using blocks. This will help. But we hope that when the Steering Committee finishes its work, we shall use concrete as part of our road building materials.

**Mr. Ndicho:** Mr. Speaker, Sir, those who have visited South Africa know that the road from Johannesburg to Pretoria is made of concrete. I had the advantage of travelling on that road one day and I asked the people there how long the road had been like that. They told me that the road had been in good condition for the previous 30 years. That road has no cracks because the people who constructed it did it properly.

The Government has refused to use concrete to construct roads in Kenya because concrete roads last about 40 years before they are worn out. It wants to use bitumen to construct roads so that they are worn out fast and are repaired often, and there is something to be "eaten" all the time. Could the Assistant Minister confirm or deny this? I put it to him that, that is the position.

**Eng. Rotich:** Mr. Speaker, Sir, as far as I am concerned, that is not the position. But it is true that concrete roads last much longer than bitumen roads.

**Mr. Ndicho:** On a point of order, Mr. Speaker, Sir. You did not hear what Eng. Rotich said because somebody was consulting with you. He said that it is true that concrete roads last longer than bitumen ones. Why can he not then construct concrete roads?

**Mr. Speaker:** Order, Mr. Ndicho! That is not a point of order.

**Mr. Mwenje:** Mr. Speaker, Sir, this is a very important Question. Indeed, we keep on having problems with our roads because there are no road manuals and specifications. Any contractor constructs roads in his own way. I want to draw the attention of the Assistant Minister to Jogoo Road, which was repaired the other day, and the bridge which was also constructed recently. The road is worn out and the bridge is already cracked. They cannot last another three years.

The Assistant Minister needs to tell us precisely when concrete will be used to construct roads in Kenya. It

appears as if we have no standards for road construction. Every contractor works in his own way. If we do not use concrete, we will continue to spend so much public funds and the roads will never be standardised and will never last long.

**Eng. Rotich:** Mr. Speaker, Sir, it is not true that we have no standards for our roads. We have standards for bitumen roads and bridges. At the moment, we do not have standards for concrete roads.

**Mr. Gatabaki:** Mr. Speaker, Sir, the House appreciates the contribution Mr. Ndicho has been making since he moved to the Government side. But it is tragic that Mr. Ndicho may have moved to that side to ensure that he destroys the KANU Government.

**Mr. Speaker:** Order, Mr. Gatabaki!

**Mr. Ndicho:** On a point of order, Mr. Speaker, Sir. Is it in order for Mr. Gatabaki to discuss my conduct without moving a substantive Motion on me? I have the liberty to sit anywhere in this House. It is only your seat that I cannot sit on.

**Mr. Speaker:** Order! Let us conduct the business at hand. Let us not bring in some other issues. Mr. Gatabaki, you have been doing very well this afternoon on this Question, and suddenly you are on a frolic of your own.

**Mr. Muite:** On a point of order, Mr. Speaker, Sir. Did you hear Mr. Ndicho saying that he can sit everywhere in this House except on your seat? Is he suggesting that he can also sit on the seat reserved for the Head of the State?

**Mr. Ndicho:** On a point of order, Mr. Speaker. You never know about God's plans. Probably I will be sitting on the chair reserved for the Head of State during the State Opening of the next Parliament. This is not a wonder. But I cannot sit on the Speaker's Chair because I am not the Speaker. But I can be the president.

**Mr. Speaker:** Order! Actually, you have the ability to sit on the chair reserved for the Head of State, but you may not have the capacity to do so.

**Mr. Gatabaki:** Mr. Speaker, Sir, we are telling the Government that there are better ways of constructing roads, which are easier, cheaper and long lasting. This would also create employment opportunities. That is what Mr. Franklin Roosevelt did in the USA under the New Deal plan.

Could the Government listen to what we are telling it? We are telling the Government that it can use concrete to construct roads, spend less money and construct long-lasting roads.

**Mr. Speaker:** Very well! Mr. Gatabaki, you have made your point.

**Eng. Rotich:** Mr. Speaker, Sir, we have recognised the fact stated by the hon. Member, and that is why we have established a steering committee to look into it. Hopefully, by the next financial year, we shall have a chapter on concrete roads included in the design manual.

**Mr. Speaker:** Next Question, Mr. Ndicho!

*Question No.540*

WATER SUPPLY FOR GATUANYAGA LOCATION

**Mr. Ndicho** asked the Minister for Local Government whether he could consider approving the connection of Thika Municipal Council water supply to the neighbouring Gatuanyaga Location.

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

The water supply licence granted to the Thika Municipal Council by the Minister for Water Development authorises the council to supply water within its established boundaries only. Under the circumstances, the council cannot extend the supply of water outside its area of jurisdiction without breaching the conditions set out in the licence, which would lead to the cancellation of the licence. However, my Ministry will liaise with the Ministry of Water Development to see whether the licence could be extended to cover the neighbouring areas. This will enable the council to include such areas in its expansion programme.

**Mr. Ndicho:** Mr. Speaker, Sir, I am surprised by this answer because when we went to the Ministry to seek approval for this water in Thika Municipal Council to be connected to Gatuanyaga Location and Witeithya Village next to Mang'u High School, the Ministry said it is only the council which can sit down and make a resolution. Once the council has made the resolution to allow its water to be used in the neighbouring areas, there is no problem since the Ministry will approve it. Thika Municipal Council has sat down and made a resolution to allow its water to be connected to Gatuanyaga Location and Witeithya Village next to Mang'u High School. After that resolution they were only waiting for the Minister's approval. That is why I filed this Question. Now, when I see the Ministry renegeing on its earlier promise, it is amazing. Now that I have told the Assistant Minister that the council has agreed in its minutes and resolutions, to connect water to these areas, could he agree to approve these resolutions?

**Mr. Kiangoi:** Mr. Speaker Sir, indeed, I am talking about conditions of the licence and I have said that we

will liaise with the relevant Ministry so that if they can grant the council the licence to the extended areas like Gatuanyaga Location, then that will be done.

**Mr. Ndicho:** Mr. Speaker, Sir, the issue of the licence does not come in. All the people who live along the water pipeline that comes from Ndakaini Dam have connected water to their homes including my mother. In the first instance, there was no licence that was required for that water to be connected. Why is it that when my people in Gatuanyaga Location want this water, this Assistant Minister brings up the issue of the license? Whenever hon. Kiangoi answers this Ministry's Questions about Thika, they are all very controversial.

**Mr. Speaker:** Order! Why do you personalise issues?

**Mr. Ndicho:** Mr. Speaker, Sir, the Minister himself had said that if the council gave him proof of a resolution, he would approve. Now, when hon. Kiangoi comes to answer the Question he talks about the licence. Why did the Assistant Minister talk about the licence in the first instance and yet there are other people who have connected water to their homes? Now that the Minister has given an undertaking that if the council makes a resolution he will approve it, why did the Assistant Minister bring in the issue of the licence in the last minute?

**Mr. Kiangoi:** Mr. Speaker, Sir, in the first place, the hon. Member should not distinguish between myself and the Minister because all the work that I do here is for and on behalf of the Minister for Local Government. I am only telling this House that we have certain procedures which we have to follow and that would include getting the licence extended to cover those areas.

**Mr. Speaker:** Mr. Wambua's Question for the second time!

*Question No.401*

HARDSHIP ALLOWANCE FOR MASINGA CIVIL SERVANTS

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

(a) whether he is aware that Yatta and Masinga constituencies have been declared hardship areas and teachers are being paid hardship allowance while Government officers are not paid the same; and,

(b) whether he could correct the anomaly.

**The Assistant Minister, Office of the President** (Dr. Anangwe): Mr. Speaker, Sir, the relevant Minister of State responsible for this matter is not here with us. I will request that the Question be deferred and undertake to inform him accordingly.

**Mr. Wambua:** Mr. Speaker, Sir, there is one Minister of State, Office the President who is present. Hon. Sunkuli is the one who answered this Question last time, but he has walked out because he knows that I have the answer which he gave me the other time. Could the Chair order hon. Haji to reply to this Question because it has been pending for many years?

**The Assistant Minister, Office of the President** (Dr. Anangwe): Mr. Speaker, Sir, the relevant Minister in charge is hon. J. Nyagah.

**Hon. Members:** But hon. Haji is here!

**The Minister of State, Office of the President** (Mr. Haji): Mr. Speaker, Sir, I think this is the third time I have been asked to answer a Question which does not fall under my docket. I do not know whether hon. Members are in love with me.

*(Laughter)*

**Mr. Wambua:** Mr. Speaker, Sir, when we ask Questions, we ask the Office of the President as a whole and not any docket. Why is hon. Haji telling us about his docket?

*(Laughter)*

**Mr. Speaker:** Mr. Wambua, by the way that question was well put.

**Mr. Mwenje:** On a point of order, Mr. Speaker, Sir. This is very serious and you need to give a direction now when we reach this level particularly now that the House is just about to be dissolved. A Question has been pending for all this long and it is very unfair to the hon. Member asking it and his constituents. There are two Ministers of State, Office of the President present. Hon. Sunkuli just came in and went away just because he does not want to answer the Question. Hon. Haji who was recently elevated from an Assistant Minister to a Minister has also refused to answer this Question. This means that this Government is totally irresponsible to the people of Kenya. I think it is time you used

your authority to rule that the Minister answers this Question today before Parliament is dissolved tomorrow because the constituents are waiting to hear what this Government is doing about this issue.

**Mr. Speaker:** Order! I think the sentiments expressed in this House are genuine and correct that, indeed, Questions need to be answered by Ministers. It is very disappointing to have Questions come before the House and they are not answered by Ministers for being absent for any reason whatsoever. I think what Mr. Mwenje has said has been taken note of by this House and the public. I leave it at that and I hope it will be like that. Sorry, Mr. Wambua. I will defer it.

*(Question deferred)*

**Mr. Wambua:** On a point of order, Mr. Speaker, Sir. To which day have you deferred my Question? Secondly, please make sure that the House is not adjourned before this Question is answered.

**Hon. Members:** Dissolve it!

*(Laughter)*

**Mr. Speaker:** Well, I will defer your Question to Tuesday. One thing I will not do is that I will not ensure that the House is not adjourned because we must end our business today at 8.00 p.m. Unless you extend the time, I have no option but to adjourn the House until Tuesday.

**Hon. Members:** Dissolve the House!

**Mr. Speaker:** That is another issue!

Questions by Private Notice, Mr. Gitonga!

#### QUESTIONS BY PRIVATE NOTICE

**Mr. Gitonga:** Mr. Speaker, Sir, before I ask my Question by Private Notice, I am aware that the hon. Minister of State, Office of the President in charge of this particular docket came in and walked out immediately.

#### SHOOTING OF MR. NDIRANGU

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

(a) Is the Minister aware that Mr. Dominic Ndirangu of Nyanduma Location, ID.No.0561064, was shot and seriously wounded by a contingent of police officers from Kigumo Police Station on 4th September, 2002, at about 4.30 p.m?

(b) Could he confirm to the House the circumstances that led to the shooting?

(c) Why was Mr. Ndirangu denied P3 forms when he reported the matter at the Kiambu Police Station.

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

(a) I am not aware. What I am aware of is that, on 5th September, 2002, hon. Gitonga, accompanied by Mr. Dominic Ndirangu, reported to the OCPD Kiambu, the alleged shooting and wounding of the latter, and they were referred to Kibicho Police Station.

(b) Given that Mr. Ndirangu has not lodged a formal complaint with Kibicho Police Station, I have yet to establish, with certainty, whether he was shot by police, and the circumstances.

(c) He was not denied a P3 form, but was advised to report to the Kibicho Police Station within whose jurisdiction the shooting is alleged to have occurred, and be issued with the same. By doing so, he will also be able to make a formal complaint.

**Mr. Gitonga:** Mr. Speaker, Sir, this Assistant Minister is taking this issue very casually. This is a serious matter and the Assistant Minister should take the issue with the seriousness that it deserves. My question is: Who actually shot Mr. Ndirangu? Was it the police and was it necessary for them to use live bullets?

**Dr. Anangwe:** Mr. Speaker, Sir, I am taking the Question very seriously, and until and unless Mr. Ndirangu lodges a formal complaint to Kibicho Police Station and the matter is investigated, it would be very difficult to respond to the kind of issue he is raising.

**Mr. Muite:** Mr. Speaker, Sir, are you satisfied that the Assistant Minister is answering this Question satisfactorily? He says that until Mr. Ndirangu lodges a complaint, they are unable to investigate. Where a Kenyan has been shot, is it not the duty of the Government and the police to investigate whether or not a complaint has been

lodged? If he had been killed, would the police have waited for him to rise from the dead in order to go and lodge a complaint? Is it not the duty of the Government to investigate each and every crime, where it has occurred?

**Dr. Anangwe:** Mr. Speaker, Sir, fortunately, Mr. Ndirangu is still alive. Secondly, he was advised to go and report the matter at Kibicho Police Station. I am just curious to know why he is not willing to report the matter to that police station so that the matter could be investigated. If there is a police officer who might have shot the said Mr. Ndirangu unlawfully, then investigations will begin.

**Mr. Muchiri:** Mr. Speaker, Sir, a P3 form is normally issued free of charge in every police station. The Assistant Minister is saying that the complainant was told to go and report to another police station where the shooting allegedly occurred, so that he can get a P3 form. Besides that, shooting a person is causing him grievous bodily harm and the defendant, in a case of grievous bodily harm is the Republic and not the defendant. Why has the Government not investigated that matter or issued a P3 form? Does the Assistant Minister agree that the officer who advised Mr. Ndirangu to go and complain to another police station should be dismissed immediately for negligence of duty?

**Dr. Anangwe:** Mr. Speaker, Sir, as far as we know, it is alleged that Mr. Ndirangu may have been part of an unruly crowd that, on September 4th, 2002 stoned the police, and the police responded by dealing with the matter appropriately. In the process, police officers fired four times in the air and arrested Kamicha Wainaina, Regina Wairimu, Zipporah Mumbi Irare and Ngandu Githike and charged them with the offence of disobeying lawful order under Section 131 of the Penal Code. The matter is already in court and the hearing is set for 29th October, 2002. What I am not sure of is whether Dominic Ndirangu was part of this unruly mob and, therefore, is avoiding to go to Kibicho Police Station, lest he also be charged for the same offence.

**Mr. Sungu:** Mr. Deputy Speaker, Sir, the Assistant Minister is treating this matter very casually. The sanctity of human life is God-given, and it is a human right. The police have the habit of shooting those they think are criminals and yet, in the Kenyan laws, one is innocent until proven guilty. The police have the habit of shooting people with even as many as 16 bullets to ensure that the person is completely dead. In the past, whenever police used live bullets, a commission of inquiry was constituted, not by the same officers who committed the offence, but other senior officers from other areas. In this case, the Assistant Minister is asking Mr. Ndirangu to go back to the same police officers who shot him. How will he ever get assistance from the people who are guilty?

**Dr. Anangwe:** Mr. Speaker, Sir, the key issue is that Mr. Ndirangu wants a P3 form and, in order to get a P3 form, there is a procedure. Usually, one has to lodge a complaint; it is recorded in the OB, and if statements have to be taken, they will be taken and thereafter a P3 form will be issued.

**Mr. Gitonga:** Mr. Speaker, Sir, this Assistant Minister is still taking this matter very casually. When Mr. Ndirangu was shot by police from Kibicho Police Station, they just drove away and left the man writhing in pain. He was taken to the nearest dispensary by the local people and when they rang me, it took me one hour to get to that place, and found him in a dispensary where he was being given first aid. After that I took time and took the man to Kiambu District Hospital where he was treated with several stitches. By the time this process was completed, it was after midnight, and yet the Assistant Minister tells the House that he should have gone to report to the same policemen who had shot him at Kibicho Police Station. Is he in order to suggest that, and has he carried out any investigations?

**Dr. Anangwe:** Mr. Speaker, Sir, I am willing to commence the investigations and, if any police officer is liable, due disciplinary measures will be taken. However, there must be a beginning, and the beginning is, that he must report to Kibicho Police Station.

**Mr. Gitonga:** Mr. Speaker, Sir, could the Assistant Minister assure the House that full investigations will be carried out and this police officer will be arrested and charged in a court of law for using excessive power to arrest the people? He has said that those people were arrested because of disobeying a court order? Was it necessary for the police officer to use live bullets?

**Dr. Anangwe:** Mr. Speaker, Sir, if the said Mr. Ndirangu reports to Kibicho Police Station and the matter is investigated, the degree of liability will be established. If it is found out that, indeed, the police officer used force beyond what the law requires, then the necessary action will be taken.

#### OPENING OF MUKURWE-INI SUB-DISTRICT MORTUARY

**Mr. Mutahi:** Mr. Speaker, Sir, I beg to ask the Minister for Public Health the following Question by Private Notice:-

(a) Is the Minister aware that Mukurwe-ini Sub-district Hospital mortuary was completed and equipped in February, 2002 and has not been opened to date?

(b) Why has the mortuary not been opened?

(c) What urgent measures is he taking to have this mortuary opened without further delay?



**The Minister for Public Health** (Mr. Mohammed): Mr. Speaker, Sir, I beg to reply.

(a) I am aware that Mukurwe-ini Sub-district Hospital mortuary has not been opened.

(b) The mortuary will be opened as soon as the tender award for its construction is synchronised.

(c) I have requested the Ministry of Roads and Public Works to evaluate the project in order to determine its workmanship, value the work done and thereafter synchronise the contract so that the mortuary can be taken over and opened.

**Mr. Mutahi:** Mr. Speaker, Sir, there are some languages that we do not want to hear in this House. This mortuary, as I told you yesterday, was completed in January this year. Since that time, there has been regularisation and evaluation of the tender. It is ten months now since the construction of the mortuary was completed and yet evaluation has not been completed. Could the Minister tell us when this process will be complete so that the mortuary can be opened?

**Mr. Mohammed:** Mr. Speaker, Sir, it is true that construction of the mortuary was completed some months ago and it has not yet been opened. There was a problem in awarding the tender. I think the right procedure was not followed, but I do not want to punish *wananchi* because of mistakes done by other people. I will make sure that the mortuary is opened for use by members of the public. We will see how we can correct these irregularities.

**Mr. Mutahi:** Mr. Speaker, Sir, I want the Minister to tell me when this mortuary will be opened because it is one year since construction was completed. We have given the Minister some time, maybe by next week, to open it. If the mortuary is not opened by then, we shall have no alternative but to mobilise our people to go and open it. We have the keys to open it. I do not know what is preventing the Minister from opening the mortuary. Could the Minister tell us now when he will open that mortuary?

**Mr. Mohammed:** Mr. Speaker, Sir, you will remember that the other day I asked for some time to bring a proper answer. I think this is the right answer. I have given the assurance that the mortuary will be opened very soon.

**Mr. Ndicho:** Mr. Speaker, Sir, it is not that Mr. Mutahi is so much interested in the mortuary because it means that his people are dying, but the Bible says that it has been appointed that man will die one day and after death, there will be resurrection. The problem of somebody dying is that he must be put somewhere awaiting burial. If we had the choice, we could ask God that people should not die. If people do not die then we would not need these mortuaries or cemeteries. Since it is appointed that people must die, then they must be kept somewhere. What Mr. Mutahi is saying is that when the people of Mukurweini die, their bodies are taken to either Mathira or Nyeri, a distance of 25 or 30 kilometres away. They end up spending Kshs20,000 on one body. The hon. Member is asking when this facility will be opened so that these people can save the Kshs20,000 to be at least spent on school fees. Mr. Minister, when are you opening this mortuary?

**Mr. Mohammed:** Mr. Speaker, Sir, that question was very lengthy and I did not get all of it. What I said is that we will open this mortuary very soon.

**Mr. Mutahi:** The Minister is saying that the mortuary will be opened "very soon" and yet it has been lying idle for the last one year. How soon is that "very soon"? The Bible also says that you will never see heaven or hell unless you pass through death. So, it is for this reason that we are insisting and persisting that we want to know the day when we shall give you the key to open those doors of the mortuary because that is the way to heaven. We must pass there.

**Mr. Mohammed:** Mr. Speaker, Sir, I said the mortuary will be opened very soon. Soon could be tomorrow or---

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

**Mr. Speaker:** Order! Will you hear the Minister? You are asking him to open the mortuary. Do you want to hear whether he will open it or not?

**Mr. Mohammed:** Mr. Speaker, Sir, the mortuary will be opened. I have instructed my officers to make sure that, that mortuary is operational.

**Mr. Mutahi:** On a point of order, Mr. Speaker, Sir. There is something that you did not hear!

**Mr. Speaker:** What did I not hear?

**Mr. Mutahi:** Mr. Speaker, Sir, you did not hear because you were consulting with the Clerk of the National Assembly.

**Mr. Speaker:** I was consulting Mr. Mudavadi! He has never been a clerk in all his life!

**Mr. Mutahi:** However, what I am trying to say is that the Minister is avoiding this Question. I have the keys to the mortuary and I can also open it. He should tell us the opening date.

**Mr. Speaker:** Mr. Minister, is there any problem in you ordering the opening of that mortuary?

**Mr. Mohammed:** Mr. Speaker, Sir, I do not want to say the date, but this mortuary will open very soon.

**Mr. Speaker:** Very well! End of Question Time.

## POINTS OF ORDER

### DISCRIMINATION AT THE KENYA AIRWAYS

**Mr. Ndwiga:** Mr. Speaker, Sir, I rise to seek a Ministerial Statement from the Minister of State, Office of the President, regarding the employment criteria at the Kenya Airways. There are very serious allegations of discrimination by the expatriate top management against Africans. A case in point is the Chief Information Officer, a Mr. Chandra Kand Nene, who was employed on a one-year contract. He had his work permit irregularly extended in April 2002 and, consequently, his contract with the Kenya Airways was also extended without advertising for that job locally yet there are many Kenyans, more qualified than him, who could have taken that job. There is no evidence that he made any improvement to the company's Information Technology Department. The reason for extending his contract was to have the IT project contract awarded to a French firm. The IT project is worth Kshs340 million and, therefore, there is some possibility of a kickback.

### COMPENSATION TO NANDI PEOPLE

**Mr. Sambu:** Mr. Speaker, Sir, I rose the other week to seek a Ministerial Statement as to whether the Kenya Government since Independence, has ever demanded for compensation and reparation to be paid to the Nandi people for crimes committed against them by the British Colonial Government between 1895 and 1906. We just want to know whether this Independent Kenyan Government has ever demanded for those reparations? It is a question of "yes" or "no".

**Mr. Speaker:** Very well. Next Order!

**Mr. Sambu:** Mr. Speaker, Sir, the Minister is here today!

**Mr. Speaker:** We are now out of there!

**Mr. Muite:** Mr. Speaker, Sir, I rise on a point of order to seek your guidance. The House Business Committee is the one that decides what business this House will conduct---

**Mr. Speaker:** We are not there yet!

**Mr. Muite:** Mr. Speaker, Sir, I was just going out for an urgent meeting when I was given a Supplementary Order Paper seeking to re-open the debate on the KMC.

**Mr. Speaker:** Order, Mr. Muite! By the way, as a matter of interest, why are Members keen when they are talking about coffee, sugar, tea, but never want to talk about anything that will help the pastoralists? Why?

**Mr. Muite:** Mr. Speaker, Sir, I have spoken very vigorously in this House about the pastoralists! In fact, I would like to see abattoirs and electricity out there, and not in Nairobi, so that the quality of meat does not deteriorate when you move cows over long distances. It is purely the procedure!

**Mr. Speaker:** That is beside the point! I was just amazed that even before the matter comes before the House, it is already agitating some of the Members of the House. It is very amazing!

Next Order!

**Mr. Angwenyi:** On a point of order, Mr. Speaker, Sir. This country is going through an economic downturn. I think the House should set an example by not wasting paper. Why do you produce a Supplementary Order Paper, if the matter which is there is not going to be discussed?

**Mr. Speaker:** Order, Mr. Angwenyi! Maybe, that one will not be discussed. But below it, and that should please Mr. Ndwiga and Mr. Muite, there is a Sessional Paper on coffee. I am sure neither Mr. Muite, nor Mr. Ndwiga, will complain about that!

Next Order!

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

**Mr. Speaker:** Order! No more points of order! I have been too generous today, Mr. Mwenje!

Next Order!

## BILL

### *First Reading*

#### THE APPROPRIATION BILL

*(Order for First Reading read - Read the First  
Time - Ordered to be read the Second  
Time today)*

*Second Reading*

THE APPROPRIATION BILL

**The Minister for Finance** (Mr. Obure): Mr. Speaker, Sir, I beg to move that the Appropriation Bill for the year, 2002, be now read a Second Time.

Mr. Speaker, Sir, His Excellency the President has signified his consent to this Bill. The Appropriation Bill, 2002, seeks the statutory approval by Parliament for Government expenditures contained in the Estimates of Recurrent and Development Expenditure for the year ending 30th June, 2003, which were laid on the Table of this House on 11th June, 2002.

During the allotted time, eight Votes were debated and approved by the House. Those were:-

Vote 01 - Office of the President.

Vote 10 - Ministry of Agriculture and Rural Development.

Vote 11 - Ministry of Health.

Vote 12 - Ministry of Local Government.

Vote 13 - Ministry of Roads and Public Works.

Vote 30 - Ministry of Energy.

Vote 31 - Ministry of Education, Science and Technology

Vote 46 - Ministry of Tourism and Information.

The rest of the Votes were approved using the *Guillotine* procedure, in accordance with the provisions of Standing Order No.142(7). The Appropriation Bill contains details of provisions for each Vote and the amount to be applied as Appropriations-in-Aid (A-in-A). Clause 2 of the Appropriation Bill seeks statutory authority for the issue, out of the Consolidated Fund, of the sum of Kshs168,563,574,630, and to appropriate the funds to the various services and purposes during the year ending 30th June, 2003. The sum to be appropriated includes the amount authorised by Parliament on 20th June, 2002, by Vote on Account under Section 101 of the Constitution of Kenya.

Mr. Speaker, Sir, Clause 3 of the Bill makes provisions for sums to be applied as A-in-A for the various services and purposes. Hon. Members will notice that, out of the total appropriation of Kshs168,563,774,630, an amount of Kshs4 billion has been allocated to the Electoral Commission of Kenya (ECK), for the purpose of financing the forthcoming general elections. I believe that, that sum is adequate to enable the Commission to manage a fair and transparent elections, in which eligible Kenyans everywhere would be facilitated to exercise their democratic rights freely.

Mr. Speaker, Sir, a further sum of Kshs700,000,000 has been allocated to the Constitution of Kenya Review Commission to complete the review process, so that the aspirations and expectations of Kenyans can be fulfilled. Having appraised hon. Members on the Memorandum of Objects and Reasons for this Bill, I now call upon them to pass it, to enable me authorise the release of funds from the Consolidated Fund, from time to time, to meet expenditures as contained in the Estimates of Recurrent and Development Expenditure for the year 2002/2003.

With those few remarks, I beg to move.

**The Minister for Transport and Communications** (Mr. Mudavadi): Mr. Speaker, Sir, I beg to second the Motion by the Minister for Finance, and to state that what the Appropriation Bill seeks from this House is to fulfil a constitutional requirement. Members have had fairly ample time to discuss the various Ministries and their Votes, when they were looking at the Estimates, Ministry by Ministry. At the same time, we looked at the Estimates through the *Guillotine* procedure and, indeed, some of the issues have also come up as they were raised on the aspects of the Finance Bill. I would like to urge Members that, this is a straightforward request that will allow the Government to access Kshs168.5 billion, so that it can meet all the expenditures. It is also important that we all appreciate that this is an election year and an agency like the ECK is about to undertake a very vital exercise. It is a vital exercise in the sense that the general elections will be held in the course of this year. It would be very important that Parliament avails the necessary resources to the ECK. That is because for the ECK to conduct a free and fair election, and to be able to put all the logistical things into place, it is important that the issue of access to resources does not become an issue. That is because we all want to have a free and fair election, which will get the country to the next phase of development.

I also want to point out that, it is also true that the passage of this Bill will enable the Constitution of Kenya

Review Commission to have sufficient resources to enable it to undertake the review process to its logical conclusion. So, I would like to tell Members that this Bill is extremely important to enable all the hallmarks in our calendar of events for this financial year to be undertaken seriously, thoroughly and without any inhibitions whatsoever, when it comes to the resources required to ensure efficiency and good delivery of services that Kenyans expect.

With those few remarks, I beg to second.

*(Question proposed)*

**Mr. Michuki:** Thank you very much, Mr. Speaker, Sir, for granting me the opportunity to make my contribution to the matter. It is a very important matter in the sense that it is the hallmark of what we started here when the Budget was read. It is important because, without a Bill like this, it would not be possible to give services to the public nor would it be possible for the Government to carry out its own mandate and programmes.

Having said that, Mr. Speaker, Sir, it is important to point out that there are certain faults in this Appropriation Bill. In the first place, I am talking about the so-called appropriations aspects of the Bill where the Minister is telling us that for both Development and Recurrent Estimates, the Appropriations-in-Aid amount to Kshs45 billion. These Appropriations-in-Aid have wrongly been designated because much of the money provided is from external sources. Some of it is in the form of loans, grants, or gifts to the Republic of Kenya. If you look at Section 99 of the Constitution of Kenya, it talks about how monies received by the Government of Kenya will be treated. This may not be corrected at this stage, but the point must be made that the provisions of the Constitution of Kenya do not allow grants and loans to be treated outside the Consolidated Fund. In effect, this is what the Minister is saying.

*(Applause)*

I would like, with your permission, Mr. Speaker, Sir, to refer to the Constitution itself, because if we do not understand this Constitution and other laws, then we should not be here. We are here to make laws and to insist on their enforcement because we understand what they mean. At least, I do understand the sections of the Constitution that govern public funds. Section 99(1) reads as follows:-

"Subject to subsection (2), all revenues or other monies raised or received for the purpose of the Government of Kenya shall be paid into and form a Consolidated Fund from which no monies shall be withdrawn except as may be authorised by this Constitution, or by an Act of Parliament including an Appropriation Act, or by a Vote on Account passed by the National Assembly under Section 101."

In other words, Mr. Speaker, Sir, loans and grants received by the Government of Kenya must, in the first place, be paid into the Consolidated Fund, and then through the process of the Appropriation Bill, appropriated for whatever purpose. But they cannot be treated outside the Consolidated Fund, which is what the Appropriations-in-Aid of this magnitude imply. Appropriations-in-Aid are revenues received by a Ministry whose purpose is not to trade or raise money, like what we would get from prisons. Prisoners must be made to work. They may cut stones which are then sold. So, you do not take that revenue into account in your main budget for appropriation under the law. That is the meaning of Appropriations-in-Aid.

*(Applause)*

Coming to the Budget, Mr. Speaker, Sir, the Recurrent figure shown in this Appropriation Bill is Kshs167.3 billion. That includes the so-called Appropriations-in-Aid. The Development provision is Kshs45.5 billion. You can see the kind of distortion that has crept into decisions of the Government, that increasingly, we continue to provide money for recurrent when the budget for development has been accordingly reduced. So, this discrepancy of so much to consume and so little to conserve continues to be reflected within these budgetary provisions. It is no wonder then that our economy is posting negative growth, because even the Government itself does not care about development, out of which we would then appropriate monies in order to assist in running the Government on a day-to-day basis. As it is, we are coming to a point where, if we continue with that kind of negative growth, we may not have room even to increase revenues and we may reduce the expenditure itself. That is the point I am trying to make, that it is time the Government went to the drawing board. Anyway, they are too late, because we may have to do it in some other way, in order to ensure that there is more money for development. Because without development, we are cheating ourselves that we can continue to receive even Kshs18 billion from external sources in order to aid consumption. If you look at this Appropriations Bill, within the Recurrent Expenditure, A-I-A is said to be Kshs18.4 billion, which is going to pay civil servants and other idlers in Government offices at the expense of development. What is this Government up to?

What kind of country is it trying to create where there is this kind of distortion and where, in effect, only 20 per cent of Kshs212 billion---

*(Mr. Obure consulted with several hon. Members)*

Mr. Speaker, Sir, I hope the Minister is listening because these revenues which he is going to appropriate amount to about Kshs212.8 billion. Only one-fifth of the money goes to development while the rest is used to run big motorcades. The money is also used to pay idlers, brothers and sisters just because they are close to those in authority. Tribalism is coming in, in the Ministry of Environment and Natural Resources. We are saying that we vote this money here and then it "disappears" like it was in the case of Kirinyaga Water Project, where AIEs were issued. After this has happened, the House is cheated.

Mr. Speaker, Sir, I would like to point out in this House that we are being taken for a ride by a Government which is not committed to development and has encouraged consumption. This is a Government which has no words like "belt-tightening" in its vocabulary. It is important that when it comes to development, we must tighten our belts. I would like to say that I am not opposed to this Bill being passed by this House, but I am trying to point out to the House that the laws which it has made have been flouted. The interpretation of the Constitution has been deliberately twisted by this Government. Some people may wonder how I know these things. I handled these matters for many years. During that time, it was my duty to ensure that Section 99 was adhered to. It was also my duty to ensure that other constitutional sections were followed to the letter. I would like to challenge this Minister to go to the library and see whether we had any Excess Vote. This is because we were in control and enforced financial order. We also enforced the Code of Regulations and the law because we participated in an administration that respected the rule of law. The rule of law has been set aside by this KANU Government and that is why we are going to get rid of them by January.

Mr. Speaker, Sir, I beg to support.

**The Minister for Public Health** (Prof. Onger): Mr. Speaker, Sir, I rise to support the Appropriation Bill. Of course, it is quite understandable for Mr. Michuki to ventilate his views in this House because he knows that he is on his way out. No wonder he became extremely academic in this matter.

This Bill basically requires Parliament to give effect to its Act which will allow the Government to draw money from the Consolidated Fund on Vote On Account which has been subjected to debate in this House, gone through the Committee of Supply and every area and aspect has been scrutinised. I do not think it is the business of Parliament, at this stage, to dwell on issues which may have been raised on respective Ministries. Is this microphone working?

**An hon. Member:** Are you deaf?

**The Minister for Public Health** (Prof. Onger): Mr. Speaker, Sir, I am not deaf! I am a doctor and I can know when I am deaf. I will also help him to know when he is deaf.

**Mr. Speaker:** Order! All this is unnecessary. Prof. Onger, I cannot even understand for a while why you are being hostile to Mr. Michuki. He just said what the Constitution states and he did not oppose the Bill. By the way, how would you, even as a professor of medicine, know that you are deaf?

**The Minister for Public Health** (Prof. Onger): Mr. Speaker, Sir, the fact that I can hear and sit down is a clear indication that I am not deaf.

One of the areas which we should address critically relates to the HIV/AIDS. Some of the resources are being appropriated to cater for what I call a "social dimension of high death rate." Even if we had all the resources of the world, we cannot be productive or register high economic performance in this nation when its population is sick and its time is spent in seeking medical remedy. Therefore, I feel that one of the reasons why we should pass this Bill quickly is to allow respective Ministries to spend money on social services which are critical to this nation.

The other aspect which has been alluded to relates to the elections and constitution-making process. All these are fundamental effects of this society. I believe that the hon. colleague on the other side of the House had good intentions. If we can make a good Constitution in this land, I am sure that everyone of us would be quite happy and satisfied on the way forward. For now, I would like to say that it is important that we expeditiously pass the Appropriation Bill so that it becomes an Act of Parliament to enable the Government to spend resources on respective budget lines which have been given the first priority.

Mr. Speaker, Sir, with those few remarks, I support the Bill.

**Mr. Musila:** Thank you, Mr. Speaker, Sir. I rise to support this Bill. In doing so, I would like to say that we have the right, as Parliament, to express our views on how the Government spends the resources which are approved, as my friend, Prof. Onger has said. It is important that we say how the Government is performing, and how we expect it to perform in the next remaining period of the financial year.

Let me say at the outset, that personally, I am very happy with how the Ministry of Roads and Public Works has spent the money which we approved. I believe that this is one Ministry which we can say has done something. We can see something happening in the rural areas; thanks to the District Roads Committees which were set up although they were being interfered with. But so far, this is one Ministry which is performing in the rural areas and we should agree that something positive is happening.

The issue of poverty alleviation which we have been talking about for many years has not taken root. Poverty continues to increase in this country, and yet no action appears to have been taken by the Government despite holding many workshops and seminars.

Mr. Speaker, Sir, therefore, I appeal to the Minister to ensure that the resources allocated are put into proper use. Then, at least, for one, some positive action is taken to see that, "yes, we can come and say that poverty is being reduced". The Minister must be honest enough and say that, "so far, no effect has taken place in reducing poverty". I think, it is a shame that nothing is happening so far.

Mr. Speaker, Sir, my friend, Prof. Ongeru, drew our attention to a very important matter of HIV/AIDS. I think we all support the Government and we did allocate all the resources required for the purpose of controlling or, at least, ensuring that resources are taken to HIV/AIDS victims. As I speak here now, HIV/AIDS orphans are languishing in poverty in the rural areas. The National AIDS Control Council (NACC), which is charged with the responsibility of ensuring that these orphans are taken care of, which should also ensure that drugs are available to HIV/AIDS victims is doing nothing! To make matters worse, the resources allocated for HIV/AIDS are being diverted to other areas.

I am sorry, the Minister is leaving when I am making a very important contribution which is affecting his Ministry. No wonder, even in the case of my constituency, a vehicle that has been bought for the control of HIV/AIDS related activities, as I speak here now, is used to campaign for KANU! This is very serious, and yet the Minister comes up and says that, "we are serious about HIV/AIDS". The vehicle, registration number GK A138E, specifically bought for HIV/AIDS control work is being used to ferry people from Mwingi to Machakos and to Nakuru! The Minister must be serious and tell this House that the Ministry is addressing HIV/AIDS cases by action and not by mere words!

So, we want the funds to be used by the Ministries as we have allocated and approved them. We want the Ministry to ensure that there is strict observance of the rules and regulations of governing the use of Government resources.

Finally, one area that the Government has completely failed to address is on pension. Public servants who have served the Government for many years retire and some die before they get their benefits. All this is happening because there is a lot of corruption in Ministries where, upon retiring, people find it very difficult to access their benefits. This House made efforts to ensure that this problem was addressed. This House passed Motions---

**Mr. Michuki:** On a point of order, Mr. Speaker, Sir. Is it in order for hon. Musila to pre-empt discussions on a matter that is on the Order Paper of this House?

**Mr. Speaker:** Which one is that?

**Mr. Michuki:** The Pensions (Amendment) Bill!

**Mr. Speaker:** He should not! Mr. Musila, clear off touching on that agenda.

**Mr. Musila:** Mr. Speaker, Sir, the point I was making is that the Government must ensure that matters touching on the pensioners are addressed even as we prepare to go for the General Elections, because most of them are die before getting their benefits. I do not want to debate that point, but have you not seen a deliberate effort by the Government to frustrate the debate on this Bill? This is because I have made efforts to get the Attorney-General to approve this matter, but it has taken two years. Now, every time it comes, it continues being pushed down on the Order Paper!

**Mr. Speaker:** Order, Mr. Musila! Relax, it is on the Order Paper today!

**Mr. Musila:** Thank you, Mr. Speaker, Sir.

With those remarks, I support.

*[Mr. Speaker left the Chair]*

*[The Temporary Deputy Speaker*

*(Mr. Musila) took the Chair]*

**Mr. Kihoro:** Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me this opportunity to contribute and support the debate on the Appropriation Bill.

I have been looking at the Bill very closely and I have found that there are certain departments or Ministries that are not productive. When I look at the column in respect of Appropriations-in-Aid, I find that it is only two Ministries or Government institutions, that do not make returns in respect of investments that the Government makes

on them. I am making reference to the Recurrent Expenditure, Vote 45, which is in respect of the National Security Intelligence Service (NSIS).

Many of us are very patriotic and want to have a secure Government which appreciates the work of the NSIS. But we would also want to have an opportunity, maybe, in the next Parliament - I have already seen we have started to look ahead - in order to debate comprehensively the Vote in respect of the NSIS. When I find a round figure of Kshs3 billion, without any Appropriations-in-Aid allocated for that purpose--- We do want to see what is, indeed, included in respect of, for instance, field operations. We do want to know what these field operations are! They could be field operations, maybe, in respect of the Opposition, but they are field operations.

Mr. Temporary Deputy Speaker, Sir, we are going to spend Kshs3 billion during this financial year in respect of the NSIS. We only hope that the money will not be used to frustrate anybody or democracy in this country. We would want to see that, next time round the Vote of the NSIS is totally scrutinised and some of the operations curtailed. Maybe, we do not need to spend Kshs3 billion on them, we could spend Kshs1 billion and the return would be appropriate.

Mr. Temporary Deputy Speaker, Sir, another aspect that is left out of the Appropriation Bill, and I know that is deliberate, is the question of the Consolidated Fund Services. My arithmetic on the Recurrent Expenditure of Kshs167 billion and Development Expenditure of Kshs45 billion, brings a total of Kshs212 billion and leaves out the Consolidated Fund Services. One important item, which I know is necessarily being met by the taxpayer in this country, is the question of huge debts this country has incurred and there has been a lot of talk about it. If only there was proper debt management a long time ago---

In 1999, we had a big conference in Mombasa where we talked about how much we could reduce reliance on the Treasury Bills. We know the amount of interest that we still have on the Treasury Bills. When I find that we are spending nearly Kshs45 billion, I start wondering how long and how much the local and foreign debt will "eat" into the Budget of this country. It is important, as we talk about Kshs212 billion, maybe, if we reduced our Consolidated Fund Services, especially in respect of public debt servicing in this country, we could be talking about a Budget of Kshs250 billion. That is a very important aspect that we need not forget. We read whatever is put here with our spectacles and telescopes to make sure that what goes beyond is also taken into account, especially in respect of the Consolidated Fund Services, and the management of the public debts.

Mr. Temporary Deputy Speaker, Sir, another item that is very important is the way in which the Budget is set out every year. Every year this Parliament debates the Appropriation Bill. Indeed, when I scrutinize the Budget and the Appropriation Bill, I do not find any room for corruption. But then, I wonder, where does the money for this "industry called corruption" come from? There is so much money that is not provided for in the Budget. Every time you will find that there is still money, and unseen money that is in the Appropriation Bill, which fuels corruption in this country. That is an important aspect. I know that, hopefully next year, it will be possible to look at the way in which tendering is done in respect of Government services. That is one of the areas where you find that, even though there is provision for certain monies in respect of an activity, when it comes to procurement, it leaves a lot to be desired.

Lastly, according to the Appropriation Bill, very little money is allocated to the Ministry of Agriculture and Rural Development. I find only Kshs6.6 billion is allocated to so many activities. But if you look at the amount of scripts that accompany the Vote of this Ministry, it is the longest. We are only talking about Kshs6.6 billion. You will find that the kind of activities that are so important, like the availability of inputs to farmers, other outputs to agriculture, the facilitation and supply of agriculture and livestock extension services, have been allocated very little money. These are very important services.

But it is a pity to find that the recurrent expenditure in respect of the Ministry of Agriculture and Rural Development is only Kshs6.6 billion, while the Development Expenditure is only Kshs344 million. We are spending very little money in respect of agriculture in this country. It is a shame that out of a total Budget of Kshs213 billion, this Government spends only Kshs6.6 billion under Recurrent Expenditure and Kshs344 million under Development Expenditure in respect to the Ministry of Agriculture and Rural Development. I thought there could be an allocation for an irrigation scheme in this country. That would be good expenditure of public funds, but I find there is none. Only Kshs344 million has been allocated under Development Expenditure in respect of this Ministry. This country will not be able to provide its own food. In due course, we will end up spending so much of taxpayers' money on food imports and that will not be good for our country.

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

**Mr. Keriri:** Mr. Temporary Deputy Speaker, Sir, I rise to support this Bill because we need money to spend. This country needs this money to provide the services referred to here.

Mr. Temporary Deputy Speaker, Sir, I think we go through a mere drill to facilitate the Government to misappropriate what Parliament appropriates to be spent by the Government. Many times, we have voted money for the construction, maintenance and repair of our roads. Last year, we passed a law which states that 16 per cent of the

Fuel Levy Fund should be spent in constituencies, 24 per cent be spent in districts and the rest to be spent by the Ministry in the construction and maintenance of major roads. We appropriated money for Treasury to allow the Ministry to spend. But up to this day, that 24 per cent of the Fuel Levy Fund has never been released to districts. But the Minister for Roads and Public Works stands up here and tells us that money has been spent. He even attempted to issue schedules to show how that money was spent. However, none of those schedules show that money was sent to the DRCs. So, DRCs have been spending the 16 per cent meant for constituencies to maintain roads that are supposed to be maintained by the 24 per cent. In which case, the rural access roads that are supposed to be maintained with the 16 per cent are not maintained whatsoever. Therefore, it is impossible to reach the main road. This is an illegality. We vote money here for a particular project, but the Government spends it on other purposes.

Mr. Temporary Deputy Speaker, Sir, as if that is not enough, this Bill contradicts the Constitution. This was explained very adequately by Mr. Michuki. I do not want to repeat what he explained. But I intend to refer the Minister for Finance to the definition of the term "Appropriations-in-Aid (A-in-A)" as contained in the Constitution and as explained by Mr. Michuki. I would like the Minister to listen to this because his colleague whom he is talking to, also made a mistake last year. The Exchequer and Audit Act does, in fact, explain what money should go to the Consolidated Fund. It is specific. Section 11 of the Exchequer and Audit Act says:-

"All revenues and proceeds of all loans and rates shall be paid at such time and in such manner as the Treasury may direct to the credit of the Exchequer Account and the money so paid shall form the Consolidated Fund."

It then goes on to define what money can be paid as Appropriations-in-Aid.

It says:-

"Where the Treasury directs that any revenue, whether received by way of fees, penalties, proceeds of sale or by way of an extra or unusual receipt shall be applied as an Appropriation in Aid--

Loans are not "unusual receipts". Loans and grants are specific and they should go to the Consolidated Fund Account. But the Minister, in this Bill, is telling us that Kshs45 billion, most of which is made up of loans and grants, should be Appropriations-in-Aid. This means it can be spent without being appropriated by Parliament. In fact, the Minister is asking us to allow him to spend that money without parliamentary approval. So, this Bill is a contradiction of the Constitution. To that extent, it is not valid. I do not know why the Minister for Finance thinks he can spend this money in this way. It is wrong. The Constitution and the Exchequer and Audit Act do make that point very clear. This is a very serious matter. We want to pass this Bill today, but we will pass a Bill which is contradicting the Constitution because the Minister for Finance has not looked at the Act that governs his operations properly. This is an indication of how this Government misappropriates the money voted by this Parliament. This is an indication of how this Government leaves loopholes for corruption. This is an indication of how this Government is careless with public money. I think it is completely wrong. I am not a lawyer, but anybody can go to court and question the passage of this Bill into an Act because it is a contradiction.

Having said so, in this House we have had the Anti-Corruption Bill come many times. Every time it comes to this House, it is rejected because the Government has not been willing and has never been willing to support it. The Government does not want an Authority created by Parliament to eradicate corruption to have the teeth to bite.

The Government brought here some Bills which would have rendered the defunct Kenya Anti-Corruption Authority (KACA) so weak that it would be ineffective in its role of combating corruption. Did the Government do that because its Members were scared of being prosecuted by an effective anti-corruption authority? Probably, we should no longer talk about these people. Debate on all the Bills before the House is being rushed so that the President can dissolve Parliament to pave way for the general election. So, talking about these people would be a waste of time since they are definitely going to lose the election. Probably, after the elections, they will try to spend wisely the wealth they acquired corruptly while in power.

Mr. Temporary Deputy Speaker, Sir, an hon. Member has talked about agriculture. Although we debated the agricultural sector exhaustively while discussing the Vote of the Ministry of Agriculture and Rural Development, it is worth mentioning, at this point in time, that without developing agriculture to the necessary extent, there is no other sector which can work well, because all other sectors derive their primary income from agriculture. However, we see very little being done to promote agriculture. A few years ago, we used to have very effective extension services, which helped the livestock farmers, grain growers and other farmers to undertake their activities in an easier manner.

We used to have credit institutions, such as the Agricultural Finance Corporation, which helped the farmer to get credit with which to expand his business. We used to have marketing agents such as the Kenya Farmers' Association, which used to help the farmer market his product, while at the same time purchasing for him agricultural inputs cheaply and conveniently. However, in this Bill, there is no provision for any kind of assistance to the farmer. The Coffee and Tea Acts that we passed in this House are today making a difference for farmers in these sectors. However, the maize farmer is suffering because the cost of production is higher than the price the produce fetches on



the market.

It is, therefore, high time we started thinking seriously about agriculture with a view to giving it the priority it deserves. If we, in the Opposition, win the forthcoming election, we will give agriculture priority in our planning. We will win the elections and get rid of the hon. Members on the Government side. I can see that some of them are smiling. Of course, they are aware that this is their last smile on the Government Front Bench.

Thank you, Mr. Temporary Deputy Speaker, Sir.

**Mr. Waithaka:** Mr. Temporary Deputy Speaker, Sir, although I am not an economist, it is clear that this Bill does not help this country to get out of the poverty level in which it is currently, because almost all the revenue that is collected is put to recurrent expenditure; only a little of the revenue collected is put to development expenditure. We are unlikely to get out of the vicious circle of poverty in which we are because we save very little. In fact, we invest very little of that money in roads and other basic infrastructure necessary for any country to spur economic growth.

Mr. Temporary Deputy Speaker, Sir, I want to address myself to the provision for general administration, planning and supplies, under Vote 13, Ministry of Roads and Public Works. There are many road projects in this country; I will mention only a few of them. In Nyandarua District, the project of upgrading Road C68, Magumo-Njabini Road, was allocated some money from the Fuel Levy Fund. However, the project was so badly implemented that the contractors had even to change the design of the road. Every time a new Minister or Permanent Secretary or Chief Engineer was appointed to the Ministry of Roads and Public Works, the contractor changed the design of the road in order to save on costs, and have some money with which to bribe the new official at the Ministry.

Therefore, I urge the Ministry of Finance, which is supposed to monitor spending by Ministries on projects, not to allow the Ministry of Roads and Public Works to withdraw money from the Consolidated Fund only for it to be misappropriated, or get pocketed by a few individuals. If the monies we vote here for projects are pocketed, there is no way this country will develop. I am particularly disturbed because despite the hue and cry that we have had over the issue of single-sourcing of the contractor for Road C68, the Ministry of Roads and Public Works has refused to heed our pleas, because its newly appointed Permanent Secretary wanted some kickback from the contractor; M/s Kirinyaga Construction Company Limited. The contractors had no other way of raising the money he had given as kickback to the previous Minister and Permanent Secretary.

**The Minister for Roads and Public Works** (Mr. W.C. Morogo): On a point of order, Mr. Temporary Deputy Speaker, Sir. The hon. Member on the Floor claims that the Permanent Secretary in the Ministry of Roads and Public Works and the Chief Roads Engineer have received a kickback from M/s Kirinyaga Construction Company Limited. I will be very happy to have the details of that allegation. So, could he substantiate? My Ministry is trying to fight that vice. If the hon. Member has some useful information on the matter, I will be quite happy to have it.

**The Temporary Deputy Speaker** (Mr. Musila): Mr. Waithaka, the Minister is challenging you to substantiate the allegation you have made against his officers. I would like you to do just that or withdraw the allegation.

**Mr. Waithaka:** Mr. Temporary Deputy Speaker, Sir, what I said is that the design of Road C68 has been changed.

**The Temporary Deputy Speaker** (Mr. Musila): Mr. Waithaka, I heard you say that the former Minister was even given some money, and that whenever a new Minister is appointed, the design of the road is changed so that the contractor can save on costs to have some money to give to the Minister. So, you should either substantiate or withdraw that statement.

**Mr. Waithaka:** Mr. Temporary Deputy Speaker, Sir, it has not been denied that the design of the road has been changed. Other hon. Members from that area and I had written to the Chief Engineer, Roads, with regard to this matter, but no reply has been forthcoming.

**The Temporary Deputy Speaker** (Mr. Musila): Mr. Waithaka, the issue is not whether the design of the road has been changed or not, but rather the allegation you have made about money having changed hands, or money having been received. Rightly, the Minister challenged you to substantiate, which I am asking you to do. If you do not have facts, please, withdraw the statement and apologise, and then proceed.

**Mr. Waithaka:** What I am saying--

**The Temporary Deputy Speaker** (Mr. Musila): Order! Order! Mr. Waithaka, I am not going to argue with you! You should either comply or you tell me that you do not wish to comply with the directive!

**Mr. Waithaka:** Mr. Temporary Deputy Speaker, Sir, I wish to withdraw the allegation that money has changed hands between the Ministry officials and the contractor. But I still insist that the change of the design was done for a certain consideration. A road design cannot be changed without any consideration.

**The Minister for Roads and Public Works** (Mr. W. C. Morogo): Mr. Temporary Deputy Speaker, Sir, I am not satisfied with that conditional withdrawal. The hon. Member has said that the road design was changed with a

certain consideration. That consideration amounts to the same allegation he has just made. He should be helpful and give us facts, so that we can fight this kind of practice. Otherwise, it is not good to just make allegations which do not help anyone at all.

**Mr. Waithaka:** Mr. Temporary Deputy Speaker, Sir, the road from Magumo to Njabini is 24 kilometres long. It was done 11 kilometres from Magumo to Karate and the Ministry decided to change the design of the road. The contractor used sub-standard materials and not ballast. Now, the contractor is using murrum as the base and then putting tar on it.

**The Temporary Deputy Speaker (Mr. Musila):** Mr. Waithaka, we are not interested in the details. We are not even arguing about the change of the design. We are only arguing about the element you have introduced of money changing hands.

**Mr. Waithaka:** Mr. Temporary Deputy Speaker, Sir, I withdrew that statement.

**The Temporary Deputy Speaker (Mr. Musila):** No, you did not withdraw the allegation. I know what is a withdrawal and what is not. Will you withdraw the allegation and apologise?

**Mr. Waithaka:** Mr. Temporary Deputy Speaker, Sir, I withdrew the allegation. I have no evidence now to prove that money has changed hands.

**The Temporary Deputy Speaker (Mr. Musila):** Order, Mr. Waithaka! Will you withdraw and apologise?

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

**The Temporary Deputy Speaker (Mr. Musila):** Order, Mr. Ngure! I am already dealing with Mr. Waithaka, and you cannot rise on a point of order before I dispose of the issue.

**Mr. Waithaka:** Mr. Temporary Deputy Speaker, Sir, I wish to withdraw the allegation that money has changed hands between M/s Kirinyaga Construction Ltd. and the Ministry officials. But I still insist that the manner in which the design was changed left a lot to be desired.

**The Temporary Deputy Speaker (Mr. Musila):** Mr. Waithaka, I will give you the last chance to withdraw your allegation and apologise.

**Mr. Waithaka:** Mr. Temporary Deputy Speaker, Sir, if I am given time, I can substantiate the allegation.

**The Temporary Deputy Speaker (Mr. Musila):** Order, Mr. Waithaka! In that case, I declare you disorderly and you are ordered out of the Chamber for the rest of the day.

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

**The Temporary Deputy Speaker (Mr. Musila):** Order! Mr. Waithaka, you must be out of the Chamber! Order, Mr. Muihia! We are waiting for Mr. Waithaka to leave the Chamber.

*(Mr. Waithaka withdrew from the Chamber)*

**Mr. Muihia:** On a point of order, Mr. Temporary Deputy Speaker, Sir. Mr. Waithaka had requested for time to substantiate his allegation.

**The Temporary Deputy Speaker (Mr. Musila):** Are you challenging my ruling?

**Mr. Muihia:** No, Mr. Temporary Deputy Speaker, Sir.

**The Temporary Deputy Speaker (Mr. Musila):** Will you sit down?

**Mr. Ngure:** On a point of order, Mr. Temporary Deputy Speaker, Sir. When a specification is changed in favour of using inferior material, and a project costs more, then that amounts to providing a monetary consideration.

**Mr. Mwiraria:** Thank you, Mr. Temporary Deputy Speaker, Sir. I rise to support the Bill before the House.

One of the most important jobs this House does is to appropriate funds to Government Ministries and Departments. When we appropriate the funds, we also want to see to it that the Kenyan taxpayer, who contributes the money which we appropriate, gets value for his money. While we will approve this Appropriation Bill, I would like to appeal to the Government to do certain things which are really crying for action.

Let me take the Ministry of Roads and Public Works. This is one Ministry which has a lot of development money, but we seem to invest in new roads and do no maintenance at all. I hope that the Ministry will spend some money, which we are appropriating now, to repair the tarmac roads which are threatened by the forthcoming rains. I want specifically to refer to the tarmac roads which I am familiar with, particularly the Embu/Meru Road. This road has sections which are completely potholed, and unless they are sealed and covered before the rains become heavy, there will be no road to talk about. Given the very bad terrain through which that road passes, it would be very regrettable if we allowed the road to completely deteriorate, so that instead of keeping it open, we will have to construct a new road. This is likely to be the case.

Mr. Temporary Deputy Speaker, Sir, we are all looking forward to the forthcoming general election. We want the general election to be free and fair. I am happy that in this Bill, we have adequate funds for the Electoral

Commission of Kenya (ECK) to conduct the forthcoming general election. I would, however, like to plead with the Government to ensure that the funds we vote for other purposes are not misused to subvert the work of the ECK.

One of the speakers before me referred to Recurrent Vote 45 of the National Security Intelligence Service (NSIS), which we are giving Kshs3 billion. It appears that as we prepare for the general election, disinformation is, perhaps, the most important work of this agency. There were leaflets all over Nairobi yesterday, which gave expected electoral results, not based on any statistical evaluation, or any sampling technics. Clearly, the leaflets were intended to misguide Kenyans. We do not expect the NSIS to embark on this kind of work.

**The Minister of State, Office of the President (Mr. Sunkuli):** On a point of order, Mr. Temporary Deputy Speaker, Sir. The hon. Member is making some very serious allegations. I will kindly ask you to ask him to substantiate because he is saying that papers which were littered all over had any relationship with our intelligence service. Could he substantiate that claim?

**The Temporary Deputy Speaker (Mr. Musila):** Mr. Mwiraria, you need to tell us where this information has come from.

**Mr. Mwiraria:** Mr. Temporary Deputy Speaker, Sir, if I did give the name of the officer who gave me this information, I would be failing in my duty as an hon. Member of Parliament. Since I will not do that nor bring him here to come and substantiate it, I will withdraw and apologise.

Mr. Temporary Deputy Speaker, Sir, there is also a lot of interference with the political work being done in preparation for the forthcoming general elections by the Provincial Administration. Certain candidates--- Definitely, one of them is in my constituency in Meru, who is holding meetings with chiefs and threatening them with sacking unless they support him. We have laws which bar completely public servants from participating in elections. I do hope sincerely that the Government will not allow abuse of funds to subvert free and fair elections.

Mr. Temporary Deputy Speaker, Sir, our economy continues to totter along. It has really gone down as far as it is likely to get. One of the main reasons why we are in this trouble is that we are not in control of our banking system. The Government of Kenya made a very cardinal mistake when they encouraged and, indeed, forced the closure of indigenous banks in this country. I think I will not be wrong to assert that the banks operating in Kenya today are either foreign banks which do not care for this country, or indigenous banks which have been "emaciated" by actions of the Government, or Government Ministers who have forced them to give loans to people who cannot be followed or who cannot repay them. We need, as a nation, to look at our banking sector and our financial sector as a whole and ask ourselves: "How do we get on top of it? How do we control it? How do we make sure that *mwananchi* who needs only Kshs20,000 to run a kiosk can get that loan at affordable rates of interest?" This should really be the concern of the Treasury.

Mr. Temporary Deputy Speaker, Sir, let me add my voice to those who have said that it is wrong to show loans and grants as Appropriations-in-Aid. However, I would like to say that over the last few years I have participated as a member of the Public Accounts Committee (PAC), and I have noticed positive improvements in the work of the Treasury in trying to bring under control expenditure. It is my hope that the days when Treasury officials were on a spending spree will be over soon. This was when the Financial Secretary, who was chairman of the Central Tender Board, used to create projects for the Treasury, wanting to build, for instance, the Loitokitok Customs Post. This is where we have over 183 houses sitting in the wilderness without water and with no people to live in them, where we have perhaps the largest customs post, but one which will never be used. We hope that as we approve these funds, the Government and the officials working in the Treasury will no longer do that with the hard-earned funds of the poor Kenyans who pay taxes. It is also our hope that these funds which we are voting will be spent properly on projects which have been approved, and that the officials will not incur expenditure which will be deferred to be paid in the future years.

With those remarks, I beg to support.

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

*[Mr. Speaker resumed the Chair]*

**Mr. Kibicho:** Mr. Speaker, Sir, I support this Bill, but I urge the Ministry that the money we are authorising to be appropriated be used efficiently. That can only be done if the Treasury gives district treasuries enough cash. There is a lot of time being wasted between the time when the holder of the authority to incur expenditure (AIE) issues the money where it is supposed to go. This is because, quite often, you find that AIE has reached the district treasury, but when you go there there is no cash. That is an area where the Treasury should address itself to immediately.

Mr. Speaker, Sir, we know that this Government has brought a Budget here. We have passed the Finance Bill.

We are now passing this Appropriation Bill and we know that this Government has no money, and so it is going to use paper money to raise the money. We know that they are going to issue Treasury Bills to raise money. However, whatever happens, whether it is money raised through tax collection or through borrowing from the domestic market, there must be a linkage between the day when an AIE is issued and the day the money is in the district treasury.

Mr. Speaker, Sir, another area of concern is that last year, the domestic debt was Kshs165 million and now it is over Kshs200 billion. Something must be done so that we can live within our means because if we do not do so, we are mortgaging the future of our children and we cannot afford to do so.

With those few remarks, I support the Bill.

**Ms. Karua:** Mr. Speaker, Sir, I rise to support this Motion in order to appropriate funds for services going to *wananchi*, but with one reservation. We have previously voted money, but it has not gone to the purposes that Parliament directed. A case in point was demonstrated this afternoon, when monies voted for Kiaumbui Water Project were clearly shown to have been diverted by the Ministry. There is no need of seeking authority of this Parliament to do specific things, and doing the opposite or diverting the money.

I am also not very happy with the way the allocations have been done. Looking at the Appropriations Bill, one notices that the Office of the President is taking one-quarter of the total amount that the Government is now seeking to appropriate. The Vote can be spread about in a manner which one will not be able to notice that it is the same office. But we are aware that the Office of the President has several portfolios, which include the Department of Defence, the Directorate of Personnel Management, the National Security Intelligence Service and also the State Lodges which are shown as a separate item. If one looks at all the monies being shown to be appropriated, the total amount is in excess of Kshs44 billion, which is slightly more than one-quarter of all the monies that are being appropriated. I think we are misdirecting our resources. We are voting too much money where it is not needed, and that is why, currently, the Office of the President is abusing the facilities we have given them by carrying out partisan campaigns with monies voted for services to *wananchi*.

Mr. Speaker, Sir, we have noticed police and army helicopters being flown all over the country to try and introduce a "project" that has been resoundingly rejected by the people of Kenya. This is an abuse of office by the officers concerned and misdirection of resources properly allocated.

We are also witnessing civil servants whose salaries we are again going to authorise monies to be appropriated, instead of sitting in their offices and delivering services to *wananchi*, are hopping around the country as errand boys and, perhaps, girls, of politicians, and doing political work instead of being professionals in their offices. What would a Permanent Secretary be doing in a political rally, or hopping around in Harambees conducted by the rejected "project"? I think that there is no need of this House being asked to debate and pass the code of ethics for civil servants when we are not ready to implement it. I think it is an exercise in futility for us to pretend to be serving *wananchi* when we are voting money for people to abuse and use improperly.

Mr. Speaker, Sir, I have noticed that the Kenya Army will be getting in excess of Kshs15 billion. There is nothing wrong with that, except that they are not being deployed sufficiently to be useful to this nation. We are not at war with anyone and, therefore, we cannot afford to keep many men and women idle. By now, the Government should have tabled amendments to the relevant Act, to enable the use of members of the defence forces internally within the country. They should be able to be deployed to keep security in the insecurity-prone areas of North Eastern Province, the North Rift and anywhere where there is flare up of internal security. I do not think that since Independence, we have been faced with any serious threat of external war. We should be able to utilise our defence forces, as they are getting ready for any external threats, to help us with internal matters. Otherwise, we are wasting money, voting so much money and employing so much human resource, and under-utilising them.

Mr. Speaker, Sir, I also noticed that there is some Kshs3 billion for the National Security Intelligence Service. I am not able to tell exactly, the nature of their usefulness to this Republic. They are supposed to be serving us, but they serve more as a tool of the ruling party, and to gather intelligence and disseminate propaganda on their behalf. We are also aware that they have sometimes been misused during elections. I am calling upon them to desist from being misused to engage in partisan activities. All persons who are employed and paid by the public must be faithful in the performance of their duty and must resist being recruited into partisan campaigns. We need these services, but we need them as national services, not as appendages of political parties or a ruling elite.

Mr. Speaker, Sir, it is okay to vote for money or to appropriate funds for rehabilitation and for use by the State House lodges, but I am wondering, when the term of office of a holder is coming to an end, why would they embark on renovations without waiting for the next holder of office to come and do the suitable renovation? I was just passing near State House, and I noticed that there is some new fencing going on. Are these projects to siphon public funds for purposes of campaign, or is this genuine work that is going on? These last-minute projects are conduits that are meant to siphon public funds for purposes of campaigns. My fear is that the money that we are going to allow the Government to appropriate today may not serve the Kenyan population, but only a few mafia Members in

Government, for their own purposes.

Mr. Speaker, Sir, I would like to agree with my colleague that we need to ensure that the departments and Ministries that require more money to serve *wananchi* are given a better share of the funds appropriated. This should only happen if the Government is agreeable to reorganising the Budget. Part of the funds the Government seeks to appropriate are the monies that they now want this House to authorise in order to bail out the AFC, KMC and various other corporations. We are saying that when we notice that such bailouts are not meant to serve the population, but to help certain individuals---

**Mr. Speaker:** Order! You are anticipating debate!

**Ms. Karua:** Mr. Speaker, Sir, I am not anticipating debate. The House dealt with the matter yesterday, but there is a move to rescind it. We do not know as yet that we shall rescind.

**Mr. Speaker:** Order! The Sessional Paper on revival of KMC is coming for discussion later on. There is also another Sessional Paper on coffee coming up.

**Ms. Karua:** Mr. Speaker, Sir, I will pick on the Sessional Paper on KMC which we rejected yesterday.

**Mr. Speaker:** In any case, you will still be wrong. Why should you revisit a matter that a decision has been taken on?

**Ms. Karua:** Mr. Speaker, Sir, may I just say that I am quite happy this House rejected the bid to give money to pay off the debt of KMC, because the Government did not give any proper plan to revive KMC. It was merely to pay off the debts without any plans, and misuse any monies set aside for the revival of the KMC. It is our fear that, that bailout was being pushed to enable the sale of KMC to a "politically-correct" individual.

**Mr. Speaker:** Order! I have told you that you have no right, under the Standing Orders, to revisit a matter that was decided on only yesterday.

**Ms. Karua:** Mr. Speaker, Sir, I am appreciating the manner in which it was decided.

**Mr. Speaker:** It was discussed and defeated!

**Ms. Karua:** Mr. Speaker, Sir, I am happy with your ruling, and my pleasure has also gone to the HANSARD, to see the manner in which this House has handled the various issues. I am calling on Members of this House to, in future, refuse to pass the Appropriation Bill when it is clear that the Government is continuing to abuse money appropriated, instead of spending it for the purposes for which this House has voted it. The Appropriation Bill is not detailed. It does not indicate the specific purposes for which these funds will be spent. It is our duty, irrespective of party affiliation, to ensure that the Government strictly adheres to what is in the Bill, and does not go on a frolic of its own in misusing public funds.

With those many remarks, I beg to support, but with the reservations noted.

**Mr. Mboko:** Thank you, Mr. Speaker, Sir, for giving me an opportunity to add my voice in support of this Bill. While supporting this Bill, there are some issues which have not been mentioned in it. For example, the Minister has not indicated whether any funds will be allocated to the National AIDS Control Council (NACC) which falls under the Office of the President. Vote R1 talks about general administration, planning field administration services, Government Press, the National Youth Service, Immigration Department and the General Service Unit. There is no provision for the NACC. This programme was moved from the Ministry of Health to the Office of the President, and yet this has not been indicated in this Bill.

The social welfare of this country was not given proper attention. There is no provision for health services and education from the Consolidated Fund. It is only the other day that this House passed the Children Act, which provides for compulsory education. This means that the Government is obligated to provide school equipment and all facilities related to education. There is no mention of free education. The Minister should clarify about these issues, otherwise, we will have a situation whereby the parents in Kibwezi and Mosop will be asked to contribute towards construction of schools while the Government promised that there would be free and compulsory education.

**Mr. Speaker:** Order, Mr. Mboko. Where were you when we dealt with the Ministry of Education, Science and Technology?

**Mr. Mboko:** I was here.

**Mr. Speaker:** That was in July, so why are you re-visiting the issue?

**Mr. Mboko:** No, I am just mentioning it because there is no provision in this Bill for free education.

**Mr. Speaker:** Order! I think you ought to understand what an Appropriation Bill is all about. It is not a Vote to indicate every item. We dealt with that issue in July while discussing the Vote of the Ministry of Education. This Bill is meant to authorise the money you discussed. Actually, we expect you to say whether we should authorise the use of this money or not.

**Mr. Mboko:** Mr. Speaker, Sir, I am saying that we should authorise the use of this money, particularly towards the provision of social amenities. The general implication of this Bill---

**Mr. Shidiye:** On a point of order, Mr. Speaker, Sir. This is an Appropriation Bill and we have debated it for quite some time. Would I be in order to move that the Mover be now called upon to reply?

**Mr. Speaker:** Yes, indeed. I think I will accede to the request. I think most issues have been discussed already, including the Guillotine.

*(Question, that the Mover be now called upon to reply, put and agreed to)*

**The Minister for Finance (Mr. Obure):** Thank you, Mr. Speaker, Sir. I will start first by thanking all the hon. Members who have contributed to this Bill, and especially those who have expressed support for this important Bill. I want to take this opportunity to put on record one correction in respect of issues raised by both Messrs. Michuki and Keriri. I want to assure them that every measure has been taken to ensure that the Appropriation Bill is, indeed, in conformity with the provisions of the Constitution as well as those of the Exchequer and Audit Act.

With regard to the question raised about loans and grants, I would like to say that the loans and grants which we have reflected here relate to those that emanate from external sources. They come in form of materials and consultancy services where the donors pay for these services directly. Therefore, they do not in any way affect our cash position. In this particular case, they have been quantified and included as part of our development budget. All this has been done in accordance with the existing provisions of both the Constitution and the Exchequer and Audit Act. Therefore, they do not in any way contradict the provisions of the Constitution.

On the question of a declining development budget, I agree with the sentiments expressed. This has been a major concern for us in the Government and all of us who have an interest in the development of this country. This is why we have been concerned about a high wage bill. Consequently, we are reducing the size of the Government so that we do not incur substantial expenditure in the form of recurrent expenditures. This will ensure that sufficient money is left for development purposes. This is the reason why we have not been able to award wage increases as we are trying to keep expenditure within manageable limits to allow for money for development. I appreciate those concerns, but I would like to say that every effort is being made to ensure that recurrent expenditure is reduced, and that there is more allocation towards development, and in particular, operations and maintenance.

I would like to assure this House that every effort will be made to ensure that there is no misuse or misallocation of funds. We will be involved in intensive monitoring. We will intensify internal audit to ensure that Kenyans get value for money, and that whatever is allocated here is properly used in accordance with the objectives of this Parliament.

Mr. Speaker, Sir, I beg to move.

*(Question put and agreed to)*

*(The Bill was read a Second Time and committed to a Committee of the Whole House today)*

**Mr. Speaker:** Next Order!

#### COMMITTEE OF THE WHOLE HOUSE

*(Order for Committee read)*

*[Mr. Speaker left the Chair]*

IN THE COMMITTEE

*(The Temporary Deputy Chairman  
(Mr. Musila) took the Chair)*

THE APPROPRIATION BILL

**The Temporary Deputy Chairman (Mr. Musila):** Hon. Members, we are now in the Committee of the whole House and we are considering the Appropriation Bill.

*(Clauses 2 and 3 agreed to)*

*(Schedule agreed to)*

*(Title agreed to)*

*(Clause 1 agreed to)*

**The Minister for Finance** (Mr. Obure): Mr. Temporary Deputy Chairman, Sir, I beg to move that the Committee doth report to the House its consideration of the Appropriation Bill and its approval thereof without amendment.

*(Question proposed)*

*(Question put and agreed to)*

*(The House resumed)*

*[Mr. Speaker in the Chair]*

## REPORT AND THIRD READING

### THE APPROPRIATION BILL

**Mr. Musila:** Mr. Speaker, Sir, I beg to report that a Committee of the whole House has considered the Appropriation Bill and approved the same without amendment.

**The Minister for Finance** (Mr. Obure): Mr. Speaker, Sir, I beg to move that the House doth agree with the Committee in the said Report.

**The Minister for Transport and Communications** (Mr. Mudavadi) seconded.

*(Question proposed)*

*(Question put and agreed to)*

**The Minister for Finance** (Mr. Obure): Mr. Speaker, Sir, I beg to move that the Appropriation Bill be now read the Third Time.

**The Minister for Education, Science and Technology** (Mr. Kosgey) seconded.

*(Question proposed)*

*(Question put and agreed to)*

*(The Bill was accordingly read  
the Third Time and passed)*

## COMMUNICATION FROM THE CHAIR

### CHANGE IN THE ORDER OF BUSINESS

**Mr. Speaker:** Order, hon. Members! I hope hon. Members have the Supplementary Order Paper that lists the business up to Order No.18. The business will be taken in the following manner from this moment. Immediately I call for the Next Order, we shall go to Order No.12. Once we dispose of Order No.12, we will go to Order No. 13, and continue in that manner, and if there is time, Order No.10 and Order No.11 may be considered. So, Order No. 10 and Order No.11 will be the last in the whole of that sequence. So, we will begin with Order No.12, and go to Order No.13, 14, 15, 16, 17, 18, 10 and 11 in that sequence. I hope you do understand, and you will follow appropriately.

**Mr. Kihoro:** On a point of order, Mr. Speaker, Sir. Why, at all, would you want to change the order of business on the Order Paper? I thought the order has already been agreed on by the House Business Committee! I can see that the business you want to be dealt with last is the same business that we dealt with yesterday.

**Mr. Speaker:** Order! Hon. Members will find in their Standing Orders, a provision that business shall be taken by the House in such sequence as shall be directed by Mr. Speaker. I have just directed in accordance with those provisions. I am afraid, Mr. Kihoro, you must comply!

Next Order!

**Mr. Kanyauchi:** On a point of order, Mr. Speaker, Sir. We do appreciate your ruling that you have made just now, but it would be in order if a reason was given for such a ruling. Without giving an appropriate reason for jumping or juggling the Order Paper---

**Mr. Speaker:** Order! I did not use such strange language in the House! To use such a strange language in the House, particularly in reference to Mr. Speaker--- Juggling! Mr. Speaker, juggling! I have not juggled! I have directed in accordance with the Standing Orders. If you look at the Standing Orders clearly, you will find that it does not require me to give any reason why I have done that. That is the advantage of being Mr. Speaker!

*(Laughter)*

Continue, now!

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

**Mr. Speaker:** Order! Order! Not on this matter any more! We must now make progress!

**Mr. Ojode:** On a point of order, Mr. Speaker, Sir. We do accept your ruling, but as the Chair, it is important for you to tell the hon. Members why you are jumping some of the Motions?

**Mr. Speaker:** Order! There are many reasons why the Chair can order business to be taken in a different sequence; for example, the ability of the Mover to be present and ready to move the Motion, the importance of the issue to be discussed, and a variety of other reasons. I have considered all those. Mr. Ojode, you are now not going to police every decision I make. I have a discretion, and I have used it judiciously.

**Mr. Ngure:** On a point of order, Mr. Speaker, Sir.

**Mr. Speaker:** Overruled!

Let us move on to the next Order!

## MOTIONS

### ADOPTION OF SESSIONAL PAPER NO.1 OF 2002 ON RESTRUCTURING OF AFC

THAT, this House adopts Sessional Paper No.1 of 2002 on Restructuring of Agricultural Finance Corporation laid on the Table of the House on Thursday, April 25th, 2002.

*(The Minister for Finance on 23.10.2002)*

*(Resumption of Debate interrupted on 23.10.2002)*

**The Minister for Finance** (Mr. Obure): Mr. Speaker, Sir, Order No.12 is a resumption of debate [**The Minister for Finance**]

and there was somebody on the Floor yesterday when we suspended debate on the Motion. I expected that we would resume from there.

*(Mr. Kiunjuri stood at the Bar)*

**Mr. Speaker:** Order! Mr. Kiunjuri and company, could you take your seats? Can we have some order in the House? Yesterday, this Motion was moved and seconded. The question was proposed by the Chair. I believe that it was at that stage that Mr. Ndwigwa moved a Motion that debate on that Motion be adjourned to the following day. The Question on that Motion was put and carried. Therefore, all we require in this Motion now is anybody who is interested in debating it. Mr. Kajwang, are you interested in debating it?

**Mr. Kajwang:** Yes, Mr. Speaker, Sir.



**Mr. Speaker:** Continue, Mr. Kajwang!

**Mr. Kajwang:** Mr. Speaker, Sir, it should be the Motion reading:-

"THAT, this House adopts Sessional Paper No.1 of 2002 on Restructuring the Agricultural Finance Corporation (AFC)."

**Mr. Speaker:** That is correct!

**Mr. Kajwang:** Mr. Speaker, Sir, I would like to say that the debts of the AFC have caused a serious problem to our farmers and, consequently, made farming a very expensive and unpredictable business in this country. Of course, it is good that the AFC should be structured in such a way that it can continue with the good work which it was doing. The reason why people are suspicious of restructuring the AFC on the twilight of this Government--- What is it that has become so important, three days to dissolution of this Parliament, that---

Can you clap?

*(Applause)*

What is it that has become so important for this Government that the AFC must now be bailed out, a week before dissolution of this House? There is something hidden. This is why we are unhappy. This Government has been in office for the last five years, and it knew that the farmers were suffering because of lack of credit. This Government also knew that the farmers were to borrow money from financial institutions. This has made our farmers fold up and go into bankruptcy. This has also made our food crops to be more expensive than the food crops imported from our neighbouring countries. Therefore, this has made us uncompetitive.

Five years ago, this Government said that it wanted to eradicate poverty. It cannot eradicate poverty without strengthening the AFC. What happened two weeks ago that has made the Government to be in a hurry now to help the AFC, the Kenya Meat Commission (KMC), and the Co-operative Bank of Kenya? This Government has got an agenda. *Inataka pesa ya kampeini!* We will not give this Government any money to do any campaign because that is what it is. This Government wants to ask some debtors of the AFC--- These are big debtors and we know them, because their names have been published here. They are big debtors who have the capacity to repay their loans, but the Government does not want these people to repay the money. This Government wants to repay the loans for them. These are civil servants who are rich, and Ministers who have got a lot of money.

*[Mr. Speaker left the Chair]*

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

These people stole that money; refused to pay; the interest has accumulated, and now they want to be bailed out by this House a few days before election time. Once this is done, they will go and tell the farmers that they paid their loans. In the case of the pastoralists, they will say that they have brought back the KMC into operation, and to the Cooperative Bank of Kenya customers, their bank is healthy. Why does the Government want to do this at this time? We will not give them an instrument of campaign to destroy this country for five more years.

*(Applause)*

We are not blind! This House is made up of very sharp hon. MPs and we know what is going on.

Of course, I have fought for the revival of the KMC since I was elected to this House because I knew that in one year, they lost a lot of livestock because they did not have market. People from Narok District and Dr. Godana's place lost their livestock. I know that. But why did they wait until a week to elections to come here with a Sessional Paper to pay off the debts of the KMC? Is it because they want Dr. Godana to go to his constituency and say that he paid the debts and ask his constituents to vote for him? We will not give him such an instrument.

Mr. Temporary Deputy Speaker, Sir, this Government has not helped the farmer. We are not, in a week's time, going to give them some credit to suggest that they are now happy with the farmer. Who are the creditors of the KMC? Who has stolen all the land which used to be a holding ground for the KMC? Even if we paid all the debts of the KMC, where is the holding ground for those animals? How can we cheat ourselves that we now want to help the farmers when we have already destroyed them by, first of all, grabbing the holding grounds, destroying the veterinary services and credit facilities? Now, two weeks to the elections, we say that we are a very responsible Government, and we support the farmer. Who will allow them to do anything like that? There is an agenda and it is too obvious we cannot sit back and watch. Let nobody think that we do not like the pastoralists. In my place, we are pastoralists. In

fact, my father is a pastoralist!

**An hon. Member:** We thought he was a fisherman!

**Mr. Kajwang:** But he is also a fisherman at the same time!

*(Laughter)*

The only difference is that he is not a nomad, but he is a pastoralist and a fisherman at the same time. Nobody should ever imagine that this Opposition, as it is now constituted, is in any way fighting the farmers. But what we are saying is that this Government should not cheat the farmer with some kind of plastic surgery service. They should not cheat the farmer that they have thought and are serious about them, and they now want to help them.

Mr. Temporary Deputy Speaker, Sir, nobody should imagine that we do not love the co-operators. Of course, this side of the House is made up of some the best farmers in the coffee industry. Some of the co-operators also benefited; it is not that they do not want to help them, but they know that the agenda is not to help the coffee farmer; the agenda is to put some money in the pockets of some people on the other side of the House, yet they are not going to do it! So, we are aware! We love the farmers and the country, but we do not trust this Government with this Motion and I, therefore, oppose.

**Dr. Omamo:** Thank you very much, Mr. Temporary Deputy Speaker, Sir, for giving me this opportunity to contribute to this Motion.

I would like to request hon. Members in the House that, when I say something interesting, they should not clap for me at all. First of all, this is a very serious matter, and we should not take it just as an election gimmick. Farmers are suffering in the field because---

**An hon. Member:** Then what are you doing there? Toka huko!

**Dr. Omamo:** Farmers are lacking credit, and credit is a major input in agricultural production. The loan that is breaking the back of the farmer is a historical loan! I would like my friend, hon. Otieno Kajwang, to know that it is a historical loan!

**An hon. Member:** It started when you were a Minister of this Government!

**Dr. Omamo:** Not only when I was a Minister, but before, on and after! It is a historical burden!

Mr. Temporary Deputy Speaker, Sir, way back in the 1980s, the GMR, which the Government had stopped, proved that it must be there in practice. So, the Government came up with a seasonal credit. In 1980, the seasonal credit arrived a bit late! I do not know where hon. Kajwang was.

**Hon. Members:** He was not yet born!

**An hon. Member:** He was in school!

**Dr. Omamo:** But when it arrived late---

**Mr. Kajwang:** On a point of order, Mr. Temporary Speaker, Sir. Dr. Omamo should not make it a personal practice to talk about me and even my age. But in 1980, I was already a graduate!

**Dr. Omamo:** What I am saying is that, in 1980, the seasonal credit was released late to the farmers. So, the farmers who benefited from this late seasonal credit had poor germination, poor yields and, therefore, repayment was bad.

**Mr. Ochilo-Ayacko:** On a point of order, Mr. Temporary Deputy Speaker, Sir. From the intonation of Dr. Omamo, it appears that he may be having personal interests. Would I be in order to ask, if he has personal interests, to declare the same?

**Dr. Omamo:** Mr. Temporary Deputy Speaker, Sir, the personal interest that I may be having in farming is that I am a farmer, but I have no loan with AFC. This is an occasion where I can repeat what I said at one time; that, "Bill Omamo is as clean as *pamba* grade I." But I am talking about what I know!

In 1984, a historic drought hit Kenya and some of the cereal farmers planted three times, others four times! Because of poor germination, there were no crops. These are the farmers that we want to help, because they have no means of repaying what they got.

I would like to give another example, of sugar-cane farmers. The Government has a scheme to popularise sugar-cane farming by helping farmers with loans. But because of natural forces, and since sugar-cane is a heavy duty operation - heavy-duty that my good friend must be knowing - it requires a lot of money.

**Mr. Mwenje:** On a point of order, Mr. Temporary Deputy Speaker, Sir. Is hon. Dr. Omamo in order to imply that it is only those poor farmers who are not able to repay the loans and whose names are on the list of loanees, when we have people like hon. William Saina, who owes the AFC Kshs408,000; people who are capable of repaying the loan, yet they have not repaid?

*(Several hon. Members stood up in their places)*

**The Temporary Deputy Speaker** (Mr. Musila): Order! Order, hon. Members! The hon. Member has just raised a point of order; could you [**The Temporary Deputy Speaker**] wait for Dr. Omamo to respond before I can allow another point or order?

**Dr. Omamo:** Mr. Temporary Deputy Speaker, Sir, hon. Mwenje is a good friend of mine; he is very knowledgeable about Nairobi affairs, but he does not know that hon. Saina is "the late" hon. Member and, may the Good Lord rest his soul in peace!

*(Applause)*

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

**The Temporary Deputy Speaker** (Mr. Musila): Order! Order, Mr. Ngure! Mr. Ngure, Mr. Mwenje did raise a point of order, and Dr. Omamo has stated very clearly that the gentleman named in the list is deceased! If that is the case, I believe it is only fair that you avoid matters touching his name!

**Mr. Ngure:** Mr. Temporary Deputy Speaker, Sir, when people borrow loans, they provide collateral, and collateral cannot be "late".

**The Temporary Deputy Speaker** (Mr. Musila): Hon. Members, I believe the point raised has been sufficiently addressed by Dr. Omamo.

Dr. Omamo, would you proceed and continue with your contribution?

**Dr. Omamo:** Mr. Temporary Deputy Speaker, Sir, I do not know what is itching my good friends on the other side of the House. Who does not know that collateral does not die? There can be mountains, but unless you climb them, they have no name. Human beings are important. The loan that made the Minister bring this Sessional Paper is what I call a "mixed bag". The small-scale farmer is affected because of reasons beyond his or her control.

Mr. Temporary Deputy Speaker, Sir, I must return to the point I was making that even a small-scale farmer in a sugar-cane growing area can incur a loan which is too heavy. Sugar-cane farming in Muhoroni, Miwani and Chemelil is a heavy-duty operation. Ploughing a farm to plant sugar-cane is a heavy-duty activity and you need heavy-duty equipment. Ploughing one hectare will cost you Kshs8,776. It is not the same as ploughing one hectare to plant maize. But because the Government wanted to encourage sugar-cane cultivation, many farmers took loans. It is not only ploughing that is a heavy-duty activity. Ploughing is followed by harrowing and furrowing which are heavy-duty activities. Planting seed cane is also a heavy-duty activity. I would like Mr. Kajwang' to hear this; that, a time comes when you have to harvest. Harvesting sugar-cane is a heavy-duty. It is not like harvesting fish from Lake Victoria. Even transporting sugar-cane is a heavy-duty activity. A small-scale farmer has to look for a transporter to take the sugar-cane to the factory for milling. All these are heavy-duty activities requiring heavy loans.

Mr. Temporary Deputy Speaker, Sir, in the recent past, there has been a lot of trouble with the sugar-cane mills. Because of shortage of crushing capacity in some sugar-cane mills, the farmers' sugar-cane has suffered. The sugar-cane is rotting in the fields because it is not delivered. The loss for the farmer has been great. I would like to tell the Minister that all those farmers who took loans to buy land to grow sugar-cane, and have less than 100 acres of land, are poor farmers that should be helped. These farmers are very poor. Let us not use this House to say things that do not really matter. What has the general election got to do with a loan that has been "pinching" farmers for years? Even if the relief was to come today and election is tomorrow, then I would say let the relief come because it is better late than never. I would like to persuade the House that we recollect ourselves and give relief to farmers on this matter.

**Mr. Kathangu:** Hoja ya nidhamu, Bw. Naibu Spika wa Muda. Mimi kama kijana wa kwanza wa Dr. Omamo singependa kusimama hapa kwa Hoja ya nidhamu kwa sababu yeye ana mawaidha mengi kwangu. Je, ni nidhamu kwake kutukumbusha machozi yetu ya tangu mwaka wa 1980, ambapo Bunge hili limekuwa likiuliza Serikali hii ifutilie mbali mikopo hii? Tunajua wakulima wetu walikumbwa na shida nyingi sana kama vile ukame. Ni kwa nini Serikali hii haikuwasaidia wakati huo na ninataka kuwasaidia wakati huu, wiki moja kabla ya kuvunjwa kwa Bunge hili?

**Dr. Omamo:** Mr. Temporary Deputy Speaker, Sir, I very much appreciate what my hon. friend has said. He is appealing to me to comment on this matter as one who has known it over the years. Farming is a business. As we know, every business has its own problems. The farming business has numerous problems. These problems cannot be solved in a day, once and for all, because farming is seasonal in nature. I would like to advise the hon. Member, through you, that even if no solution was found for 20 years; but if today, if this hon. House, with hon. Members here, find a solution, I appeal to the House to agree because better late than never.

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

**Mr. Wambua:** Bw. Naibu Spika wa Muda, asante sana kwa kunipa nafasi hii ili niweze kueleza vile Serikali hii inajaribu kujificha. Nitazungumza kwa lugha ya Kiswahili kwa vile Serikali hii haielewi Kiingereza kikamilifu. Mimi nitaongea Kiswahili sanifu.

Bw. Naibu Spika wa Muda, kwa nini tukubali kulipa mikopo hii? Hizi ni pesa za wananchi. Serikali hii haiwezi kuwasaidia wakulima. Ikiwa wana nia nzuri ya kuwasaidia wakulima, basi Waziri angesimama hapa na kutueleza ni wakulima wangapi wa kawaida walifaidika kutokana na pesa hizi. Serikali hii imeona ya kwamba wakati wake umefikia kikomo, ndio sababu wao wanataka tulipe mikopo hii.

Tunajua ya kwamba viongozi katika Serikali hii walianzisha kampuni bandia ili wakope pesa. Kampuni hizi husimamiwa na wake na watoto wao. Kwa nini hatuwezi kungoja hadi tuunde Serikali mpya, ambayo itawalazimisha watu hawa kulipa pesa hizi? Ikiwa Bw. Waziri ameshindwa kujua ni akina nani walikopa hizi pesa, basi angojee hadi tutakapounda Serikali mpya. Hii Serikali si ya Bw. Waziri au yangu. Lakini Serikali itakayoundwa baada ya uchaguzi mkuu itawalazimisha watu hawa kulipa pesa hizi. Sioni kwa nini tutupilie mbali mikopo hii. Huu ni mchezo mbaya. Jana tulikataa swala la kutupilia mbali mikopo ya KMC. Ninastikitika kuona ya kwamba Hoja ya KMC imeletwa hapa leo. Ni kweli kuwa mmoja wa viongozi katika Serikali hii anataka kununua kampuni ya KMC. Kwa nini tujadili swala hili tena hapa Bungeni? Kuna jambo fulani. Kuna kitu! Kuna kitu!

**Hon. Members:** Ufisadi! Ufisadi!

**The Temporary Deputy Speaker** (Mr. Musila): Order! Order! Hon. Members, this is the Kenyan Parliament. I want orderly behaviour observed in this House.

Proceed, Mr. Wambua!

**Mr. Wambua:** Bw. Naibu Spika wa Muda, waambie Wabunge katika upande wa Serikali wadumisha nidhamu. Sisi katika upande wa Upinzani hatuna neno; tunataka kuendelea.

**The Temporary Deputy Speaker** (Mr. Musila): Order, Mr. Wambua!

**Mr. Kamolleh:** On a point of order, Mr. Temporary Deputy Speaker, Sir. Is it in order for Mr. Wambua to stand up in this august House and say: "Iko kitu", without substantiating?

**The Temporary Deputy Speaker** (Mr. Musila): Order, Mr. Kamolleh! That is not a point of order. Sit down!

**Mr. Wambua:** Bw. Naibu Spika wa Muda, kwa nini Serikali inataka Bunge hili libatilishe uamuzi lililofikia juu ya Mwongozo wa Serikali kuhusu kufufuliwa kwa Tume ya Nyama nchini? Bila shaka, kuna kitu.

**Hon. Members:** Yes! Yes!

**Mr. Wambua:** Bw. Naibu Spika wa Muda, kama Serikali inataka wananchi waamini kwamba haina nia mbaya, inafaa kusubiri hadi wakati ulioidhinishwa na sheria kabla ya kulitaka Bunge liupitisha mwongozo ambao liliukataa jana. Mimi ni Vice-Chairman wa Kamati ya Bunge juu ya usalama.

**Mr. Mwakiringo:** On a point of order, Mr. Temporary Deputy Speaker, Sir. Je, ni haki kwa Bw. Wambua kuchanganya lugha za Kiswahili na Kiingereza, licha kwamba alituhakikishia ya kwamba angezungumza Kiswahili sanifu?

**Mr. Wambua:** Bw. Naibu Spika wa Muda, Bw. Mwakiringo ni rafiki yangu. Hata nikichanganya lugha, bora watu waelewe kile ninachoelezea juu yake. Wakati mwingine watu huchanganya Kiswahili na Kikamba. Kwa hivyo, sioni ubaya wowote nikichanganya Kiswahili na Kiingereza katika hotuba yangu.

Bw. Naibu Spika wa Muda, majina katika orodha ya wale ambao walikwepa kulipa mikopo ya shirika la mikopo kwa wakulima si majina ya wananchi wa kawaida.

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

**The Temporary Deputy Speaker** (Mr. Musila): Overruled! Please, sit down, Mr. Kamolleh.

Proceed, Mr. Wambua.

**Mr. Kamolleh:** Even Mr. Wambua's constituents owe the Agricultural Finance Corporation (AFC) some money!

**The Temporary Deputy Speaker** (Mr. Musila): Order! Order, Kamolleh! Stop being disorderly and sit down!

**Mr. Wambua:** Bw. Naibu Spika wa Muda, pengine baadhi ya wakulima katika sehemu ya uwakilishi Bungeni ya Bw. Kamolleh wamekwepa kulipa mikopo waliochukua kutoka kwa AFC. Hakuna mkulima hata mmoja kutoka sehemu yangu ya uwakilishi Bungeni ambaye anadaiwa pesa na AFC. Ni lazima niwatetee wakulima katika sehemu yangu ya uwakilishi Bungeni ili waweze kufaidika kutoka kwa shirika hili siku za usoni.

**The Temporary Deputy Speaker** (Mr. Musila): Order, Mr. Wambua! Could you contribute to the Motion?

**Mr. Wambua:** Bw. Naibu Spika wa Muda, Waziri wa Fedha anaelewa mambo yalivyo katika nchi hii. Leo, Waziri wa Fedha ni Bw. Okemo; katika Serikali ijayo, ninaweza kuteuliwa kuwa Waziri wa Fedha.

**Hon. Members:** No way!

**Mr. Wambua:** Kwa nini Serikali ya sasa haifuatili madeni ya AFC? Inafaa tuachiwe Serikali ambayo haidaiwi ili na sisi tufuate mwelekeo huo. Ningependa Bw. Waziri asinifikirie vibaya. Ukweli ni kwamba hayuko mbali na mimi kimamlaka; nimebakisha hatua moja tu nimfikie.

Bw. Naibu Spika wa Muda, kama Serikali imewajibika kuitunza mali ya nchi hii, ingesubiri tufanye uchaguzi halafu miongozo hii ilitwe katika Bunge litakalofuata. Miongozo iliyoletwa hapa inaliomba Bunge lifutilie mbali madeni yote ya AFC, Benki ya Ushirika na Tume ya Nyama Nchini (KMC). Hii inaonyesha kwamba Serikali ina njama fulani. Serikali ikiyafutilia mbali madeni hayo - ambayo wale waliomo Serikalini wanajua jinsi yalivyolingia - italizimika kueleza jinsi pesa hizo zilivyopotea.

Mwisho, Waziri alisema kwamba madeni haya hayafuutiliki. Mwananchi wa kawaida akikataa kulipa deni kama hili, wanadi hutumwa kuchukua mali yake kwa nguvu na kuinadi hadharani. Kwa hivyo, Waziri atueleze dhamana za mikopo hiyo zimeenda wapi, ndio akasema kwamba madeni hayo hayawezi kulipwa. Hiyo inaonyesha kwamba Serikali inajua kilichofanyika. Waliomo Serikalini ndio waliohusika. Hii ndio sababu hawataki kuyafutilia madeni hayo. Kwa hivyo, ninapinga juhudi za kuubatilisha uamuzi wa Bunge hili wa kuukataa mwongozo wa Serikali juu ya kufufuliwa kwa shirika la AFC.

Ahsante sana.

**Mr. Twaha:** On a point of order, Mr. Temporary Deputy Speaker, Sir. In view of the fact that this matter was exhaustively debated yesterday, and that we have so much business to dispose of, I beg to move that the Mover be now called upon to reply.

**Hon. Members:** No way! No way!

**The Temporary Deputy Speaker** (Mr. Musila): Order! Order! I believe that Mr. Twaha's proposal is legitimate. Therefore, I will put the Question.

*(Question, that the Mover be now called upon to reply, put and agreed to)*

**Hon. Members:** Division! Division!

*(Several hon. Members stood up in their places)*

**The Temporary Deputy Speaker** (Mr. Musila): I can see that hon. Members have raised the required number for a division. So, could the Division Bell be rung?

*(The Division Bell was rung)*

**The Temporary Deputy Speaker** (Mr. Musila): Order, hon. Members! I order that the doors be locked and the Bar be drawn.

*(Loud consultations)*

Hon. Members! Time is up! We have to proceed with the business of the House. Please, take your seats. The doors have been closed and the Bar has been drawn. The Ayes will proceed to my right and the Noes to my left. The Tellers for the Ayes are Messrs. F. Twaha and M. Kiunjuri and the Tellers for the Noes are Messrs. D. Kombe and F. Wambua. If you do not wish to vote, you can abstain and record your name with the Clerk-at-the Table. You may now proceed to vote.

## DIVISION

*(Question put and the House divided)*

*(Question carried by 71 votes to 54)*

**AYES:** Messrs. Achuka, Affey, Dr. Anangwe, Messrs. Biwott, Chanzu, Choge, Ekirapa, Dr. G.B, Galgalo, Messrs. M.A. Galgalo, Githiomi, Dr. Godana, Messrs. Haji, Hashim, Jirongo, Kalulu, Kalweo, Kamolleh, Kariuki, Kiangoi, Col. Kiluta, Messrs. Kimani, Kimeto, Kimkung, Mrs. Kittony, Messrs. Kitur, Kochalle, Kombe, Kosgey, Leting, J.D. Lotodo, Maj. Madoka, Messrs. Maizs, Messrs. Manyara, Maore, Marrirmoi, Maundu, Mbitiru, Mkalla, Mohamed, H.M., Mohamud, E.T. Morogo, W.C. Morogo, Muchilwa, Mukangu, Murathe, Muturi, Ms. Mwachai, Messrs. Mwenda, Nassir, Ndambuki, Ndicho, Ngala, Njakwe, Nooru, Ntutu, Capt. Ntwiga, Obure, Dr. Omamo, Ruto,

Salim, Sambu, Samoei, Sang, Sasura, Shaaban, Shambaro, Shidiye, Sirma, Tarar, Twaha, Dr. Wako and Mr. Wehliye.  
Tellers of the Ayes: Messrs. Kombe and Kiunjuri.

**NOES:** Messrs. Achola, Dr. Awiti, Messrs. Gatabaki, Gitonga, Kajwang, Kamau, Kamotho, Karauri, Ms. Karua, Messrs. Kathangu, Katuku, Keriri, Khamasi, Khaniri, Kibicho, Kihoro, Messrs. Kiunjuri, Kulundu, Kuria, Masakhalia, Mboko, Michuki, Muihia, Dr. Murungaru, Messrs. Murungi, Mutahi, Mutiso, Muya, Mwakiringo, P.K. Mwangi, Mwenje, Mwiraria, Nderitu, Ndwiga, Ngure, Ntimama, N. Nyagah, Nyang'wara, Nyanja, Prof. Anyang'-Nyong'o, Messrs. Obwocha, Ochilo-Ayacko, Ojode, Omingo, Onyango, Osundwa, Otita, Dr. Otula, Messrs. Parpai, Sungu, Eng. Toro, Messrs. Wambua and Wanjala.

Tellers of Noes: Messrs. Twaha and Wambua.

**ABSTENTIONS:** Nil.

**The Minister for Finance** (Mr. Obure): Mr. Temporary Deputy Speaker, Sir, thank you for giving me the opportunity to reply. I would like to clarify one point---

**Mr. Mwenje:** On a point of order, Mr. Temporary Deputy Speaker, Sir. I do not know whether the Minister is in order to reply when the Government has kept on ambushing us. Once more we are being ambushed, and we are just about to allow Kshs9 million to go down the drain, while the names of those who are involved are well known. I would like to tell Kenyans that I will never---

**The Temporary Deputy Speaker** (Mr. Musila): Order, Mr. Mwenje! The Minister is perfectly in order. He was called upon to reply, we went to the vote, and the Ayes had it. The Minister is, therefore, in order to reply. So, give him a chance to reply.

**The Minister for Finance** (Mr. Obure): Mr. Temporary Deputy Speaker, Sir, I would like to respond to the issue raised with regard to why this matter is being brought at the eve of elections. I would like to clarify that this Sessional Paper was tabled in this House way back in April this year, and it has been discussed extensively by both the House Departmental Committees on Finance and Agriculture.

I would also like to say something with respect to this list, which I want to table here. This list has been published by a section of the print media, and has also been used by a section of the electronic media, but I would like to say that this list was supplied to the Public Investments Committee for a totally different reason. The corporation was asked to produce a list of people who have outstanding loans from AFC in responsible positions, and they supplied this list. I would like to confirm that the loans we are seeking to write off will not include any person named on this list.

Secondly, the loans we are seeking to write off relate to seasonal crop credit loans, and in particular, with reference to the case of hon. Saina which was brought here and a few others, those are loans which were covered under the seasonal crop credit loans, which are not secured at all. That is how the scheme was operated, and they also involve ranch loans, particularly with respect to those who were affected by the drought of 1984. They also relate to the old GMR loans which date back to the 1970s and 1960s. Also included are unsecured development loans which were offered before land titles were issued. Therefore, there is very good criteria for stating this. I would like to say that it is underrating the intelligence of Kenyans---

**Mr. Sambu:** On a point of information, Mr. Temporary Deputy Speaker, Sir. I would like to clarify that this Sessional Paper---

**The Temporary Deputy Speaker** (Mr. Musila): Mr. Obure, would you like to receive that information?

**The Minister for Finance** (Mr. Obure): Yes, Mr. Temporary Deputy Speaker, Sir.

**Mr. Sambu:** Mr. Temporary Deputy Speaker, Sir, this Sessional Paper was tabled in April, and was referred to the relevant Departmental Committees of the House; the Agriculture and Finance Committees, acting together. We had many meetings and in those meetings, all hon. Members from both sides of the House were usually present. There were no partisan politics when we discussed these issues, but we were looking at the welfare of the farmers. That "stupid" list there contains names of small-scale farmers. Some of the individuals in the list are still going to repay.

I would also like to inform the Minister that we have always longed for a farmers' bank. Let us go ahead and have a farmers' bank.

**Mr. Twaha:** On a point of information, Mr. Temporary Deputy Speaker, Sir.

**The Temporary Deputy Speaker** (Mr. Musila): Mr. Obure, would you like that information?

**The Minister for Finance** (Mr. Obure): I do, Sir.

**Mr. Twaha:** Mr. Temporary Deputy Speaker, Sir, I would like to inform the Minister that contrary to what the hon. Members from the other side of the House have been saying, the beneficiaries of the loans are poor pastoralists in Lamu, who had a group ranch and borrowed money to buy cattle which were subsequently stolen by *shiftas*. They were unable to repay the loans, and, therefore, they are the ones who are benefiting from this relief.

**The Minister for Finance** (Mr. Obure): Mr. Speaker, Sir, both Mr. Sambu and Mr. Twaha have virtually

said what I wanted to say. But it is being over-simplistic and underrating the intelligence of Kenyans to suggest that the Government is trying to get money for electioneering purposes. This is not true, and will not be the case.

**Mr. Katuku:** On a point of information, Mr. Temporary Deputy Speaker, Sir.

**The Temporary Deputy Speaker** (Mr. Obure): Mr. Obure, do you want the information?

**The Minister for Finance** (Mr. Obure): Mr. Temporary Deputy Speaker, Sir, I do not want it.

*(The Temporary Deputy Speaker  
(Mr. Musila) left the Chair)*

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

These are public funds intended to revive this important institution, so that we can provide credit to farmers, which they badly need. As I have said before, we cannot revive agriculture in this country without credit.

With those few remarks, I beg to move.

*(Question put and agreed to)*

*(Loud consultations)*

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

**Mr. Kihoro:** On a point of order, Mr. Temporary Deputy Speaker, Sir. There is a Motion that was adopted by this House on 2nd October, this year in respect of payment of coffee debts. Does Sessional Paper No.4 that the Minister is proposing to move have any relationship at all to that Motion?

ADOPTION OF SESSIONAL PAPER NO.4  
OF 2002 ON NON-PERFORMING GOVERNMENT  
DONOR CREDIT WITH THE CO-OPERATIVE BANK

**The Temporary Deputy Speaker** (Mr. Imanyara): Let us first give the Minister an opportunity to move the Motion.

**The Minister for Finance** (Mr. Obure): Mr. Temporary Deputy Speaker, Sir, I beg to move:-

THAT, this House adopts Sessional Paper No.4 of 2002, on Non-performing Government Donor Credit with the Co-operative Bank of Kenya laid on the Table of this House on Thursday 24th October, 2002.

This relates in particular to the coffee industry. Hon. Members of this House have continued to express serious concerns about the status of the coffee industry. The coffee industry has been on a downward trend for a long time and it requires assistance. The coffee farmer in this country has been impoverished largely because of the declining world coffee prices. Consequently, there is need today to provide some kind of assistance to the coffee industry. Therefore, this particular Sessional Paper has been brought here basically at the request of hon. Members of Parliament who have expressed some solidarity with the coffee farmer. I believe that this is an important step. Coffee farmers need some support and relief from the heavy loans which have overburdened them at this particular point in time. Therefore, this Sessional Paper is being brought in accordance with the requirements of the Government financial regulations and procedures for consideration by this House. I also hope that it will receive the approval of this House.

The main reasons which contributed to the non-performance of the loans are largely as follows---

**Mr. Sungu:** On a point of order, Mr. Temporary Deputy Speaker, Sir. I note that this Sessional Paper No.4 is dated 24th October, 2002. I wonder whether it will be referred to the relevant Departmental Committee of Parliament for consideration before being placed before the National Assembly for debate.

**The Minister for Finance** (Mr. Obure): Mr. Temporary Deputy Speaker, Sir, it has been noted that the main reason for failure ---

**Mr. Sungu:** On a point of order, Mr. Speaker, Sir!

**The Temporary Deputy Speaker** (Mr. Imanyara): Mr. Minister, could you first respond to the hon. Member's question?

**The Minister for Finance** (Mr. Obure): I am responding to that point of order. Hon. Sungu may not fully appreciate the plight of the coffee farmer. He probably appreciates the fish and sugarcane farmers more. I would like to

say---

**Mr. Sungu:** Mr. Temporary Deputy Speaker, Sir, this is an issue of national importance and the rules of the House must be followed to the letter, to make sure that we are doing the right thing.

**The Temporary Deputy Speaker** (Mr. Imanyara): Just remind me which rule you are referring to.

**Mr. Sungu:** Mr. Temporary Deputy Speaker, Sir, I am sure you are quite aware of the rules. This is very relevant to the report.

**The Temporary Deputy Speaker** (Mr. Imanyara): Which rules are you referring to?

**Mr. Sungu:** May I have a copy of the Standing Orders?

**The Minister for Finance** (Mr. Obure): Mr. Temporary Deputy Speaker, Sir, I would like to inform Mr. Sungu that the relevant Departmental Committees have discussed this at length and I believe that this will be a popular move particularly as it relates to giving some relief to people who really deserve it.

The main reasons for non performance of loans are as follows---

**Mr. Mutahi:** Mr. Temporary Deputy Speaker, Sir, I require some clarification. The Minister has repeatedly talked about coffee, but I have before me a list of cotton production, poultry, special rural development---

**The Temporary Deputy Speaker** (Mr. Imanyara): Why do you not let him finish?

**Mr. Mutahi:** But the list is here. My point of order is on clarification because I have a list which talks about poultry and cotton. I do not know whether that is the one he is talking about because the Motion that we passed the other day talked about coffee only. Which Sessional Paper are we discussing now?

**The Minister for Finance** (Mr. Obure): Thank you, Mr. Temporary Deputy Speaker, Sir. If only the Member for Mukurweini could be patient. I am addressing myself specifically to coffee. The Member for Mukurweini is referring to other schemes which were also part of this Sessional Paper.

The cause of non-performance was mismanagement of co-operative societies and unions through which the funds were disbursed. At that time, because of this mismanagement, people who were not members of these societies were able to access these loans. Secondly, there was the question of overstocking the store with dead stock. There was also the question of inability of the co-operative societies to make payments on time which adversely affected the farmers' resource base and morale, leading to the abandonment of co-operative societies. We have had difficulties because of poor record maintenance in the various co-operative unions and societies making it very difficult for recoveries to be effected. Another reason was that a number of co-operative societies which benefited from these loans have actually collapsed or have been split, thus creating a lot of confusion and difficulties in collecting some of this money. It is for these reasons that we believe that rather than allow the coffee industry to sink any further, we should now move in and provide some relief so that we can resuscitate this particular industry.

If the House approves this request, we intend to establish a special implementation committee comprising of the Co-operative Bank, the office of the Controller and Auditor-General and the Coffee Board of Kenya to ensure that all irrecoverable debts are ultimately written off and to also ensure that only the coffee farmer benefits from this write offs and not those who do not deserve it, namely the well-to-do plantation farmers. We are talking about coffee farmers who are members of co-operative societies and are unable to service their loans for the obvious reasons.

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

**The Minister for Lands and Settlement** (Mr. Ngala) seconded.

*(Question proposed)*

**Mr. Ndwiga:** Thank you, Mr. Temporary Deputy Speaker, Sir. First of all, I would like to thank the Minister for bringing the Sessional Paper, although he did that under pressure! There is still no Paper on coffee debts, even as we talk now. What the Minister has laid on the Table is a list of non-performing loans with the Co-operative Bank of Kenya. I am afraid that if we pass this Paper as it is, the Co-operative Bank of Kenya will use its discretion to write off loans of the "big fish" and all other non-performing loans in the bank, while the farmer will continue to suffer.

Mr. Temporary Deputy Speaker, Sir, in our discussions in the Committee with the Minister, we pointed out particularly SCIP I and SCIP II Programmes, where the Co-operative Bank was managing the loans given to the farmers. The agreement was that the co-operative societies would pay at the rate of 15 per cent. But, what the bank did was that they charged 15 per cent during the first year. But the proceeds that came from the Coffee Board of Kenya were not enough to service the loans even for that first year. So, the bank told the co-operative societies that they would charge interest at commercial rates. For example, if one co-operative society got Kshs3 million, the Co-operative Bank would say: "We will take Kshs1 million, but the balance of Kshs2 million will be charged at commercial rates." That is precisely why most co-operative societies are dead today. At that time, if you remember, the commercial interest rates in this country had gone up as high as 54 per cent! The debts that the co-operative



societies owe today can never be repaid, if the Government seriously wants to resuscitate the coffee sector. It is not possible.

What the Minister is talking about are donor funds given to the Co-operative Bank and the project did not take off. That is the list that we have got here. I do hope that the Minister will take cognisance of what we have said in the past, and what we are going to say now; that the Co-operative Bank has been the biggest enemy of the coffee industry in this country. Having done what they did in year one, the same loans were charged at the same interest and compounded interest in year two. For example, one co-operative society that I have in mind got Kshs5 million. But today, it owes the bank Kshs82 million! The interests were compounded but there were no proceeds from the Coffee Board of Kenya. So, there were no repayments. Today, you are asking farmers to produce coffee. However, even when the market is good and payments come from the Coffee Board of Kenya, the proceeds will never reach the farmers. That is because the farmers owe the bank some money. We did discuss in the Departmental Committee about the maize farmers who were affected by the drought. We also discussed about some ranch farmers in Coast Province and agreed that such loans should be written off. We should have a thorough audit of the bank.

Mr. Temporary Deputy Speaker, Sir, we have heard that this bank is "broke", although I do not want to make a statement like that. Indeed, not all the STABEX funds which have been channelled through this bank have reached the farmer.

**The Minister for Finance** (Mr. Obure): On a point of order, Mr. Temporary Deputy Speaker, Sir. Is it in order for Mr. Ndwiga, whom I respect very much to make such a serious statement that one big bank is "broke" when we know that it is not, and when we know that it, indeed, meets the statutory requirements?

**The Temporary Deputy Speaker** (Mr. Imanyara): But Mr. Minister, you will have plenty of time to reply to that.

**Mr. Ndwiga:** Thank you, Mr. Temporary Deputy Speaker, Sir. The Minister does know what I know, but he must do a public relations exercise for the bank. I would be the last person to wish that this bank collapses because that is where all our eggs are. We are saying that, at this point in time, we need a thorough audit of all the monies which have passed through this bank. I have in mind the STABEX funds which we recently released after an agreement between the Ministry of Finance and Planning and the Ministry of Agriculture and Rural Development was reached. But to date, 50 per cent of those funds have not reached the farmer. The agreement stated that they would provide capital input of 50 per cent of what the farmers had applied for and get the balance as they pay. To date, I know that all the applicants - including myself because I am a coffee farmer - have not received the 50 per cent. If you go round the country, you will find that the crop is ready to be harvested but the farmers have no money to carry out this exercise. This is the case, and yet the Co-operative Bank of Kenya cannot release the balance of that money. Something should be done. We cannot have a bank which is supposed to serve the farmer behaving in this manner.

I was going to oppose this Motion vigorously today, but as the Minister has said that he is my friend and I have a lot of respect for him, I hope that they will set up this committee which will look into the operations of this bank. I appreciate that the Minister will not be there when this will happen. I do know that I will be in the Government which will do that. That is the reason why I have said that let the House pass this Motion and I will implement it in the next Government.

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

**Mr. Mwiraria:** Thank you, Mr. Temporary Deputy Speaker, Sir. I rise to support the Motion, but there are a few questions which I would like to ask the Minister for Finance.

If you read the Paper, you get the impression that the Kshs1,066,000,000 being written off is owed by coffee farmers. But if you examine the table at the end of the Paper, you will find that the coffee industry owes about Kshs200 million, while the rest of the money is owed under the following items: new seasonal credit scheme - Kshs203 million, crop production credit scheme - Kshs224 million, cotton produce and processing project - Kshs136 million, special rural development project and so on and so forth. The coffee industry was better organised than most industries. I know for a fact that the Co-operative Bank of Kenya, through which all payments for coffee are made, always deducts from the farmers' payments what they owe, in loan form. There are many years when coffee farmers in Meru, particularly in North Imenti, which I understand better than most of the other areas, did not receive any cent at all; after delivering their coffee, the reason being that whatever proceeds from the coffee sales go to the Co-operative Bank of Kenya and they take the entire amount.

Mr. Temporary Deputy Speaker, Sir, we are going to agree that this loan be written off. Could the Minister assure us that, after we have written off this loan, coffee farmers will also benefit from this write off? We want to hear it from the Minister's mouth that, once we write off the loan, the Co-operative Bank of Kenya will stop charging the coffee farmers the loans which they owe. In fact, they should absolve them from this debt. The second point is that, it is a pity that although funds were available for lending to farmers, the interest rates charged were not affordable. Unfortunately, as the previous speaker said, the Co-operative Bank of Kenya took advantage of the high rates of

interest prevailing, that was around 1993 through to 1995, to charge very high rates of interest. The audit committee which the Minister proposes to set up should look at the amounts already paid by the farmers, with a view to giving them refunds where they have overpaid and what is considered a fair share of the debt that they owe.

Mr. Temporary Deputy Speaker, Sir, it does not make sense for somebody who owes only Kshs5 million to be charged over Kshs80 million, over a period of seven years. There is no other country in the world where interest rates are crazy as they are in Kenya! Many a times, we have said in this House that we need responsible banks, banks which do not want to make a kill when everyone else in the economy is collapsing. The Minister should assure us that all farmers regardless of whatever it is that they grow, will benefit from Kshs1.066 million loan write off. We will be happy that we have really given them something, at least, a present.

With those few remarks, I beg to support.

**Mr. Sungu:** Mr. Temporary Deputy Speaker, Sir, this is a very sad day, indeed. It is a sad day because we are merely going to sanction a write off of over Kshs1 billion which is taxpayers' money, in a very short time and without proper debate because the majority must rule. The majority is not necessarily always right, even if they must rule! Although the Minister said that this write offs concern coffee -I am not a coffee farmer - I would like to say that coffee farming is a national issue and it is grown in my constituency, Got Nyabondo! For sure; Got Nyabondo is over 5,000 ft above sea level. I would like to tell you that this matter relates to a lot of other matters besides coffee; coffee forms Kshs178 million! There is cotton produce and processing project of Kshs136 million, integrated rural agricultural development project of Kshs109 million, USAID co-operative production of Kshs44 million, among others. No wonder this country is poor. No wonder we are always begging from the donor community. How can we write off this debt of Kshs1 billion without investigating properly? If I were to ask the Minister to tell us who are this KFW General who want us to write off Kshs25 million, will he be able to do so? He would have told us when he moved this Motion on this Sessional Paper.

Therefore, on this score alone, I stand to oppose this Motion. Let us not hurry up this matter because here we are talking about taxpayers' money. Kenyans are poor people. We are not able to pay teachers. Parents are not able to pay school fees for their children and yet here, this House is being asked to write off Kshs1 billion. We do not know how this money was spent.

Mr. Temporary Deputy Speaker, Sir, it is possible and I believe that it is true, that some of these loans we are being asked to write off relate to what we have just discussed under the AFC. For example, new seasonal credit scheme. Is there not something like that under the AFC which we have just discussed now? That is a just a mere Kshs203 million. If you give me that amount of money, I will do a lot in my constituency to eradicate poverty.

We are witnessing here the obvious plunder and looting of the Kenyan economy by leaders in this outgoing Government. Tomorrow, when we are back in the Government, whether we will be the majority or not, we will reverse these issues.

Mr. Temporary Deputy Speaker, Sir, I beg to oppose.

**Ms. Karua:** Mr. Temporary Deputy Chairman, Sir, I have a lot of reservations about this Sessional Paper. Although the Minister says that he is trying to help poor coffee farmers, I have looked at it and that does not seem to be the case. It begins by saying: "Of all the loans given by the Co-operative Bank only the SCIP scheme is paying promptly." In the last page, this Paper says: "Once approval is granted, only non-performing or irrecoverable debts will ultimately be written off." This means that if the SCIP programme is performing, the coffee farmers who are currently carrying the heavy burden of repaying loans, will not benefit from this Sessional Paper.

The Minister has misled this House by claiming that this Paper is aimed at reviving the coffee industry. I believe that somebody somewhere is riding on the back of coffee farmers to get money, to either pay performing loans or loans for individuals who can afford to pay, while using the name of coffee farmers. Why can the Minister not abide by the paper he has presented? Paragraph 8 says:-

"Once parliamentary approval is granted, the Government jointly with the Co-operative Bank, the Auditor-General and the Coffee Board of Kenya will constitute a Write off Implementation Committee which will ensure that only irrecoverable debts are ultimately written off".

That clearly indicates that the coffee farmer will not benefit. In the summary of the loans, there is nothing at all relating to the small-scale coffee farmer. We are seeing projects which one has difficulty understanding. One of these was the Integrated Agricultural Development Project. We are not being told who owes the Kshs109 million. We do not know whether it is the largest-scale farmer. We have no evidence whatsoever to show that these are small-scale farmers.

Mr. Temporary Deputy Speaker, Sir, this Sessional Paper was tabled today. It is now being hurried through the House without giving the Committee on Agriculture, Lands and Natural Resources time to investigate who actually owes these debts. That is why we are saying that these are interested persons, either in the Government or are politically-correct, who are trying to write off their own loans.

Mr. Temporary Deputy Speaker, Sir, it is indicated in this Sessional Paper that USAID Co-opt Crop

production owes Kshs44 million. We do not know who owes this money. We do not know when the Kshs3 million relating to the new Seasonal Credit Scheme (SCS) was given out. It could have been given out yesterday. We have just passed the Sessional Paper on the revival of the AFC. We saw that among the debtors of the AFC were prominent members of the Government, including some Cabinet Ministers. Are these the same people we are going to write off loans for? I believe that this is a deliberate scheme to loot taxpayers' money while using the name of the poor coffee farmers.

The AFC debtors whom we have just passed include debtors who were Permanent Secretaries (PSs); the list is available for everybody to see. I can even see the name of Mr. Hosea Kiplagat, who is the chairman of the Board of the Co-operative Bank. The Sessional Paper has already been tabled. So, I am free to read out the names.

Mr. Cheruiyot owes the bank Kshs15 million; Mr. Walter Kilele, Kshs24 million; the PS, Office of the President, Mr. Zakayo Cheruiyot, Kshs9 million; Mr. Hosea Kiplagat, Kshs6.6 million; Mr. Andrew Omanga, Kshs12 million; Ms. Leah Odero, Kshs8.3 million; Mr. Joseph Kitony, Kshs2.2 million, and Mr. P. Chemng'orem, Kshs8 million. Even the name of the Chief Executive of Nation Media Group is listed.

So, one wonders who is behind the loans we are writing off. Is this another list of who-is-who? I cannot read out all the names in this list, because it is like a list of who-is-who in Kenya and in the Government. Mr. Lawi Kiplagat owes Kshs15 million; Dr. Sally Kosgey, Kshs3.8 million; Mr. Mbijiwe, Kshs6.8 million.

**An hon. Member:** Is the name of Mr. Kiboro also there?

**Ms. Karua:** Mr. Kiboro, the Nation Media Group Chief Executive, owes Kshs15 million. I also saw the name of a parliamentary colleague, a Mr. I. Ruto, who owes Kshs3 million.

**Hon. Members:** That is Mr. Isaac Ruto!

**Ms. Karua:** Mr. Temporary Deputy Speaker, Sir, if that is the kind of write-off that we have encouraged in the Agricultural Finance Corporation (AFC), could the Minister give us the names of the people who are now---

**The Minister for Finance (Mr. Obure):** On a point of order, Mr. Temporary Deputy Speaker, Sir. Surely, you cannot allow this to go on.

**Hon. Members:** Why not?

**The Minister for Finance (Mr. Obure):** When I was responding to this debate, I made it very clear that the names on the list I tabled here, which is the one Ms. Karua is reading from, are not the ones in whose respect we want to write off the debts. I can, therefore, not understand why Ms. Karua should continue reading out the names on that list, which was provided to this House for a totally different reason.

**The Temporary Deputy Speaker (Mr. Imanyara):** Mr. Minister, why should I not allow Ms. Karua to continue reading out the names on that list?

**Hon. Members:** Yes; why?

**The Minister for Finance (Mr. Obure):** Mr. Temporary Deputy Speaker, Sir, I object to the reading out of the names because Ms. Karua is using the list to say that we have allowed a write-off of those loans when, in fact, we have not.

**The Temporary Deputy Speaker (Mr. Imanyara):** Mr. Minister, Ms. Karua says that you have not clarified whether the AFC loanees are not affected by the list she is referring to. That is what she is really pointing out.

**Ms. Karua:** The Minister should listen carefully. We did not interrupt him when he was moving the Sessional Paper.

I have carefully looked at Sessional Paper No.1, which has just been moved. There is no commitment in it to state that the loans owed by people who are able to repay, will not be written off. This Sessional Paper will be used, and we know that is why it has been rushed to the House, to write off loans owed by politically-correct people. We know that not all the loans owed by everybody whose names I have read out will be written off. But we know that loans owed by people in high position and politically-correct persons will be written off. The Minister tabled this Sessional Paper today. We are now being rushed to pass it. We do not know, if the list were to be made available, whether this would be another staff parade of who is who in the political elite of Kenya.

Mr. Temporary Deputy Speaker, Sir, we should not use the names of the farmers. Let us not insult farmers who are languishing in poverty by pretending to be bailing them out, when we are actually writing off loans owed by people who are capable of repaying them. I challenge the Minister to explain to the House who the beneficiaries of the loans of the new Seasonal Credit Scheme are. This is under item No.3, and the scheme owes Kshs203 million. Who are the debtors? If the debtors are the co-operators, the Minister must be having a list of the co-operative societies that owe this money adding to Kshs203 million. If he does not do that, then we know that this is another staff parade of the political elite. We want to know who are the beneficiaries of the DANIDA Farm Input Supplies Scheme. The scheme owes Kshs62 million. We also want to know who benefitted from the Crop Production Credit which owes Kshs224 million. We might find out that this money was given out only yesterday for political campaigns.

We want to know who benefitted from the Cotton Produce and Processing Project. Might this be money taken by the politically- correct people to buy ginneries in the country to the exclusion of farmers? The Minister should assure us by putting concrete evidence before this House that writing off these loans is aimed at helping the farmers and alleviating poverty and not enriching those who have already looted the public coffers. We also want to know what this Special Rural Development Project is. Who were the beneficiaries of the project who cannot now repay the loan to the Co-operative Bank of Kenya? I am challenging the Minister to explain to us all the listed 14 items. Who will benefit if these loans are written off?

I listened to the Minister when he was moving the Sessional Paper, and he talked about mismanagement of the co-operative societies. I agree with that, but the Minister omitted one important issue. He did not talk about the gross mismanagement of the Co-operative Bank of Kenya (CBK). Donor funds given as grants to the CBK to loan to farmers at concessionary rates, have been used by the bank to exploit the farmers by charging market interest rates and sometimes above market rates. How can we then write off debts owed to the Co-operative Bank of Kenya, when the bank has made millions of shillings from the farmers? This write off is a cover-up of the mismanagement of the CBK which has loaned unsecured loans to politically-correct individuals. Why are we writing these loans off without restructuring the bank and firing those who are responsible for looting it? Some of them appear to be permanent and pensionable in their Board positions, yet they are in the list of the debtors. I think this is not a serious effort to bail out the farmers. This is a rip-off, brought at election time with the purpose of funding a crumbling regime.

I want to say that my constituency has a lot of coffee farmers, but the coffee co-operative societies are languishing in poverty. I do not see any item here which relates to my farmers. Why is the Minister misleading the nation by telling them that the farmers will benefit when it is obvious that somebody else will? In case I am wrong, could the Minister then assure us by reading out these 14 items or tabling the document so that we may read for ourselves who is going to benefit?

Mr. Temporary Deputy Speaker, Sir, we shall, as committed Members of Parliament of Coffee and Tea Parliamentarians Association (COTEPA), continue to agitate for the rights of farmers, but let nobody take advantage to lobby on behalf of farmers and now bring in people who do not deserve write-off of their loans to benefit. I am thinking of the coffee co-operatives which owe so much money that even if they were to pay their entire proceeds from their coffee for the next five years, they would not be able to clear these loans. These are the farmers we were talking about when we asked that there be a write-off of their loans. We were not thinking of the big coffee farmers or the estates. We were thinking of the co-operatives. How then are we going to be sure that it is the small-scale coffee farmers who are out to benefit? There is nothing in this Sessional Paper to ensure that the passing of this Motion is not going to be abused. I challenge the Minister, once again, to let us know exactly who is going to benefit and lay concrete proof and not to let this House be used to loot.

Mr. Temporary Deputy Speaker, Sir, lastly I want to say this---

**Mr. Michuki:** On a point of order, Mr. Temporary Deputy Speaker, Sir. This Sessional Paper is written by the Minister for Finance. Is it in order that the schedule he has given to contain such misleading information that only one item appears to concern coffee farmers, and that is Kshs178 million, out of Kshs1 billion? Is it in order that he should bring all sorts of inefficiencies into this Paper to make up for the Kshs1 billion when, in fact, the only item that concerns coffee farmers is Kshs178 million?

**Ms. Karua:** Mr. Temporary Deputy Speaker, Sir, I personally do not mind any co-operators benefitting, even if they are not coffee farmers, so long as they are poor people being helped. However, I do mind that people should hide behind the poor people to loot.

**The Minister for Environment and Natural Resources (Mr. Ruto):** On a point of order, Mr. Temporary Deputy Speaker, Sir. Given that we have discussed this Motion effectively, would I be in order to ask that the Mover be now called to reply?

**Hon. Members:** No!

**The Temporary Deputy Speaker (Mr. Imanyara):** Order, hon. Members! The responsibility is mine. Why do you not let him make his application? What is your application?

**The Minister for Environment and Natural Resources (Mr. Ruto):** Mr. Temporary Deputy Speaker, Sir, could the Mover be now called upon to reply?

**The Temporary Deputy Speaker (Mr. Imanyara):** Order! I decline.

Proceed, Ms. Karua!

*(Applause)*

**Ms. Karua:** Mr. Temporary Deputy Speaker, Sir, we expect such moves by interested persons who may be the beneficiaries of this Paper.

I was saying that I do not mind the write-off of money for any co-operative sector, even if they are not coffee farmers. In fact, I am saddened that there is no item in this Paper relating to the sugar industry. If we are aiming at all co-operators, we would expect to see the sugar industry here and many others.

Mr. Temporary Deputy Speaker, Sir, if this Paper has all manner of co-operatives, including poultry and cotton, why are the sugar co-operators not there, or are they not part of this nation? What about the fish co-operators?

**An hon. Member:** The "fis" co-operators!

**Ms. Karua:** It is "fis" co-operators, as I have been corrected. This is selective and I am again expressing fears that we do not know why it is being rushed. There could be something hidden behind what we are seeing. I would like to remind myself and other hon. Members that---

**Mr. Mutahi:** On a point of information, Mr. Temporary Deputy Speaker, Sir.

**The Temporary Deputy Speaker** (Mr. Imanyara): Do you want that information?

**Ms. Karua:** Yes, Sir.

**Mr. Mutahi:** On a point of information, Mr. Temporary Deputy Speaker, Sir. When I stood on a point of order, I said that I had two lists; one list contained names of cotton companies and dairy industries, and the other one has coffee co-operative societies whose loans we thought were supposed to be written off. The names of the coffee farmers debtors, including those from Kisii where the Minister comes from, total to 132. I would like to inform Ms. Karua that if the Minister could have gone by the list I have, where coffee co-operative societies owe the Co-operative Bank about Kshs3 billion, we would pass on this Paper in about two to five minutes. The list of the co-operators the Minister has brought and the one we have are quite different. I will pass on to Ms. Karua the list of the genuine debts that are supposed to be written off.

**Ms. Karua:** Mr. Temporary Deputy Speaker, Sir, I appreciate that information. That information having come from the Minister when responding to a Question raised by Mr. Kihoro, I would like to give the Minister a copy of it so that in his response, he may tell us whether this write-off includes the names of the coffee farmers who have been listed here. This is the list which includes all the coffee farmers under the various projects. We would appreciate if the Minister responded as to whether that is part of the loans.

Mr. Temporary Deputy Speaker, Sir, should this Sessional Paper be used for purposes of looting, I would like to remind those who are waiting to loot that when a new Government is in place - as the Attorney-General may wish to confirm to them, there is no time limit for criminal offences - these matters can be resuscitated and the monies can be recovered. It is important that one does not tamper with public funds if he or she wants to live among fellow citizens peacefully.

Let us not hide behind the farmers to loot. For those who have looted, we shall be back next year and reverse the ills that will have been committed. I am waiting eagerly to hear the Minister, when he gets his chance to reply. I have reservations, and I will wait for the Minister to respond.

#### ADJOURNMENT

**The Temporary Deputy Speaker** (Mr. Imanyara): Hon. Members it is a convenient point to adjourn the proceedings of the House. The House is, therefore, adjourned until Tuesday, 29th October, at 2.30 p.m.

The House rose at 8.00 p.m.