

NATIONAL ASSEMBLY

OFFICIAL REPORT

Thursday, 14th October, 1999

The House met at 2.30 p.m.

[Mr. Speaker in the Chair]

PRAYERS

PAPERS LAID

The following Papers were laid on the Table:-

Annual Report and Accounts of Agricultural Development Corporation for the year ended 30th June, 1996, and the Certificate thereon by the Auditor-General (Corporations).

Annual Report and Accounts of Agricultural Development Corporation (Lands Ltd) for the year ended 30th June, 1996, and the Certificate thereon by the Auditor-General (Corporations).

Annual Report and Accounts of the Agricultural Development Corporation (Kulalu Ranch) for the year ended 30th June, 1996, and the Certificate thereon by the Auditor-General (Corporations)

Annual Report and Accounts of Agricultural Development Corporation (Garissa Irrigation Project) for the year ended 30th June, 1996, and the Certificate thereon by the Auditor-General (Corporations).

Annual Report and Accounts of Agro-Chemical and Food Company for the year ended 30th June, 1998, and the Certificate thereon by the Auditor-General (Corporations).

Annual Report and Accounts of Tea Board of Kenya for the year ended 30th June, 1997, and the Certificate thereon by the Auditor-General (Corporations).

Annual Report and Accounts of Kenya Sisal Board for the year ended 30th June, 1998, and the Certificate thereon by the Auditor-General (Corporations).

Annual Report and Accounts of Coast Development Authority for the year ended 30th June, 1997, and the certificate thereon by the Auditor-General (Corporations).

(By the Minister for Agriculture and Rural Development)

NOTICE OF MOTION

INTRODUCTION OF COMPUTER STUDIES IN SCHOOLS

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

THAT, in the view of ever increasing importance of computers, this House urges the Government to introduce computer studies as a compulsory subject in schools and provide all public secondary schools with at least five computers for teaching purposes.

ORAL ANSWERS TO QUESTIONS

Mr. Ochilo-Ayacko: Mr. Speaker, Sir, I have not received a written reply to this Question. However, I beg to ask Question No.439.

Question No.439

NAMES OF SUSPECTS KILLED BY POLICE

Mr. Ochilo-Ayacko asked a Minister of State, Office of the President:-

(a) if he could table a list of the names of suspects gunned down by the flying squad for the last

three years; and,

(b) what measures he has put in place to ensure that such suspects are not victims of recklessness and "trigger-happy" police officers.

The Minister of State, Office of the President (Maj. Madoka): Mr. Speaker, Sir, I believe copies of the written reply were sent to Parliament. I do not know where they are, but they were sent to the office of the Clerk. However, I beg to reply.

(a) I hereby beg to lay on the Table, a list of 29 suspects shot by the flying squad.

(b) The law on the use of firearms by police officers is very clear. Whenever firearms are used in circumstances which are questionable, investigations are carried out and appropriate action taken in accordance with the law.

Mr. Ochilo-Ayacko: Mr. Speaker, Sir, incidences of innocent people being shot down by trigger-happy policemen are common occurrence in Kenya. The law that the Minister is talking about, empowers the same police officers that have shot innocent people, to investigate themselves. What is the Minister doing to ascertain that, there is objectivity in investigations and that, people should not be regarded as guilty, until they are proved to be so by a court of law?

Maj. Madoka: Mr. Speaker, Sir, first of all, I do not agree that our police officers are trigger-happy. We have incidences where policemen have been charged, when found to have misused their firearms.

Mr. Wamae: Mr. Speaker, Sir, this is a very serious matter. We had a case of one student who was shot at the junction of Uhuru Highway and Kenyatta Avenue. Were those policemen who were involved arrested? Who does the investigations to ensure that the same policemen involved in shooting suspects do not conduct investigations?

Maj. Madoka: Mr. Speaker, Sir, as regards the officers who shot the university student, two of them, have been charged and the case is in court.

Mr. Sungu: Mr. Speaker, Sir, in Kenya, the principle of law is that, one is presumed innocent until proved guilty by a court of law. Under what law are these officers authorised to shoot innocent civilians? How can police officers shoot people in cold-blood? We have heard cases where the so-called criminals have been shot with very many bullets. That is not done to maim them, so that they could not escape. Could the Minister tell us under what law these officers are authorised to shoot innocent people?

Maj. Madoka: Mr. Speaker, Sir, most of these incidences happen when the policemen are acting in self-defence. Many times, people shot dead are either bandits or thugs who have been involved in these incidences. I think hon. Members should appreciate that, policemen shoot to maim a thief or a robber. Those of us who have used firearms know how difficult it is to get your target. For example, you may aim at the foot, but when you are running and panting, it will be very difficult to get the target. This is because, even when you are lying down in a very conducive environment, you cannot get a standing still-target. Whereas, the police officers aim to maim the thief, many times, it is difficult to do so. At no time, do they really aim to shoot to kill. It just happens that, it is difficult at times, to get a target as they would actually want to do.

Mr. Speaker: Hon. Members, I think you know very well that today, we will go into the Committee of Supply by 3.30 p.m. However, because of the nature of this Question, I will give a chance to one more hon. Member. But it must be known that I will restrict all other questions because the Minister tabled a list.

Mr. Ochilo-Ayacko: Mr. Speaker, Sir, in more civilised countries the families of victims of police excesses are allowed to address the Complaints Board of the Police Force. What step is the Minister taking to establish an objective Police Complaints Board where families or relatives of victims of trigger-happy policemen could complain and access justice as any other citizen would?

Maj. Madoka: Mr. Speaker, Sir, there is no restriction at all in this country. Any member of the family who feels that he has not been treated justifiably is free to lodge his complaints in court or directly to the Police Commissioner.

Mr. Speaker: Next Question, Mr. Kapten! And as you come to ask that Question, you should know that this Question was dealt with except for part "c". So, I will restrict it to part "c". The Minister was asked yesterday to read the legal basis upon which he was relying.

Question No.335

DEBT/LOAN POSITION OF KCB

Mr. Kapten asked the Minister for Finance and Planning:-

- (a) why the profit margin of Kenya Commercial Bank (KCB) dropped during the last financial year,
- (b) what the debt/loan position of the bank is; and,
- (c) whether he could table a list of loanees who owe the bank loans exceeding Kshs10 million.

The Minister for Finance and Planning (Mr. Okemo): Mr. Speaker, Sir, yesterday, I was being forced to read something which was not proper. So, I have brought the Banking Act and I will read the appropriate sections. There was a typographical error and I know why hon. Kapten wanted me to read that particular section. So, I will read Section 31(1) which reads as follows--

Mr. Kapten: On a point of order, Mr. Speaker, Sir. The Minister should not tell us about Section 31 of the Banking Act. The answer he gave yesterday talks about Section 3(a). If he wants to change the section, let him tell us that he made a mistake and apologise to the House so that we can go ahead.

Mr. Speaker: Order, Mr. Kapten! First of all, you are also wrong. He never talked about Section 3(a); he talked about Section 3(1). Mr. Okemo, did you not apologise?

The Minister for Finance and Planning (Mr. Okemo): I thought I apologised and said that there was a typographical error. However, if I did not, I will apologise again. I hope you will not ask me to apologise for the third time. Section 31(1) of the Banking Act reads as follows:-

"The Central Bank or the Minister may publish in whole or in part, at such times and in any such manner as he thinks fit, any information furnished to it or him under this Act, provided that the information so furnished shall not be published if it would disclose the financial affairs of any person unless the consent in writing of that person has first been given."

That is the section I was referring to in my answer yesterday.

Mr. Anyona: Mr. Speaker, Sir, I did concede that there was an amendment to what hon. Kapten was referring to yesterday. However, I think this is a matter of great importance which the Chair and the House ought to resolve. I want to believe that Parliament is the supreme authority in this land and it must be able to deal with every aspect of procedure as to how to protect confidentiality. I cannot believe that Parliament divested itself of the authority of calling for information to be furnished by the Minister for Finance. If that were to be the meaning of the law, then I do think that there is reason to alter the law. But I think you should look at this issue closely together with the Minister. I do not think Parliament wants to divest itself of powers which rightly belongs to it.

Mr. Speaker: Order, hon. Members! As you all know, Parliament has the sole right to make and unmake laws. It is also my understanding that when Parliament, in its collective wisdom, has made a certain law, it is applicable to everybody including individual Members of Parliament and Ministers. So, if Parliament is unhappy about a law that it has made, then the only way out is to unmake it; and you have the constitutional right to do so, if you can master the numbers.

Mr. Ochilo-Ayacko: On a point of order, Mr. Speaker, Sir. The Minister has read out a particular section of the law. We know that there are some customers of the bank that have breached the same law and are no longer having contractual understanding with the bank, and have been taken to court. Is it in order for the Minister to insist on giving them privileges when they are already in court? Is the Minister in order to mislead this House that such loanees enjoy such privileges?

Mr. Speaker: Do you have any in mind? Mr. Kapten, I hope you are now happy with what the law says.

Mr. Kapten: Mr. Speaker, Sir, Section 31(1) of the Banking Act which the Minister has referred to talks of information regarding the Central Bank or the Minister himself. It says:-

"The Central Bank or the Minister may publish in whole or in part in such a time and in such a manner as he thinks fit any information furnished to it or him under the Act."

Mr. Speaker, Sir, this information is not being sought by the Minister or the Central Bank of Kenya; it is being sought by Parliament which is the supreme body in this country.

Mr. Speaker: I think we are splitting hairs here. Section 31(1) of the Banking Act states as follows:-

"The Central Bank may or the Minister may publish---"

But on the same breath, it goes on to say that they cannot do that without the consent of the client. It does not matter whether it is to the public at large or Parliament. That is what the law says and you have to live with it or change it.

Next Question!

(Several hon. Members stood in their places)

Order, hon. Members! It is the Chair which will interpret this section. My understanding - and it is the understanding of the Chair that matters - is that Section 31(1), as it now stands, prohibits the disclosure of any financial affairs of a customer of a bank by the Minister or by the Central Bank to anybody without the written consent of the customer. Unless, of course, you have the recent consent of all the debtors who owe Kshs10 million, there is very little I can do. There is no point in arguing about this. That is my understanding of the law.

Mr. Kapten: Mr. Speaker, Sir, the Act, as it is, talks about the normal course of business. We are talking about misappropriation of public funds. This is the money given to the bank by depositors and it is this mismanagement that we want disclosed. That has nothing to do with the normal course of business. So, the Minister should disclose to this House, which is the supreme body in this country according to the Constitution, why there has been misappropriation of money by the KCB.

Mr. Speaker: Order! Mr. Kapten, your Question does not mean what you say. The Question states, and I read:

"Could the Minister table

a list of the loanees who owe the bank loans exceeding Kshs10 million?"

It does not say: "Those who have misappropriated from the bank or otherwise taken without authority sums from the Kenya Commercial Bank". It is very clear and that is now my ruling.

Next Question!

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

Mr. Speaker: Sorry. Your point of order is overruled.

Next Question, Mr. Ochoro Ayoki.

Question No.337

UPGRADING OF KOMBEWA TELEPHONE EXCHANGE

Mr. Ayoki asked the Minister for Information, Transport and Communication:-

(a) whether he is aware that the sub-telephone exchange at Kombewa Division cannot cope with the telephone demands in the area; and,

(b) whether he could consider installing a telephone exchange with a capacity to cope with the telephone demands of this region.

The Assistant Minister for Information, Transport and Communications (Mr. Mokku): Mr. Speaker, Sir, after consulting with the hon. Member, I am requesting, through you, for more time to answer this Question next Thursday.

Mr. Speaker: Mr. Ayoki, have you agreed to that request?

Mr. Ayoki: Mr. Speaker, Sir, I do agree, but yesterday this Question was postponed. Today it is being postponed again. Could the Assistant Minister be specific and tell the House when the answer will be given?

Mr. Speaker: Order! I respect the agreement between the two hon. Members, the Minister and the hon. Member. However, it is becoming increasingly apparent on daily basis that in fact, Ministers are not ready to answer Questions. If Ministers do not want to do a job for which they are assigned, I think they are at liberty to resign.

(Applause)

So, I will make this absolutely clear. I think the House is getting irritated. Can we stop this behaviour from now on and be serious? I will defer the Question to Thursday next week.

(Question deferred)

Mr. Otieno Kajwang'!

Question No.535

COMPLETION OF MBITA ICE PLANT

Mr. Kajwang' asked the Minister for Agriculture:-

- (a) when the Department of Fisheries will complete the Mbita ICE-PLANT which has stalled for the last 15 years; and,
- (b) whether he is aware that fishermen continue to suffer loss of fish due to lack of cold storage facilities around Lake Victoria.

The Minister for Agriculture (Mr. Obure): Sorry, Mr. Speaker, Sir. I just simply have to ask for your indulgence. This Question was sent to the Ministry of Natural Resources. I just received it in my Ministry this morning. I would request that I be given time to answer it on Tuesday next week.

Mr. Speaker: What is your response, Mr. Kajwang'?

Mr. Kajwang': Mr. Speaker, Sir, the Minister is right that when I asked the Question, the Department of Fisheries was under the Ministry of Natural Resources. However, I did not know that it was now under the Ministry of Agriculture. I do not know what the Ministry of Agriculture is doing with fish, but you may as well defer it.

Mr. Speaker: Very well. I think this one is understandable. Question deferred.

(Question deferred)

Next Question; Mr. Mohammed Weyrah!

Question No.508

EVICION OF MR. DUALLE BUTHUI

Mr. Speaker: Mr. Weyrah is not around? Well again, this is now the flip side of the coin. If Members do not want to ask Questions, they better not ask them. Question dropped.

(Question dropped)

Next Question, Mr. Kombe!

Question No.449

NUMBER OF PLOT ALLOTTEES IN
MAGARINI SETTLEMENT SCHEME

Mr. Osundwa, on behalf of **Mr. Kombe**, asked the Minister for Lands and Settlement:-

- (a) how many people have been allocated plots in the Magarini Settlement Scheme since its inception; and,
- (b) how many of these are from the local population.

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

(a) A total of 3,386 people have been allocated plots in Magarini Settlement Scheme since its inception in 1978.

(b) A total of 3,215 people are from the local population.

Mr. Osundwa: Thank you very much, Mr. Speaker, Sir. The answer the Minister is giving is acceptable, except we note that in one scheme alone, which is Ramada scheme, out of 427 plots, 400 plots were allocated to upcountry people. What is the policy? Is it to settle the locals or the upcountry people?

Mr. J. Nyagah: Mr. Speaker, Sir, the figure that the acting hon. Member for Magarini Constituency has

given is incorrect. It is highly exaggerated. The number of outsiders is 171 and they are deserving cases from the rest of Kenya.

Mr. Osundwa: Mr. Speaker, Sir, I want the Minister to give the names of upcountry people as compared to the locals who were allocated plots in this scheme. Who are these deserving cases? Can he undertake to bring the list here?

Mr. J. Nyagah: Mr. Speaker, Sir, some of the local people include hon. Members of Parliament. If it is wanted, I can publish them.

Hon. Members: *Toboa!*

Mr. J. Nyagah: Mr. Speaker, Sir, for example, if it is so wished, I can produce a few names of these people like the hon. Questioner himself. The other people are good Kenyans, who come from various parts of Kenya. They are from every community in Kenya.

Mr. Osundwa: Mr. Speaker, Sir, if the Minister says that the hon. Questioner is a beneficiary of these plots, can he give his plot number?

Mr. Speaker: Are you doubting it? Is it really in the Member's interests? Mr. Osundwa, did the Member instruct you that he wants this disclosure about himself? Are you sure? Please, help me!

Mr. Osundwa: Mr. Speaker, Sir, I am disputing the fact that the Questioner is one of the beneficiaries and that is why I want the Minister to prove that the Questioner is one of the beneficiaries.

Mr. Speaker: Well, if it is your interest and you insist, you can go ahead. However, I would be very careful if I were you.

Dr. Ochuodho: On a point of order, Mr. Speaker, Sir. In all fairness, you heard the hon. Minister say: "---Including Members of this House." He has only disclosed to us one beneficiary. Why can he not go ahead and table that list so that we know who are amongst those Members?

Mr. Speaker: Order, Members! I think the observation by hon. Dr. Ochuodho has merit because if that list was long, including other Members, why choose the Questioner only? In any case, it is not criminal for a Member of Parliament to own land. Do you wish to table it or not? I leave it entirely up to you.

Mr. Muchiri: On a point of order, Mr. Speaker, Sir. You heard the Minister say that these were deserving cases. Who are the Members of Parliament who were on that list of deserving cases? Can he table the list?

Mr. Speaker: Would you like to oblige, Mr. Minister?

Mr. J. Nyagah: Mr. Speaker, Sir, there were two categories of people. The Questioner was more interested in the upcountry people. The upcountry people are the ones I assumed the Questioner termed "deserving". I was just by the way indicating that there were other people who were Members of Parliament and others who were ex-Members of Parliament when this programme was being undertaken between 1976 and 1978. However, is it fair to the many Kenyans who are deserving to really have their names mention here?

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

Mr. Speaker: Order! There are two things about which you are right, as far as this issue is concerned. You see, when the Minister said: "Including Members of this House", he said; up to 1978. I am sure the hon. Questioner was then an ordinary citizen. Mr. Kombe was not in Parliament until 1998. So, I do not really know. It is then up to the Questioner. Do you want the whole list tabled? Please, go ahead and answer the Question.

It reads as follows:-

"(a) How many people have been allocated plots in Magarini Settlement Scheme since its inception?

(b) How many of these people are from the local population?

It is not actually about the numbers. How many are the allottees and how of them are locals out of the total population? So, the listing is out of question.

Dr. Ochuodho: On a point order, Mr. Speaker, Sir.

Mr. Speaker: Order! Let him reply first. How many people are allocated plots in the scheme and how many of them are locals?

Mr. J. Nyagah: Mr. Speaker, Sir, I will repeat. There are 171 upcountry people; there are 50 plots for public utility and there are 3,215 local people. So, I think the list the hon. Member is asking for consists of 171 people.

Mr. Speaker: Very well. Next Question!

Mr. Achola: Mr. Speaker, Sir, I would like to make a follow up on the Question.

Mr. Speaker: Yes, the very last one!

Mr. Achola: Thank you, Mr. Speaker, Sir. Could the Minister explain to the House what the settlement scheme was meant for? Let him tell this House whether it was meant for the poor people in Magarini or it was for

any other landless people within the country?

Mr.J. Nyagah: Mr. Speaker, Sir, as a general rule, settlement schemes are meant for people without land in the Republic of Kenya and the majority are taken from the local area. There are always cases of a few people who come from elsewhere. But the majority of the settlers, in almost all settlement schemes, come from the local area.

Dr. Ochuodho: On a point of order, Mr. Speaker, Sir. The Chair gave a directive that, that list should be tabled! Why is the Minister not tabling the list?

Mr. Speaker: Order! I did not say that!

Dr. Ochuodho: Mr. Speaker, Sir, let the list be tabled here---

Mr. Speaker: Order! Order! I do not know why hon. Members are suspicious all the time.

Dr. Ochuodho: Mr. Speaker, Sir, the Minister said that in that list are names of Members of Parliament seated in this House and then he went ahead and named one. Was it fair? Who are you defending?

Mr. Speaker: Order! Order! Please, Dr. Shem Ochuodho, you imputed improper motive on the Minister and you are now imputing it on the Chair. You are treading on very, very thin ice. Mr. Minister, did you reply to Mr. Achola's question?

Mr.J. Nyagah: Yes, I did, Mr. Speaker, Sir.

Mr. Speaker: Very well. Mr. Ojodeh's Question!

Question No.150

REPAIR OF BRIDGES IN NDHIWA

Mr. Ojodeh asked the Minister for Roads and Public Works:-

- (a) what he is doing to repair Nyakwamba, Nyarongi and Oyombe bridges along E11 Road; and,
- (b) whether he is aware that the same road is now impassable and the construction of the said bridge needs urgent attention

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

(a) Emergency repairs have been carried out on Oyombe, Nyakwamba and Nyarongi bridges on Road D14 and E11, to make the road passable from Wath Onger to Miranga Trading Centres.

(b) I am not aware that the road is impassable. What I am aware of is that, the culverts need urgent attention and my Ministry has recently issued funds to the District Works Officer for this particular work.

Mr. Ojodeh: Mr. Speaker, Sir, it is very disgusting to hear untruth from the Assistant Minister who is a friend of mine. There are no emergency repairs which have been done on this road. Hon. Ochilo-Ayacko and hon. Tom Onyango can bear me witness. This road goes up to Osani and it is the road which hon. Tom Onyango normally uses when he goes to his home.

The other time when I had a function in that area, we had to ride on a donkey with hon. Onyango. The Assistant Minister is laughing when he knows very well that he is telling untruth. Could the Assistant Minister tell us where in particular he did the repair work and how much it cost the Government?

Eng. Rotich: Mr. Speaker, Sir, the emergency repairs that were carried out cost the Government Kshs300,000 during the 1998/99 Financial Year. The money was used to facilitate repairs on the critical areas to make the road passable at this point. The funds were used to put a deviation at Nyarongi culvert which is off C18 about 1.5 kilometres from Miranga Trading Centre.

Mr. Ojodeh: Mr. Speaker, Sir, this is the first time I would request your indulgence on this particular matter. In the name of God, there is nothing which has been done on that road. The road is impassable and there is no way you can pass to the other side. If that is the answer the Assistant Minister is giving to this Question, could he tell this House which parts of Ndhiwa is this road to be found and where he used Kshs300,000? Please, let the Chair ask him.

Mr. Speaker: Order! Order! Mr. Assistant Minister, you have heard hon. Ojodeh invoking the name of the Almighty God. I am very scared when it comes to that. Would you like to respond or find out more about this road?

Eng. Rotich: Mr. Speaker, Sir, when it comes to the name of God, we have to be very careful. The information available to us is that, this Kshs300,000 was spent. But I am prepared to find out what really happened on the ground.

Mr. Ochilo-Ayacko: Thank you, Mr. Speaker, Sir, the roads in question covers Rongo, Ndhiwa and Nyatike constituencies. Why is the Assistant Minister making a preposterous and ridiculous claim that

Kshs300,000 can repair a road covering three constituencies? Is the Assistant Minister satisfied that Kshs300,000 can make any road? It was said the other day that it cannot even construct a toilet!

Eng. Rotich: Mr. Speaker, Sir, I believe I did not say that the money was used to make the road. I said that, it was used to do spot-repairs on three sections of the road.

Mr. Ojodeh: Mr. Speaker, Sir, I would request the Chair to defer this Question in order for the Assistant Minister to bring a proper answer. I would also ask about part "b" of the Question. How much money did the Ministry give for the repair of this road?

Mr. Speaker: Order! Order, Mr. Ojodeh! On the one hand you are asking me to defer the Question, on the other hand you want to have an answer. Which one do you want? You cannot have your cake and eat it!

Mr. Ojodeh: Mr. Speaker, Sir, I just wanted to know the amount of money which was allocated to this road. This is because I know that, after deferring the Question, he will give me another figure. So, I want to pin him down on the amount of money which was sent to Homa Bay. This is because I know for sure that there is no money which has been sent.

Mr. Speaker: So, Mr. Assistant Minister, would you like want to be pinned down?

Eng. Rotich: Mr. Speaker, Sir, that is a very bad position to be in. I would not like to be pinned down.

Mr. Nyanja: On a point of order, Mr. Speaker, Sir. I would like to enjoin myself with the hon. Member for Ndihiwa. It is very good that you take note that the Assistant Minister had to do this. The same people he is relying upon are the same people who were misusing the funds. Maybe, he is very honest to invoke the name of the Almighty God. Could he send a fresh team from the Headquarters comprising of engineers and quantity surveyors to go and verify the works that have been done before he comes back to this House? This is because the name of God is sacred.

Eng. Rotich: Mr. Speaker, Sir, I said that I am prepared to go there with those engineers, including the hon. Member for that area, to look at it.

Mr. Speaker: So, how long do you want, Mr. Assistant Minister?

Eng. Rotich: Mr. Speaker, Sir, I want two weeks, to visit and make the report.

Mr. Speaker: Very well, let us go to Mr. Mutahi's Question by Private Notice.

QUESTIONS BY PRIVATE NOTICE

OCCUPATION OF COFFEE FACTORIES BY THUGS

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

(a) Is he aware that on 5th October, 1999, the Nyeri District Commissioner, Mr. Ali Korane, with his entire security team and 40 policemen were stoned and chased away by armed thugs who had camped and had been training in Mutitu Coffee Factory?

(b) Is he further aware that the said thugs illegally occupied three factories, namely, Mutitu, Karundu and Kiawamururu about two months ago, with the full knowledge of the District Security Officers, and that on 20th July, 27th September and 5th October, 1999, the thugs invaded villages and destroyed coffee plants, burnt houses and shops and held several people hostage, including the area chief?

(c) In view of the above, what action has the Minister taken to restore security in the area, and punish those behind these attacks?

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

(a) I am aware that members of Nyeri District Security Committee (DSC) were ambushed and pelted with stones as they left Mutitu Coffee Factory, where they had gone to assess the security situation. However, I am not aware of the presence of any armed thugs training at Mutitu Coffee Factory.

(b) I am aware that on 19th, October, 1999, Mutitu, Karundu and Kiawamururu Coffee Factories were taken over by a group of farmers who were unhappy with the previous management of the factories, and who appointed a team of various farmers to guard each factory. I am also aware that on 20th October, 1999, a gang of about 20 people attacked a villager at Giathugu Location, where they destroyed property, including coffee and a cow belonging to the area chief. However, nobody was taken hostage as alleged.

(c) A total of 62 persons have so far been arrested and charged with the various offenses related to the coffee crisis in Nyeri.

Mr. Mutahi: Mr. Speaker, Sir, this is a sign of the high rate of insecurity in that area. If the area DC and 40 armed policemen were ambushed and pelted with stones, and the area chief beaten up and his two cows killed,

you can imagine how the ordinary mwananchi survives in that area. Could the Minister tell this House whether the people who have camped in those factories are there lawfully or not, and when they will be evicted?

Maj. Madoka: Mr. Speaker, Sir, the hon. Member knows very well the problems associated with the coffee crisis in that area. I do not want to go into the details. All I would like to say is that security patrols in the affected areas have been intensified and calm restored in those coffee areas.

Mr. Wamae: Mr. Speaker, Sir, could the Minister tell us why the Government has not organised a meeting of those coffee farmers, who want the factories split and those who do not want them split to enable them have dialogue, so that a solution can be found? This was done in Tetu, Othaya and Mathira, where solutions were found. Why has it become difficult for the Government to hold meetings with those farmers and find a solution in Mukurweini?

Maj. Madoka: Mr. Speaker, Sir, we have done our best, and I think it would be very helpful if the hon. Questioner co-operated.

Mr. P.K. Mwangi: Mr. Speaker, Sir, is the Minister aware that two cases have been filed in the High Court at Nyeri? These are High Court Civil Case No.225 of 1999, and High Court Civil Case No.136 of 1999? If he is, could he tell us the decision of the High Court? Could he further tell the House whether the DC and the security apparatus in Nyeri District are completely unable to execute a High Court order? If they are unable, it means that this Government is not functioning.

Maj. Madoka: Mr. Speaker, Sir, I am not aware of those High Court cases.

Mr. Ndichu: Mr. Speaker, Sir, the hon. Member for Mukurweini has asked this Question because of the insecurity that has arisen from the coffee crisis. In his answer to hon. Wamae's question, the Minister said that it is the hon. Member of that area who is an impediment to finding a solution to the state of insecurity in the area. Could the Minister expound on this further? While the hon. Questioner is praying for the restoration of security in that area, the Minister is claiming that the very hon. Member is making it impossible for security to be restored in that area. That is a very serious statement.

Mr. Speaker: Mr. Ndichu, did you, really, hear what the Minister said? To the best of my recollection, in response to Mr. Wamae's question, the Minister said that they are trying to find a peaceful solution to the problem, and that the hon. Member for that area would help him if he co-operated.

Maj. Madoka: On a point of order, Mr. Speaker, Sir. If I gave the wrong impression, I wish to correct it. In fact, the hon. Questioner has been very helpful in trying to sort out the coffee crisis there. It is the other hon. Members who need to co-operate with us.

Mr. Mutahi: On a point of order, Mr. Speaker, Sir. One of my colleagues has asked a very important question here about High Court civil cases regarding the same people living in those factories. A ruling was given in High Court Civil Case No.136 of 1999 on 7th September, 1999. If the Minister is not aware of this case and the ruling made by the court, he needs to go back and find out the details. Also, the ruling in High Court Civil Case No.225 of 1999 was made on 23rd September, 1999. We would like to know the rulings of these two cases by the High Court regarding those people, who are now living in those factories unlawfully. The Minister should go and find out what the rulings in these cases were.

Maj. Madoka: Mr. Speaker, Sir, in fact, I said that I was not aware of those cases. So, I will go and find out the details of those cases and the rulings by the High Court.

Mr. Wamae: On a point of order, Mr. Speaker, Sir. The Minister has said that hon. Member for the area is co-operating, and that the other hon. Members are not. Could he tell us those hon. Members who are not co-operating?

Maj. Madoka: Mr. Speaker, Sir, they know themselves.

Mr. Anyona: On a point of order, Mr. Speaker, Sir. The coffee war is spreading across the country. We, in Gusiland, are very nervous about the spread of this crisis. The crisis has two dimensions, namely, insecurity and ruining the economy. What is the Government doing to sort out the whole problem rather than pass the buck, blaming Members of Parliament? Since the High Court has not sorted out the matter; what is the Government doing about it?

Maj. Madoka: Mr. Speaker, Sir, the Ministry responsible for the coffee sector has been working very hard to sort out the problem.

Mr. Speaker: Very well, let us go to Mr. Sungu's Question by Private Notice.

Mr. Mutahi: On a point of order, Mr. Speaker, Sir. The Minister has undertaken to bring the rulings of the two High Court cases I have referred to, but he has not said when he will do that.

Mr. Speaker: Mr. Minister, if it is the same place where I saw ladies armed with bows and arrows, then it must be a very serious issue.

Hon. Members: Yes, it is!

Mr. Speaker: It is something that we need to revisit. Mr. Minister, would you like to come back fully "armed" with all the information?

Maj. Madoka: Mr. Speaker, Sir, I will gladly do that.

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

Mr. Speaker: Order! Order! He will come back in two weeks time.

Hon. Members: When?

Mr. Speaker: Mr. Minister, can next Thursday do you well?

Maj. Madoka: Mr. Speaker, Sir, I will liaise with my colleague in the Ministry of Agriculture and Rural Development, and I think we might do that by next Thursday.

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

Mr. Speaker: Order! We do not do that, Mr. Nyanja!

(Mr. Nyanja stood up in his place)

Mr. Speaker: Order, Mr. Nyanja! Mr. Nyanja, you know this Question will come back on Thursday, next week. I have 10 minutes and two Questions by Private Notice are still remaining unanswered. This means that for every Question left, at least, I will give a maximum of five minutes. These Questions are just as important as other Questions. I intend to finish all the Questions by Private Notice. So, take heed everybody. Let us move on to the next Question.

CLOSURE OF KISUMU BREWERIES

Mr. Sungu: Mr. Speaker, Sir, I beg to ask the Minister for Tourism, Trade and Industry the following Question by Private Notice.

(a) Is the Minister aware that the Kenya Breweries Limited (KBL) is currently in the process of closing down the Kisumu Breweries plant and that over 200 employees are being laid off as a result?

(b) What is the Minister doing to reverse this action which is going to affect the local economy adversely?

The Assistant Minister for Tourism, Trade and Industry (Mr. Ekirapa): Mr. Speaker, Sir, I beg to reply.

(a) I am not aware that the KBL is currently in the process of closing down its Kisumu Breweries Plant and that 200 employees will be laid off as a result. However, I am aware that KBL is scaling down its operations in Kisumu and that it will henceforth revert to a bottling plant. Consequently, a total of 120 employees have been retrenched under the Company's retirement scheme.

(b) The Ministry has already identified beer industry as one of the sub-sectors that require intervention in order to thrive.

Mr. Sungu: Thank you very much, Mr. Speaker, Sir. The Assistant Minister is not telling us the truth. This is because; as an hon. Member of Parliament for the area, I know that Kisumu Breweries had 650 employees at the pick of its production and now they are only 47 employees. Simple arithmetic means that it is not just 120 employees who have been retrenched, but more than that number. The retrenchment exercise is done on tribal basis because of the management of the KBL, which is dominated by one tribe. Western part of Kenya, from Kisii to Kitale, houses over 50 per cent of the population of this country and they are good beer consumers. The Kisumu Breweries plant is now being taken away! What is the Ministry's policy in terms of industrialising that area and making sure that this beer plant serves the people of that area?

Mr. Ekirapa: Mr. Speaker, Sir, I guess the only question the hon. Member has raised is to dispute my figures. Out of the 120 figure that I have, 114 employees have already been retrenched and only six employees are serving under their final notice.

Mr. Raila: Mr. Speaker, Sir, the Assistant Minister is not telling the House the whole truth. In fact, this Question should have been addressed to the Treasury. I have a letter from the Deputy Chairman of the KBL. This letter is dated 8th October, 1999. They are saying that they have had discussions with the Government so many times. They are also saying that beer consumption has dropped by 45 per cent and they attribute this to a number of factors, chiefly among them the slow down in economic activity and high taxes on locally brewed beer. They are saying that they appealed to the Government to lower the taxes, and it responded by lowering Excise Duty from 95 to 90 per cent. In both Tanzania and Uganda, Excise Duty is 60 per cent. This has made the KBL uncompetitive. Therefore, could the Assistant Minister tell this House the steps the Government has taken to ensure that the KBL

remains competitive, and that it is not forced to close down and retrench its staff thereby rendering so many Kenyans jobless? This is a memorandum submitted to the Government by the KBL on Excise Duty reduction.

Mr. Speaker: Mr. Raila, what are you doing? You have finished!

Mr. Ekirapa: Mr. Speaker, Sir, first of all, the information, as given, I believe is the whole truth. Secondly, the issue the hon. Member has raised is different and I have just said that the Ministry has taken steps to address the very issues that the KBL sub-sector has raised which include the high Excise Duty.

Dr. Ochuodho: Thank you, Mr. Speaker, Sir. A similar industry that has had the same fate is the tobacco industry, where the British American Tobacco (BAT) has all the factories located in or around Thika Town, but the crop is grown in Western Kenya. The basis being that the consumption is around Nairobi City and Thika Town. Why is this same principle not applied in the beer industry given the fact that there is major consumption of beer around Lake Victoria? Could the Assistant Minister tell us why this down-sizing only affects the Kisumu Breweries and not the other breweries?

Mr. Ekirapa: Mr. Speaker, Sir, that information is not accurate because the hon. Member is aware that the KBL used to have a plant in Mombasa, but it has been closed down. He is also aware that Kisumu Breweries used to operate at 80 per cent capacity, but today it operates at a 30 per cent capacity. This is because the export market that the company enjoyed in both Tanzania and Uganda has been taken over by brewing companies in those countries. Therefore, Kisumu Breweries has only been reduced to 30 per cent capacity and cannot be sustained.

Dr. Omamo: Mr. Speaker, Sir, there is a dangerous tendency about industries in western Kenya. If you observe carefully, you will find that the molasses plant, KICOMI and RIVATEX were "castrated", and now Kisumu Breweries is being "castrated", and yet, this country claims and plans to be fully industrialised by the year 2020. What will the Government do to stop the "castration" of industries throughout Kenya?

(Laughter)

Mr. Ekirapa: Mr. Speaker, Sir, I am not quite sure that I want to answer that question.

Mr. Osundwa: Mr. Speaker, Sir, the Minister is avoiding answering a very legitimate question. The hon. Member is asking the Ministry's policy regarding the protection of local industries. Can he answer that?

Mr. Ekirapa: Mr. Speaker, Sir, I am sorry I did not understand that the word "castration" means what the other hon. Member has said. However, I will answer the last question. Our Ministry is now in consultation with those industries which have been affected by high tariffs and other factors. In due course, we will come up with an agreed policy statement which the Ministry will apply to revive the industries. That will be done in consultation with the Treasury.

Mr. Sungu: On a point of order, Mr. Speaker, Sir. Let me ask the last question!

Mr. Speaker: Order! I cannot manufacture time! Hon. Members, as you know today we will go into Committee of Supply and we must begin at 3.30 p.m. It is most unfortunate that I cannot accommodate any further questions on this, and much more unfortunate, that I could not accommodate Mr. Anyona's Question. I wish I could, but I cannot. So, I have no option, but to defer it to Tuesday next week and hope that it will be given the first priority having appeared on the Order Paper today and was deferred. So, that Question is deferred to Tuesday next week.

ALLOCATION OF PLAY-GROUND TO
SADIKIKA HOLDINGS

(Mr. Anyona) to ask the Minister for Local Government Rural Development:-

In view of the recent Government suspension of all allocations of public land in the country:-

- (a) Is the Minister aware that a private developer (Sadikika Holdings Ltd., P.O. Box 54041, Nairobi) has been allocated public utility plot (play ground) and an access public road measuring about two acres (0.3663 hectares) situated on Sadi Road (L.R. No.209/9793) in Nairobi South "B" area?
- (b) Is he further aware that a senior police officer has also been allocated an access public road (L.R. No.209/12564) situated on Zanzibar Road in the same Nairobi South "B" area?
- (c) Under what circumstances were these allocations made and by what authority?

(Question deferred)

I will now call for the next order.

COMMITTEE OF SUPPLY

*(Order for Committee read
being 14th Allotted Day)*

MOTION

THAT MR. SPEAKER DO NOW LEAVE THE CHAIR

Vote 30 - Ministry of Energy

The Minister for Energy (Dr. Masakhalia): Mr. Speaker, Sir, I beg to move that Mr. Speaker do now leave the Chair.

Let me begin by reminding hon. Members the mission of the Ministry of Energy. The Ministry of Energy is charged with the responsibility of exploring, exploiting and developing all forms of energy in the country with the aim of improving the economic and social welfare of Kenyans.

*(Loud consultations as some hon. Members
withdrew from the Chamber)*

Mr. Speaker: Order! Order! All those hon. Members intending to take leave from the House, please do so in an orderly fashion.

The Minister for Energy (Dr. Masakhalia): Mr. Speaker, Sir, towards this end, the Ministry is committed to ensuring adequate and reliable supplies of energy and making them readily available to all sectors of the economy. Incidentally, before I was assigned to the Ministry of Energy, I did not quite realise how important and critical that Ministry is in the functioning of this economy. I now do. The main sources of energy in this country are wood, petroleum and electricity. Wind, solar and bio-gas are used to a very limited extent as alternative sources, while biomass energy, in the form of wood, dominates the rural economy and accounts for a major percentage of the household energy sector.

Mr. Speaker, Sir, before I present a breakdown of the 1999/2000 financial budgetary requirements, may I highlight some of the recent developments in the energy sector. In this regard, I would like to refer to the six aspects of this sector's development. First, to enhance efficiency in the power subsector, power generation has been separated from transmission and distribution through the establishment of two fully-fledged companies. The Kenya Power and Lighting Company (KPLC) is now in charge of transmission and distribution, while KenGen deals with the generation function. Secondly, the Electricity Regulatory Board has been established to *inter alia* set and review electricity tariffs, enforce environmental and safety regulations and approve power purchase agreements between the KPLC and KenGen on one hand and the Independent Power Producers (IPPs) on the other.

Thirdly, to enable the power subsector to adequately meet its operations, maintenance, expenditure requirements and generate funds for the finance system's expansion, a tariff study has been finalised and adjustments have been effected. Fourth, a feasibility study for the extension of the old pipeline from Eldoret in Western Kenya to Kampala in Uganda, was completed in February this year. The two countries are currently preparing the joint promotional documents for the project. The pipeline will serve the markets of Uganda and neighbouring countries of Rwanda, Burundi and the Democratic Republic of the Congo.

Fifth, to enhance electrification projects in the rural areas, a Rural Electrification Programme Fund was created in 1998. The Rural Electrification Programme Fund Committee comprises representatives from the Ministry of Energy, the Treasury, Office of the President and the Kenya Power and Lighting Company (KPLC). It was formed to administer the Fund. Sixth, in order to attract foreign investments in the fossil field and exploration activities, a promotion of Kenya's petroleum acreage was done in USA in April, 1999.

Mr. Speaker, Sir, let me now make some observations on the major sub-sectors of the energy, namely; petroleum, electricity and wood energy. I will take the petroleum sector first. Kenya is a net importer of petroleum, which is a major source of commercial energy in the country. Over the years, petroleum has accounted for about eighty per cent of the country's commercial energy requirement. The Government has been actively involved in

hydro-carbon exploration since 1954. To date, 30 exploratory wells have been drilled in Kenya, but hundreds more need to be sunk in an effort to identify commercial deposits of fossil fuels. It is important to inform the hon. Members that those countries that are producing and exporting petroleum today sunk hundreds of wells across their territories over many years before they struck oil wells. We, too, must do the same.

The next point on the petroleum sector that I would like to discuss about relates to purchase. I would like to emphasize the fact that petroleum prices were deregulated in 1994. Since then, oil companies have been free to determine and set consumer prices at both retail and bulk consumer levels. We trust that competition in the market place will lead to appropriate price adjustments.

My last general point on the petroleum sector relates to the liberalisation process. Liberalisation of the oil industry has been characterised by an increase to 40 in the number of active companies licensed to conduct domestic oil trade business. Further, of late, there has been a proliferation of illegal filling stations which have been operating without observing safety and environmental requirements. These filling stations pose high risks to the general public, and my Ministry will continue to address this problem by enforcing the regulations.

Let me turn to electricity. Electricity is the second form of energy used extensively by the commercial and industrial establishments as well as institutions and households in the country. To date, the installed electrical power capacity in the country is about 820 megawatts, including the 30 per cent megawatts imported from Uganda. This capacity is inadequate to meet the current demand of 750 megawatts, because effective capacity stands at only 770 megawatts. But today, available power amounts to only 670 megawatts.

The hydro-power generation is a major source of electricity, accounting for about 70 per cent of the total installed domestic capacity. The balance of 30 per cent is generated by geothermal and thermal stations and the 30 megawatts are imported from Uganda.

Mr. Speaker, Sir, to redress the current imbalance, the Ministry will be installing an additional 573 megawatts between now and 2003, of which 249 megawatts, or 44 per cent, will be developed by independent power producers. Let me also emphasise that the Ministry of Energy will also continue with the reforms in the electricity sub-sector, particularly the completion of assets separation between Kenya Power Generating Company (KenGen) and Kenya Power Lighting Company (KPLC). We expect to complete this by the year 2000. I also would like to indicate that we are implementing projects which include the following:-

- (i) Gitaru III, with a power generation capacity of 80 megawatts, costing about US\$24.1 million;
- (ii) Kipevu I, with a power generation capacity of 75 megawatts at a cost of US\$79 million;
- (iii) Sondu Miriu, with a power generation capacity of 60 megawatts at a cost of US\$170 million;
- (iv) Olkaria II, with a power generation capacity of 64 megawatts at a cost of US\$174 million;
- (v) The Nakuru-Eldoret fuel oil stations which will have a generation capacity of 45 megawatts each.

I will now turn to wood fuel. Perhaps, it is not appreciated that wood fuel is the leading source of energy in Kenya. Over 80 per cent of Kenya's population is dependent on wood fuel for its domestic energy needs. Wood fuel accounts for 70 per cent of Kenya's final energy demands and provides 95 per cent of the rural household energy requirements. Heavy reliance on wood fuel by urban and rural households, has diminished wood fuel supplies in the country. In order to redress this issue, the Ministry will continue to propagate the use of efficient cooking devices at all consumption levels. In addition, the Ministry intends to continue encouraging Kenyans to use other non-conventioned energy sources such as solar and wind, which have high potential, but are yet to be exploited fully.

Mr. Speaker, Sir, having made these remarks, I wish to elaborate on the activities for which I seek support for the fiscal year 1999/2000, and for which my Ministry is seeking authority for expenditure of K£280,941,143. This amount is distributed between Development Expenditure and Recurrent Expenditure. We have gross Development Expenditure of K£276,894,118 and gross Recurrent Expenditure of K£4,047,025.

I will begin with Development Expenditure. The Ministry is seeking under one Head, as I have already said, K£8,125,000 to support the on-going energy sector reform. May I take a few moments to elaborate on the reform. First, it is desirable to rightsize the personnel establishment in the KPLC from the 31.2 customers per employee in 1993 to a higher level. By 1997, the ratio had changed to 51.1 customers to one employee. The second reform relates to the merger of the Tana River Development Company, which is 100 per cent Government-owned company undertaking power generation on Tana River, with Kenya Power Company, which is also 100 per cent Government-owned company undertaking power generation in different parts of the country.

Thirdly, the liberalisation of commercial generation of electricity. Consistent with its policy, two independent power producers plants, with a combined capacity of 87.5 megawatts, were commissioned in the first and the last half of 1997, under the built-on-operate arrangement. So, there has been separation of generation functions from the transmission and distribution functions which necessitated the enactment of a new law. This has resulted in the enactment of the Electric Power Act. It is expected that when these reforms are completed,

there will be efficiency in the energy sector, resulting in lower tariffs to consumers in the long run.

Mr. Speaker, Sir, let me now turn attention to Head 429 on Headquarters Planning Services. This entails a gross expenditure of K£45,000. Under this Head, activities relating to assessment studies in districts will be undertaken. The objective of these activities will be to identify, generate and assemble information required for updating energy database used for planning and decision making.

Head 430 on Wood Fuel Resource Development will entail an outlay of K£239,500, and it will spearhead the dissemination of information, development of wood fuel and alternative energy resources in ten energy centres distributed countrywide. The programme activities cover wood fuel resource promotion and replenishment, bio gas promotion, research and development and wood fuel burners, wood fuel dissemination programmes and promotion of alternative energy technologies.

Under Head 433 on Alternative Energy Technologies, the Ministry continues to pay attention to the promotion of alternative sources of energy such as solar and wind, with a view to accelerating the installation of appropriately tested solar and wind systems. Towards this end, the following areas will be strengthened during this fiscal year.

- (i) Research activities in alternative energy technologies.
- (ii) Installation of appropriately tested solar and wind systems.
- (iii) Promotion and dissemination of energy conservation measures both at institutional, industrial and household levels.

Mr. Speaker, Sir, under Head 434 on Kenya Energy Laboratories, the Ministry requires K£13,000 from the Exchequer for the following purposes:- purchase of the supplies for promotion, training expenses, purchase of plant and the equipment and will power promotion programmes.

Under Head 435 on the National Grid Systems, the Ministry requires K£15,460,000, all of which will be Appropriations-in-Aid from KPLC and the International Development Agency to support loss reduction demand side management project. This includes training the KPLC members of staff in areas of demand side management programme, design economic analysis and marketing techniques. All these are aimed at enhancing efficiency in management and conservation of electricity energy.

Under Head 436, the Ministry of Energy will continue with geothermal exploration and development activity. It therefore requests for a gross expenditure of K£130,336,870. The funds will be spent on geothermal data gathering, exploration, exploitation and the development of the Ol Karia site.

Head 444 relates to the Rural Electrification Programme. First, let me thank the hon. Members for passing the Electric Power Act of 1997 and the subsidiary legislation of 1998 which established the Rural Electrification Levy Fund which will enhance funding of the rural electrification programme. I wish to assure the hon. Members that the Ministry has already established a Committee whose membership includes various stakeholders to oversee proper management of all funds under the programme. The levy fund as well as the Exchequer releases have been reflected on a district basis in the current fiscal year. To promote rural electrification, the Ministry requests K£97,559,698 for this purpose.

Head 246 - The National Oil Corporation of Kenya. The Ministry of Energy through the National Oil Corporation, has intensified search for indigenous fossil fuels, particularly petroleum oil, in the past and it will continue to do so. In the past this activity was partly donor-funded. However, recently donor funds have not been forthcoming. In the light of this the Ministry requests K£5 million being appropriations-in-aid from the Petroleum Development Levy to finance petroleum exploration. In addition, the Ministry requests K£5 million to undertake the construction of common user-loading facility in Nairobi with a view to allowing new entrants to compete favourably in the oil industry.

Head 247 - Petroleum Exploration. Under this head the Ministry is requesting K£57,000 to enable it to analyze data and information on petroleum and coal exploration and on promotion of petroleum acreage to interested companies. Head 709 - Kenya Pipeline Company. Under this head the Ministry is requesting K£15 million being A-in-A from Petroleum Development Levy to undertake construction of Liquefied Petroleum Gas (LPG) storage facility at Kipevu in Mombasa.

Last but not least, this relates to the 1999/2000 Estimates of Recurrent Expenditure. To support the activities which I have enumerated in this presentation, the Ministry requests gross Recurrent Expenditure of K£4,047,025 of which K£1,535,615 is A-in-A from Kenya Oil Storage Facility and the Miscellaneous Receipts. The balance of K£2,511,410 will be funded from the Exchequer. In summary, I am requesting a gross Development Expenditure of K£276,894,118 and Recurrent Expenditure of K£4,047,025 giving a grand total of K£280,941,143.

Mr. Speaker, Sir, I beg to move.

The Minister for Information, Transport and Communications (Mr. Mudavadi): Mr. Speaker, Sir, I

stand to second the Motion by the Minister for Energy. Basically, following his very detailed presentation of what he intends to do to ensure that we have adequate energy resources within the country, I just want to underscore one or two points.

First, if this nation has got to undertake serious job creation and steps towards the industrialisation programme, then we must be prepared to direct much more resources to the specific infrastructure sectors that would yield maximum returns. One such area is of course the Ministry of Energy particularly, in the petroleum industry, the electricity industry and the other sources of power in this Republic.

If our energy supply is inadequate or inconsistent, we are not likely to move forward. If, at the same time, other key areas of our infrastructure such as the roads, telecommunications, the rail transport and even our port facilities are not brought to maximum efficient levels, then we will have a very difficult time in achieving our objectives of having our country industrialised. Of specific importance here is the need to rapidly ensure that we can enhance our energy or power supply. Currently the country has a capacity of only 820 megawatts and we do know that we do not achieve that 100 per cent in terms of actual production. There is always a fluctuation of between 600-700 megawatts at any one time. Many factories today will tell you that they are not able to operate at full capacity. They are operating in shifts. They are not utilising their full potential because they are not assured of sufficient power supply at all times.

If we talk about creating employment and yet our factories are not operating at full capacity, then that is a problem. Therefore, the problem of rationing and having limited resources is something that we must address very urgently. Indeed, the Ministry is trying to do something about this because they have brought in the independent power producers to undertake some expansion programmes that will help in filling this gap. If one looks at the figures and the details that the Minister has given, we are still far from attaining the kind of capacity that we would like. I would like to say at this juncture that maybe the question of importing only 30 megawatts or so from Uganda is an issue that we now need to look at very seriously. We need to take much more than we are taking from that particular country, if that is the cheaper way of overcoming the shortfall in power generation.

I think it is also important to note that the Minister said he is making an outlay of about K£97 million for the rural electrification programme. It will be very useful if the Minister can at some stage, either in his energy-policy statement or something, give us a breakdown of how he intends to use these resources. What is the distribution like? How far are we sure that the K£97 million will be spread as evenly as possible, to all parts of the country, in meeting the demand for rural electrification? This is the cry that is all over. There is no part of rural Kenya that is not raising an issue about rural electrification today. So, I hope this is something that, the Minister will look at very urgently.

The other aspect that I would like to touch on is to urge the Minister, particularly through the Kenya Pipeline, to speed up two projects. One, is the quick liaison between Kenya and Uganda so that the pipeline can be extended beyond Eldoret. We can have it pass through Malaba to Kampala. I am aware that the feasibility studies have been undertaken. It is important that this is done because partly it will help in easing the problem that we normally have, where people take some oil products from one of those end outlets, and end up dumping them in the country. Secondly, it would help in ensuring that heavy vehicles that ply our roads carrying fuel products could be minimised. The big vehicles from Uganda will cease to come. They will have to receive their fuel from further down.

The other aspect is the LPG facility that is supposed to be developed at Mombasa. This is a project that has been on the drawing table for some time. The common gas has become an increasingly important mode of fuel for all Kenyans. One of the handicaps that we have as a nation is that, we have never had a proper off-take for liquified petroleum gas at the port of Mombasa. This gave the opportunity to some of the oil companies to take advantage of the consumers, by regularly adjusting their prices upwards. It is important that this facility is constructed urgently, so that it can serve as a mechanism to facilitate the flow of LPG into this country, at a more cost-effective way. This benefit would be transferred to the consumers. I think this will be a big boon to all Kenyans.

Lastly, I would like to mention that, as we see the aspect of liberalisation, we should urge the Ministry of Energy to enhance its role in ensuring that the liberalisation process is as smooth as possible. Indeed, we have seen some benefit arising from this particular policy position. We are not really held to ransom any more, in terms of fuel shortages, because oil companies used to wait for price adjustments. This is a welcome development in the sense that there is no more incentive to hold fuel and wait for adjustments from time to time, when the Minister for Finance presented his Financial Statement. However, it is quite clear that the market still predominantly belongs to the multi-nationals. There may be several other players that have come in, but there is still a major handicap, particularly when it comes to the question of the throughput through the Kenya Pipeline. As we know it today, most of the new players in the oil industry are still handicapped because there is always this

argument that, the people who own the rights within the oil pipeline or the throughput, are some of the bigger companies. Therefore, when you have smaller indigenous Kenyan companies trying to venture into the oil business, they find a major set-back and, therefore, they are relegated to handling the more mundane aspect of the petroleum industry. They do not focus on areas where they can provide some effective competition to the major oil producers. So, I suggest that this becomes an area where the Ministry needs to look urgently and deal with the policy position. This is a major strategic investment and we hope the Ministry will receive the necessary support from this House, to ensure effective performance.

With those few remarks, I beg to second the Minister's request, to allow him the necessary resources to undertake the programmes that he has outlined.

(Question proposed)

Mr. Kihara: Mr. Speaker, Sir, it is my privilege to respond to this Motion, on behalf of our shadow Minister for Energy, who happens to be out of the House now.

Energy is a very important sector in any nation. It is the prime mover of the economy. In fact, it is said that the strength and development of a nation is measured by the number of electric megawatts it consumes. So, Kenya, compared to other countries, is still a very under-developed country. This is because Kenya does not consume 1,000 megawatts yet. Be that as it may, I would like to approach this Vote sector by sector, as the Minister has done. I would like to start off with electricity.

The major source of our electricity is River Tana. The potential of River Tana is virtually exhausted. It is going to be exhausted even faster, if the current destruction of the forests in Mt. Kenya and Kikuyu Escarpment areas is not stopped. This is the source of River Tana. The more we destroy the forests, the smaller the rivers will get. Therefore, we will have less water that will be collected in the dams for generating electricity. That is the starting point, if we want to ensure continued supply of hydro-electric power from River Tana on permanent basis. We should ensure the source of this river is properly protected by protecting the forest where the rivers that feed River Tana originate.

There are other rivers like Athi River whose potential should be looked at. River Tana is our second biggest river. There is a power station at Kilimambogo called Dula. There is nothing much happening on River Athi. We think it should be looked at because we believe it has got some potential. There are also some mini-hydros in rivers around Kenya, which can also be harnessed to provide power in the local areas. There are streams going down Mt. Kenya, which can be harnessed to provide power to the local areas. But the major place, which I think this Government should look at, is the joint development of hydro-power with our partner states in the neighbourhood on the Nile. There is the Murchison Falls which does not require a dam to be constructed, you just need to put turbines there and you would be able to get power generated and fed into our national grid.

Mr. Speaker, Sir, there is also thermal power. I am glad they have brought some of these schemes on board. One good thing about them is that you can control them and they are reliable. But we would like these things to be done in the most transparent manner. There are thermal power schemes which have been developed in Mombasa and other places, and we are intending to develop more in Nakuru, Eldoret and Kisumu. However, there have been accusations that they are not being developed in a transparent manner. We would like the Minister to ensure that those supplying these equipment do it in the most transparent manner.

Mr. Speaker, Sir, let me comment on geothermal power. I am proud to say that the source of geothermal power in this country is in Naivasha, which is my area. I believe the potential for geothermal in the area is still there, even one-tenth of it has not been exploited. There were explorations going on in Eburu Hills, and Ol Karia is still not fully developed. I believe that it is a cheap source of power and should be explored so that we can develop more generation units in the Ol Karia area. But at the same time, I think it is important for the Ministry to look at the environmental impact of geothermal development in these areas. We believe it might be affecting the level of Lake Naivasha. That steam must be coming from some place. We would like to be assured that the environmental impact of this development is looked at. Also, after running the turbines, the water produces a lot of sulphur. We want to be assured that the disposal of this stuff is done in a manner that is not detrimental to the environment.

Extraction wells of these geothermal stations is based on private land. For example, the one Ol Karia is on a farm called Ng'ati Farmers for Maela. These people were not compensated for their land. If you cannot compensate them, extend power to them as a gesture of appreciation of using their land.

Mr. Speaker, Sir, I would like to address the question of the price of electricity. I think the KPLC is pricing itself out of the market and that is why we are witnessing a lot of disconnection these days. When a lot of

people are disconnected, they do not seek to be reconnected. They are using candles. If you look around, you will see a lot of solar panels on roof tops of houses. I think we need to look at the pricing of power. A lot of manufactured goods are being affected by the price of electricity. It is important that we keep this very important source of energy at a level that is affordable to our people.

The other problem I have seen myself is the power failure, particularly in the Coast. This is affecting our tourism. Whenever I have been to Mombasa, every night, we experience several "blackouts". We do not know whether it is a question of corrosion affecting the equipment or the lines, but there is constant power failure in Mombasa. There is also a bit of it here, although it is tolerable, unlike in Mombasa, particularly when we have tourists depending on the air-conditioning in the hotels. When the air-conditioning goes off, it is very frustrating. I hope the Minister will be able to talk to the KPLC staff and ask them to learn from other areas where they have got stations along the coast and find out how they have dealt with the issue of corrosion. It is probably corrosion and we need to avoid this constant power failure.

Mr. Speaker, Sir, I would also like to touch on the issue of rationing of power. I think rationing is related to what I said earlier, about destruction of our forests which are the source of the rivers. That is why the level of Masinga Dam now, which is our top reservoir, is very low because the flow of the rivers has changed as a result of destruction of our forests. So, rationing is very frustrating, both to tourism, industry and also to households. A lot of food in deep freezers goes to waste when the power goes off for a whole day. Eventually, we throw that food away although we need it because this country is hungry.

[Mr. Speaker left the Chair]

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

Mr. Temporary Deputy Speaker, Sir, let me now come to the question of Rural Electrification Fund. This is a very important subject and we sit in the DDCs almost every day recommending areas which should be supplied with power. I think the Minister was wrong to say that this Fund was started in 1998. It is a much older Fund. I was its chairman some time back in the mid-1980s. It was operational and it provided power to certain places. But there has been a lot of political interference in the Rural Electrification Programme. I remember when I was the chairman of that Fund, I was coerced to provide power to an area I will not name. I was coerced to do it by a Minister. We spent Kshs18 million to provide power to 18 takers who only needed a bulb in a shop which was absolutely uneconomical. As a result, we started a policy to only connect or provide power where there is an indication of self-help, where people have collected money and they wanted power supplied to them. This power was taken to people who never asked for it, but because a certain Minister wanted it to go to his area; he coerced us to take power there. When the poles were put next to grass-thatched houses, the owners refused to pay so that they could be supplied with electricity. So, the poles were left standing in the air and only 16 takers took it for one bulb because it was a market centre.

We have seen areas which have been supplied with electricity through the Rural Electrification Programme purely on political basis, through the influence of politically-correct individuals. Rural electrification is taken for kilometres away to supply electricity to one individual bypassing everybody else *enroute*. We would like this practice to be discouraged. When the Minister stands up to reply, we would like him to confirm or deny whether the Rural Electrification Fund is now not being disbursed from the Office of the President, because we have heard that, this Fund is being disbursed from Office of the President to ensure that it goes to the areas which are preferred. I hope it is not the case, but this is a matter which is the talk of the town.

Mr. Temporary Deputy Speaker, Sir, I think the KPLC should realise that the more suppliers they bring on line, the more the business that they will make. Providing power to an individual is not a favour, I think it makes business sense to provide it where it is required. I think the Minister will impress upon the KPLC and all those involved that providing power to the people means more business to them and they should provide power where it is requested.

On petroleum products, Mr. Temporary Deputy Speaker, Sir, I would like to appeal to the Minister to spend some of the money we are going to vote for him, in the expansion of Mombasa Oil Refinery. With an expanded refinery, we will be able to refine products for our local market and also for export to the neighbouring countries and also, to islands in the area and earn this country some revenue. It will also help us to stop selling imported products and, therefore, dumping them untaxed in some parts of the country.

Mr. Temporary Deputy Speaker, Sir, I am informed that in places like Garissa, super petrol is selling at Kshs24 per litre, while in Nairobi, it is being sold at Kshs50. There are many players who have entered the

market---

The Assistant Minister for Local Government (Mr. Affey): On a point of order, Mr. Temporary Deputy Speaker, Sir. It is not true that super petrol sells at Kshs24 in Garissa Town. Could he clarify, because I come from Garissa and we are not buying super petrol at Kshs24 per litre?

Mr. Kihara: Mr. Temporary Deputy Speaker, Sir, maybe, he could tell us how much super petrol costs in Garissa because that is the information I have. Garissa is part of Kenya and I wonder why petrol is much cheaper than in other parts of the country. But if the hon. Member from the area disputes it, then I have no problem with him.

Mr. Temporary Deputy Speaker, Sir, the point I want to make is: Let us avoid a situation where we will have untaxed petroleum products brought and sold in any part of the country. Let us have a uniform price where petroleum products are taxed. That is why I am saying that, if we can expand the oil refinery and refine our own petroleum products, we will be able to avoid bringing in untaxed products into any part of the country.

Mr. Temporary Deputy Speaker, Sir, with recent liberalisation, many players have entered the [**Mr. Kihara**]

market. Here, I do not know whether my good friend from Garissa would deny the fact that, some of these stations are selling their products at about Kshs4 cheaper than the other traditional marketers; that is the big marketing oil companies or "the seven sisters". What I would like the Minister to confirm to us is whether what we are getting from these new stations are good products. Is petrol, diesel or kerosene from those stations good? This is because we are paying very little money. It is far much below the prices that we know.

Mr. Temporary Deputy Speaker, Sir, oil exploration is a subject that is very close to our hearts, because we think that if we can strike oil, it will make a lot of difference to this economy. Rumour has it that oil has been found and those holes plugged, to wait for some future dates when they will be exploited. I hope it is not true. Anybody doing that will be committing treason against this country because we need that oil. Could the Minister give us some progress report on regular basis, so that we know how exploration of oil is carried out? We have sunk several wells. Some of them we hear have yielded some oil which is not of commercial value. We would like to know what is happening in this area on a regular basis. Let us keep this House informed about oil exploration in this country.

Mr. Temporary Deputy Speaker, Sir, if I heard the Minister correctly, he said that the National Oil Corporation of Kenya (NOCK) will be given some funds from the Exchequer, to construct a loading facility in Mombasa. The NOCK is an oil marketer like Shell BP or Total. If they have gone into the business of marketing oil, we do not see why the Exchequer should subsidise them and pay for their development. If they cannot make it, let them get out of the business. It is a parastatal and we do not know why they have to involve themselves into business of oil, while other oil companies are doing the same. The NOCK has been in the business for long enough. The terms of reference for NOCK was never to go into the oil marketing. The terms of reference for the NOCK initially, if it was not because some people wanted to make money out of it, was to stabilise the price of oil in the country. It should have been able to get oil on deferred payments, bring it here and sell it to the marketers. It was never intended that the NOCK would market oil. But if they want to market oil, it is only fair that they should face competition from other oil companies. Let them invest their own revenue into whatever development they want, but not to come to this House to ask for money to provide for such facilities. I think it is wrong. This is one aspect of the Ministry's Vote that I do not agree with.

The Assistant Minister for Energy (Manga): On a point of order, Mr. Temporary Deputy Speaker, Sir.

I do not want to interrupt my friend, but he is contradicting himself. If the terms of reference for NOCK was to market oil, at the same time, he says it should not do business--- If the NOCK is stabilising the price of oil, then it must go into the market. It is true that this corporation is doing a good job. It is bringing down the prices of oil in the country.

Mr. Kihara: Mr. Temporary Deputy Speaker, Sir, that is not a point of order! But what I said was that the terms of reference of NOCK and I was among those people who started this corporation, was to stabilise the price of oil, so that the Ministry is not taken for a ride by the oil companies. So, NOCK monitors the prices of oil to make sure that, no oil company will take this country for a ride. They could also bring in products and sell to those companies. That is why Kipevu tanks were built at a strategic storage place for those companies. It was never intended that they should set up petrol stations like Shell or Esso. Mr. Manga, you came into the picture recently. Ask us the terms of reference of NOCK and we will tell you because we started that parastatal.

Recently, we read in the papers that the Kenya Pipeline Company has built facilities for handling liquified petroleum gas. They have invested very heavily on this venture in Mombasa. If this facility is not another conduit for "eating" public money, we do not know what it is for. This is because we do not require

another facility when we have another facility built by other oil companies. I think this is wrong and it should not be funded by the Government or by the KPC. There is a facility built by Total Oil Company in Mombasa and it is adequate for another 50 years. We do not need another one, unless it is a conduit for "eating" public money.

Mr. Temporary Deputy Speaker, Sir, there are other various sources of energy which require to be developed. We have wood fuel, wind fuel and biomass among others. All these need to be developed. We support that some money be allocated for this purpose. I believe that kerosene can be a good substitute for wood fuel. So, the Minister should look into the price of kerosene, so that companies do not raise it and make the commodity out of reach to the ordinary wananchi. That move would save our forests from destruction by people looking for firewood. As the Seconder of this Motion mentioned, more than 70 per cent of our people depend on wood fuel. Kerosene can be a good substitute for petroleum products, such as liquified petroleum gas which is very expensive and out of reach for our people. We must make sure that the price of kerosene is affordable to our people.

Mr. Temporary Deputy Speaker, Sir, apart from my reservations with regard to the liquified petroleum gas facility being funded from this Vote and the NOCK being allocated money to build a loading facility, which I think should be struck off from this Vote, I beg to support.

Mr. Odoyo: Mr. Temporary Deputy Speaker, Sir, the Minister wants us to approve Kshs5.6 billion. I wish to comment on this Vote by following the same line as my colleague. I will start with petroleum, electricity, renewable energy and then I will talk about oil exploration. I hope time will permit me to table spacelinks and satellite data, that show that there is oil in Lake Victoria, specifically around Nyakach Bay.

Mr. Temporary Deputy Speaker, Sir, the signals we get from the Ministry of Energy show there is lack of consistence in their policy. If I may begin with petroleum, since liberalisation of the petroleum industry, the lone voice of Mr. Mutitu, which has been silenced through retirement, prices of petroleum products have increased at alarming rates. The Ministry appears to be silent on the ever-increasing prices and other salient facts, like why petroleum products are cheaper in Nakuru than in Nairobi, while these products come from Mombasa through the KPC. What is the basis? If petroleum prices are cheaper in Nakuru than they are in Nairobi; how can the Minister explain this? What is the Ministry doing? Liberalisation does not mean that oil companies charge their products at whatever prices they wish. It appears that the policy of checks and balances which the Ministry is supposed to undertake is not taken into consideration.

Mr. Temporary Deputy Speaker, Sir, the issue of petroleum products being dumped in this country is being addressed in bits. Action is only taken as and when the President of this country talks about it. But after one month, it continues to be dumped in the country. The points where petroleum products are being dumped are well known. These include Kisumu and all the border crossing points of Tanzania, Uganda, Ethiopia, Somalia and Sudan. Why is it that the Ministry of Energy is always silent on this matter until somebody points it out?

Mr. Temporary Deputy Speaker, Sir, I am happy that the Ministry has got a very competent Minister and I wish him the best of luck. This Ministry, unlike all other Ministries, uses most of its money in Development Expenditure. It is one of the few Ministries where the Development Expenditure is 95 per cent while Recurrent Expenditure is less than 5 per cent of its total budget. In most Ministries, the Recurrent Expenditure is higher than Development Expenditure. So, it is an important Ministry in terms of the development of this country. But when it comes to how they spend that Development Expenditure, a lot of questions arise. For example, in the electricity sub-sector, we have got Government projects like the Sondu Miriu Hydro-electric Project which is in my constituency. The cost of that project in comparison to the amount of power it is going to produce and compared to the private sector energy production, the ratio is 3:1. Sondu Miriu Hydro-electric Project is spending US\$274 million and OI Karia Geothermal Power II spends another US\$275 million; whereas we have got Independent Power Producers (IPPs) producing more power for less than one-third the amount which the Government is using to produce it. The question that arises is: What is the relationship between the amount of megawatts being produced and the investment we are putting in this particular project? Why is the Ministry spending money on projects that cost three times as much as what the private sector is using? This shows that the utilisation of resources by the Government is poor. It is good that we have got a senior, well-known economist - hon. Dr. Masakhalia - who is well versed in the field of capital investment management and the return on investments as the Minister for Energy. It appears to me that the return on investments which they are spending on these public utilities, especially electricity, will take over 50 years for us to get the positive return which we are asking on it.

Mr. Temporary Deputy Speaker, Sir, I now want to turn to the Sondu Miriu Hydro-electric Project. This project will cost over Kshs4 billion, but land compensation was Kshs40 million, which means that these people compensated the farmers there at 1 per cent of the total project cost. By all standards - multilateral donors and bilateral donors included - this is far below expectations. You cannot tell me that you can build a house of Kshs1 million in Runda Estate and sell the house at Kshs10,000. There is a mismatch here. The World Bank Advisory

Services on this is that land compensation should be between 5 and 15 per cent. But land compensation at Sondu Miriu was at 1 per cent. This is far below the acceptable levels. To the best of my understanding, the Japanese who are providing the funding for this project had been made to believe that land compensation was going to be at the rate of 15 per cent. Our peasant farmers and poor widows have only received 1 per cent of the total value. The Minister should indicate why the compensation at Sondu Miriu was 1 per cent.

The Assistant Minister for Energy (Mr. Manga): On a point of order, Mr. Temporary Deputy Speaker, Sir. I would hate to interrupt my good friend, but is he in order to say that compensation is included in the cost of works while he knows that it will depend on what kind of works you are executing and where you are? The value of land also differs from one place to another.

Mr. Odoyo: Mr. Temporary Deputy Speaker, Sir, whereas my hon. friend is right in saying the valuation of land differs from one place to another, obviously, the element of inconvenience and disturbance means that we can adjust the value to reflect the cost of the project. There is no reason why we should give up our land for 1 per cent of the total value of the project.

Mr. Temporary Deputy Speaker, Sir, we have started rural electrification in Katito and Pap-Onditi but this is not forthcoming. We have got a 60 megawatt power plus some additional 20 megawatts power being constructed in my constituency whereas there is no power point in the whole constituency. Why is the Ministry not showing some goodwill so that people can show some goodwill on this project, by doing rural electrification at the various markets? Here I am talking about Katito, Pap-Onditi, Urudi, Cherwa, Kibogo and Onyungo. All these places have got medical facilities. Even Awasi which is the new District Headquarters for Nyando District has got no electricity. It has been a new district for two years but the DC cannot even receive a fax. He has got no facilities whereas we have got electricity five kilometres away at Miwani and Chemelil. Why is the Minister asking for Kshs2 billion for rural electrification? Does this Ministry have its priorities right?

Mr. Temporary Deputy Speaker, Sir, the Ministry of Energy has totally ignored cold storage facilities. Rural electrification could have provided cold storage facilities along the shores of Lake Vitoria so that our fishermen are not fleeced by Asians who buy fish for one-tenth the price because the market is saturated. Why is it that the Ministry is not carrying out rural electrification at Sango in Nyakach so that I can put a cold storage facility there and so that my fishermen do not have to suffer the pain of having to sell their fish for one-tenth the price after having spent sleepless nights in the middle of the lake, being attacked by water *hyacinth* among other things?

Mr. Temporary Deputy Speaker, Sir, I now wish to turn to oil exploration. The Ministry has completely forgotten the issue of renewable energy. The last NGO that was operating in this field ceased to operate effectively and the Ministry is quiet. Nothing is working and nobody is talking about renewable energy. If anything, the price of kerosene is going up and people have got to use more of wood fuel energy. Why is it that the Ministry is not objecting to the high prices of kerosene and yet it is the only affordable form of fuel being used by poor Kenyans? In these Estimates, the Ministry is requesting for some money so that they can start a programme on wood fuel--- I can see that my time is up.

With those remarks, I beg to support.

Mr. Mkalla: Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me this opportunity to contribute to this Motion. I would like to support this Motion that the Ministry of Energy gets the funds it is requesting for.

However, I would like to specifically say that the question of electricity rationing has heavily affected many areas in this country, particularly the Coast Province where I come from. This is particularly so in Mombasa where there are major cuts on electricity. All the time you find there are power cuts in Mombasa and as a result, the port industry has suffered heavily due to lack of electricity. You find that the ships docking into Mombasa would like to be serviced as quickly as possible, but quite a number of times, there is no power there. As a result of this, these ships divert from Kenya to other countries because of lack of power. So, I am really supporting the Motion that we get money voted for this Ministry so that we can be assured of constant supply of power in Mombasa and Kenya in general in order to ensure business continuity.

Mr. Temporary Deputy Speaker, Sir, I would like to echo what one of my colleagues has said, that River Tana is being affected by the destruction of the forests. This is being done because of the negative impact of the rise of paraffin prices. Paraffin is used by the ordinary Kenyan for cooking, lighting houses and even to enable our children study in the evening. However, you find that the cost of paraffin has increased and it is continuously increasing. I am appealing to the Ministry of Energy, in consultation with the Ministry of Finance, to make sure that the tax element which has been put on paraffin be removed so that it becomes something that can easily be utilised by Kenyans and thereby, making sure that the cost of paraffin is affordable. This is because it is something that can easily be utilised by Kenyans who fall in the lower income cadre.

Mr. Temporary Deputy Speaker, Sir, I would also support the Member who said he would like to see some expansion of the oil refinery in Mombasa. That certainly will create employment and reduce the dumping effect of petroleum products which is taking place in this country today. As a result of expanding the Mombasa Oil Refinery, you will find that those people who have been trying to sneak petroleum products into the country through the *panya* and *magendo* routes will now desist from that illegal business. They are now doing it because they want to evade payment of duties. If we actually expand the oil refinery in Mombasa, you will find that it will become difficult for these people who want to dump petroleum products in this country. A normal routine business should be done in the normal way and this will reduce the question of dumping. At the same time, we will raise the total income in this country as a result of the duties which we will be able to impose on them. If we do that, then I think we will start eradicating poverty in this country.

Mr. Temporary Deputy Speaker, Sir, I would also like to talk about the Rural Electrification Programme. I do support the Ministry's request for K£97 million for the rural electrification programme in this country. However, I would request that this programme be equally distributed and spread in Kenya instead of it being concentrated in particular areas. If I talk about Kinango which is in Kwale District, it is a constituency which does not have any lighting, right from Mackinon Road, Taru, Samburu up to Mariakani all the way to Lunga Lunga. We have no power in that place and yet we want the people in that area also to be productive. How do we get investments from foreigners to come and build the industries? How do we get factories built in that area if there is no power? Kinango is ranchland. We do produce a lot of milk and there is no power. How do we have storage facilities for this milk so that it does not decompose?

We are talking of reducing poverty in this country. One of the ways to reduce this poverty is to provide the facilities that will enable the people to, at least, carry out some productive activities. For us to be able to do that, we need this Rural Electrification Programme to be spread in Kinango, Kwale District and we have discussed this issue in the DDC in Kwale District. Certainly, we have already sent the minutes to the relevant Ministry. I do hope we are going to be part of this Rural Electrification Programme during this particular year.

Mr. Temporary Deputy Speaker, Sir, if we want efficiency in this country, then there must be supply of power. On the other hand, if we want power in this country, then the funds which have been requested for by this Ministry should really be given to it. Maybe, even what they have asked for is not enough. This is because you find that the tourism industry which is a major source of income in this country has suffered as a result of lack of power. The tourists come to this country and book into hotels only to find there is lack of power in these hotels. Consequently, these tourists then think of not coming back to this country. If we want to make Kenya a good destination for the tourism industries, then we have to make the facilities habitable and we can only do this if we make sure we provide good supply of power.

Mr. Temporary Deputy Speaker, Sir, turning to the question of industries and employment, today there are so many Kenyans who are unemployed. This is because we have not provided the basic facilities to make sure industries are constructed and to attract direct foreign investment in this country. We can only do this if we have the basic infrastructure and the best facilities which will attract those investors to invest their money in our country. Therefore, I am supporting the Motion so that we can reduce the unemployment level in this country by making sure that industries are built and foreigners bring in their money so that we can have more factories. If we have more power here, we will have better production. Without power, how can you make sure that there is better productivity in all the sections including agriculture? So, I am saying that it is absolutely necessary that we do approve the Vote as requested by the Minister for Energy so that we can make sure our production is not affected by lack of power.

Mr. Temporary Deputy Speaker, Sir, I would like to comment on the question of some businessmen who have been mixing both paraffin and diesel and then selling it as a source of fuel for vehicles. These people have actually caused pollution in this country because they are mixing paraffin with diesel. Where are those who are in power? Why do they not stop such actions by these people? Business should be done but in a proper way. If people are mixing paraffin with diesel so that they can make more money, I would say that the Ministries concerned should make sure that legal action should be taken against them because this is illegal. They should not make life difficult for those who would like to use cheap paraffin. This is because I understand that the justification for putting higher taxes on paraffin is because it is used to supplement diesel as a fuel. However, why should we let a common Kenyan who has no big income suffer because of a few individuals who are engaged in irregular business practices? It is my wish that the relevant authorities make sure these people do not carry out their irregular businesses at the expense of the common Kenyan.

Mr. Temporary Deputy Speaker, I will finish my contribution by saying that it is my wish, and I hope that of every Member in this House, to pass this particular Vote. If need be, next time, the Minister should increase that Vote because it is one of the sources which can make this country move faster than it has done in the past.

Thank you, Mr. Temporary Deputy Speaker, Sir.

Mr. Munyao: Thank you, Mr. Temporary Deputy Speaker, for giving me this opportunity to contribute to this Vote.

Mr. Temporary Deputy Speaker, Sir, I wish all the Ministers who were reshuffled recently were here to hear my contribution. This is because I heard the Minister, who is a very good friend of mine, while introducing this Vote, he sounded very concerned. We are going to pass this Vote and we are not going to reduce it even by a cent.

But this reminds me about 17th June, when he was seated there as the Minister for Finance having cut down the allocation to the Ministry of Energy. Now, it is up to him and the rest of the people in his Ministry since things are changing every other month--- Ministries are changing every month and it may be even on a weekly basis. We do not know who is going to be the next Minister for Finance. But it is a very good warning for Ministers for Finance, when they are cutting down expenditure on Ministries, to know that, before the end of the term, they may be in another Ministry. This is the suffering and shivering one would be experiencing.

We are going to give you what you are asking for today and we are pleading with the Government to double your Vote. What is the Minister feeling now? I know when the then Minister for Finance was cutting down the allocation to Energy, he was not aware that he would be the Minister for Energy, where he is now. Since we are in the month of October and during the next six months we may have more changes, I want to urge whoever will be the Minister for Finance to be careful while making allocations. I know there will be so many rotations. It will not be my turn, unfortunately because DP will be in one--- We are going to be in charge and we will show you the importance of keeping one Minister for about ten years in an office. If you stay in one office for many years you acquire a lot of experience and this kind of thing would not have happened. In fact, the Minister would not be pleading because I know the Permanent Secretaries and all civil servants who were there were all pleading and saying: "Please do not" and the Minister could say; "we have no money".

However, we have a lot of confidence in the Minister because he is a determined person. We are saying so because when it comes to distribution of electricity, there are areas like Ukambani and that part of Northern Kenyan which has been forgotten--- I am sure that, this time the K£97 million will be equally shared. I am urging the Minister to distribute the money equally because he does not know what will come in January. There may be another change in the Cabinet coming soon.

Mr. Temporary Deputy Speaker, Sir, we are told that between what Kenya produces as energy, in form of megawatts, and what Kenya consumes, there is a clear difference of 300 megawatts. This is a very big difference and it includes even the electricity we are importing from Uganda. We have got nothing to import from Zambia, Tanzania and Somalia in the form of energy. In fact, it is a naked and bitter truth that this is what we have and it cannot go this way or the other way. With this difference, the development of energy is not a simple matter. This is because even if we were to decide today to invest--- We are calling upon investors to invest in energy. Even if we invested in energy today, we would have to wait for ten years. This is another very difficult thing. The Minister is telling us to wait for ten to 15 years before we harvest from energy investments. We are getting strange requests from this Government because the other day, all the Ministers and their Chairman went to Mbagathi and, they had no shame, they had to ask us to wait for 16 years to eradicate poverty. I asked; "should I wait for 16 years with poverty on my shoulders"? It is just the same as being asked to remain poor for several years to bridge this gap of 300 megawatts. It is a shame to a country which has been independent for 36 years. We do not know what to tell this Government on investment in the energy sector. Investment in energy should have been started at the time we got Independence and we should be striving to move higher. We are asking the Minister to think broadly, continue and beseech, whoever he can, because development of energy is not something we can invest in today and reap tomorrow. We have to invest and wait for ten to 15 years. That is a long period of time to wait and we are asking the Minister to create some incentive to reduce duties here and there so that people can bring generators and others power supplements to electric power. That is not enough; we need the Minister to tell us categorically how he intends to double the production of power in this country. This is because doubling the production of power in this country will also bring down the cost of power.

Mr. Temporary Deputy Speaker, Sir, as I speak, I am very much concerned because every time the price of energy, particularly electricity, goes up--- The moment you touch on power, you will affect every other machinery to inflate prices and all that because energy is the nerve centre of everything. If you increase it, it will affect all other things. Look at what happens when the price of fuel goes up. When fuel goes up it affects almost everything. At least, there was a time when fuel used to go up by ten cents. This time round fuel goes up by shillings. I do not know where the difference goes to. So, we must be very careful when increasing the price of fuel.

Mr. Temporary Deputy Speaker, Sir, we have talked about oil exploration and I am very apprehensive

because there was a time when we invited explorers to come from all over the world and we gave them North-Eastern Province to explore oil. I am very concerned about what we got. We must get genuine investors who are going to explore oil. This is because at that time, when we got some of these investors, they came under the pretext of investing in mineral exploration but came to dump toxic wastes in North-Eastern Province. As a result of that, diseases which we cannot cure are now afflicting us in this country. We are suffering here without knowing that we are inhaling toxic waste dumped in the North-Eastern Province. We need the Minister for Energy to discuss this with all people concerned because I am sure he can get the records of those people who dumped the toxic waste in North-Eastern Province.

Mr. Temporary Deputy Speaker, Sir, there is a certain zone in North-Eastern Province where children never live beyond the age of seven years and I do not know what affects them. This is serious and it is high time we knew exactly who these serious investors were and what they did. We need them to come because we need oil. As I speak here now, most areas in Ukambani and North-Eastern Province are so hot. Although we are not scientists, we know that there must be a boiling pot underground. What is that boiling pot? Oil! Therefore, it should be exploited. We need genuine investors to come and generally invest in a lot of other areas.

Mr. Speaker, Sir, I am turning to an area like Masinga where there are three dams in a row. The Government had agreed with the World Bank that two per cent of the profits from power generated from that area would go to develop that area, provide water, construct roads and even all the other facilities like primary and secondary schools, hospitals and other amenities. That was the agreement. Since the inception of the Masinga Dam and related projects in Ukambani, that two per cent has never been provided.

At the moment, there is KenGen Company which is transferring assets they never acquired. I do not want to go into those details because the Minister for Energy is an expert. He was the Minister for Finance and he knows the exact game being played there. There are people who are transferring assets they never paid for. The two per cent has never been paid to that area of Ukambani. Could the Minister tell this House where the two per cent profit goes to? Not only the two per cent, that area does not have power. We see power lines overhead taking power to other areas.

Members of Parliament and other people have asked for rural electrification. If somebody is asking for rural electrification in an area where an Assistant Minister comes from, and the lines are coming from there, and we do not have power, is that not a genuine request?

Mr. Temporary Deputy Speaker, Sir, we would like the Minister to tell the House how he intends to cover that area through the Rural Electrification Programme. At least, there are now 11 Members of Parliament from Ukambani who are going round, telling the Kambas what they have lost during the 36 years KANU has been ruling this country. We were determined to cut the power lines with *pangas*; it is possible for us to do that. Unless the Minister does something about the situation within the next 12 months, no more electric power will be generated from Masinga Dam. We will cut the wires and wait to see what happens.

The other day an Assistant Minister for Energy promised that Kalawa will be supplied with power. I am sure that he has not backed down. He told me that he had allocated Kshs18 million for that purpose. Kshs18 million for a district's electrification is too little. However, I will support the Minister to get that money quickly, hoping that he will supply electric power to Ukambani, otherwise, we will cut the electric line from Masinga Dam.

With those few remarks, I support.

The Assistant Minister for Energy (Eng. Manga): Mr. Temporary Deputy Speaker, Sir, I would like to join my colleagues in supporting this very important Motion. Before I make my remarks, I would like to congratulate the Minister for presenting this Motion very well. He was precise and to the point, pointing out all that is required of him.

I would like to agree with my good friend, the Secretary-General of the Democratic Party of Kenya (DP), in saying that the Ministry should have requested for double the amount being sought by this Motion; instead of requesting for K£280 million, the Ministry should have requested for, maybe, K£560 million. This is because the energy sector is very important as far as development is concerned. A country cannot develop without energy. I believe that the Minister, who was previously in charge of the Finance Ministry, did not cut down the amount because he was not in charge of the Energy Ministry. I believe that he was trying to share out the meagre available resources, so that every Ministry could get a little money, and that he is not regretting now.

I would like to highlight a few things which the Minister has touched on. I would like to underscore the fact that electricity is so important that even a baby would like to see an electric bulb lit, but we know that it is very costly to produce it. The Government is trying, under the circumstances, to produce as much electricity as it can. As we know, the weather is also against us. Water levels in the water reservoirs for the generation of electricity are down, because weather patterns have changed. We are having all these shortages because funds are not adequate. If funds were adequate, we would have opted for other sources of energy such as solar and others.

We would not be depending on water energy alone to generate electric power.

Mr. Temporary Deputy Speaker, Sir, despite the meagre resources available, we are trying other means of generating electric energy. On that note, I would like to congratulate the National Oil Corporation of Kenya (NOCK), for having regulated the prices of oil fuels. The liberalisation of the energy sector has given multinational oil companies a leeway to do whatever they wish, and we cannot do anything about it.

Mr. Kihara: On a point of order, Mr. Temporary Deputy Speaker, Sir. The Assistant Minister knows very well that NOCK has been bringing into the country a lot of oil products duty-free, therefore, competing with other oil marketers on unfair basis.

The Temporary Deputy Speaker (Mr. Poghisio): That is a point of information, Mr. Kihara.

The Assistant Minister for Energy (Eng. Manga): Mr. Temporary Deputy Speaker, Sir, I do not know whether that is a point of order. Even that information given by the hon. Member is not correct. NOCK does not operate on a different basis; it operates on the same basis as any other oil dealer.

Mr. Angwenyi: On a point of order, Mr. Temporary Deputy Speaker, Sir. Is the Assistant Minister seconding the Motion, or what is he doing?

The Temporary Deputy Speaker (Mr. Poghisio): What is your point of order, Mr. Angwenyi?

Mr. Angwenyi: Mr. Temporary Deputy Speaker, Sir, is the Assistant Minister in order to second the Motion, which has already been seconded?

The Assistant Minister for Energy (Eng. Manga): Mr. Temporary Deputy Speaker, Sir, I am not seconding the Motion. I am giving my views; I am entitled to contribute to the Motion.

Before I was interrupted, I was saying that an hon. Member had asked why petroleum products are cheaper in Nakuru than in Nairobi. Obviously, it is because NOCK has a petrol station in Nakuru, which regulates the price of oil products.

Dr. Kituyi: On a point of order, Mr. Temporary Deputy Speaker, Sir. Hon. Manga is an engineer. If he confuses weather and climate, we can let him get away with it, but does he not know the difference between a depot and a petrol station?

The Assistant Minister for Energy (Eng. Manga): Mr. Temporary Deputy Speaker, Sir, I know the difference between a depot and a petrol station. A petrol station is where oil products are sold using a pump; NOCK has a petrol station in Nakuru. The hon. Member is actually wasting my time for nothing. However, I would like to say that NOCK has regulated the prices of oil products, and that Kenyans should thank it for that. If we enable NOCK to go into the market fully, prices of oil in this country will drop despite the fact that the industry is liberalised.

An hon. Member: Where does the Corporation get its oil from?

The Assistant Minister for Energy (Eng. Manga): Mr. Temporary Deputy Speaker, Sir, the Corporation gets its oil from the same source as the other oil dealers. Because other dealers want to make huge profits, they hike the prices of their oil products.

Mr. Temporary Deputy Speaker, Sir, also, the Kenya Pipeline Company (KPC) is doing a very good job. Before the KPC came in, cases of accidents involving oil tankers on the Mombasa-Nairobi Road were numerous. During that time, a lot of petroleum products got wasted in those accidents. If the KPC were not in existence upto now, cases of accidents on that road would have been even worse, because the road is really bad.

Therefore, the Kenya Pipeline Company needs Government support. This company is not only serving our nation, but it is also serving our neighbouring countries. This is because our neighbouring countries get their petroleum products from Mombasa in order to survive and we cannot refuse to allow them through our country. That is why it is important that the company is extended to Kampala in Uganda, or, at least, Malaba. I would also like to say something about what people think about dumping of petroleum products in this country. Dumping of petroleum products is just like any other form of corruption that you can think of and the Ministry is fighting it. If the petroleum products that go to Kampala in Uganda and other neighbouring countries were channelled through the pipe, then the dumping we are talking about would be minimised. Therefore, it is important that we have the correct system in place and we will be okay.

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

Dr. Kituyi: Thank you, Mr. Temporary Deputy Speaker, Sir. I intend to speak for three and a half minutes. The first thing that I want to draw to your attention is that when the Supplementary Estimates were printed rather at an odd time, we were told that it was because of rationalising with the new portfolios, Ministries, combinations and so on. But if I look at the Recurrent Estimates for the Ministry of Energy, Volume III, pages 14-16, I find that there is only one Minister for Energy. We know that hon. Lotodo is the Minister for Renewable Energy Development, but I thought that he would still pretend that he is a full Minister. Why is there not a

provision for hon. Lotodo's position in the Estimates before this House? How will he get his salary since you have not asked for it here, or your salary, if you are only asking for the one for hon. Lotodo?

Secondly, I was listening to hon. Manga talking about the National Oil Corporation of Kenya (NOCK) having a petrol station in Nakuru Town. Sometimes you are worried when you listen to Government Ministers talking like they are pedestrians; like they are begging the Government to do something that will be good, and yet, they are the ones who are supposed to do what needs to be done. What is it that has made it impossible for the Kenya Government to allow the NOCK to have a terminal and a depot in Nairobi to bring down the price of wholesaling petroleum products to petrol stations, the way it has happened in Nakuru and Eldoret? **The Assistant Minister for Energy** (Eng. Manga): On a point of information, Mr. Temporary Deputy Speaker, Sir.

Dr. Kituyi: Mr. Temporary Deputy Speaker, Sir, the Assistant Minister cannot seek permission from the Chair to give me information. This is because he failed to even talk about the depot when he was speaking here. When hon. Manga talks about petroleum line serving other neighbouring countries by extending up to the border and then there will be no dumping, it is interesting. The hon. Assistant Minister is supposed to know that the blending of petroleum products from tankers that goes on in places, even by hon. Members outside the Weigh Bridge towards Athi-River, it is evidence that once you accommodate theft, a pipeline cannot stop it.

Secondly, there was an incident where a Tanzanian registered tanker burnt in Westlands near the College of the Armed Forces full of petroleum products driving towards City Centre. The documents in the tanker showed that it had collected petroleum products at a depot in Eldoret. To go to Tanzania from Eldoret, you go through Isebania. The fact that a foreign registered tanker burnt down in Nairobi City after collecting petroleum products in Eldoret suggests that where there is a will to pilfer and there is not too much sanctions, accidentally once in a while, the end catches up with the thief.

There are two other small issues that I wanted to mention. The hon. Minister for Energy has asked in his presentation for K£97 million for Rural Electrification Programme. There is no schedule of how he wants to use that money. My home division is one of the few places I know in this country without a single institution having electricity. It will be interesting for me to know how the hon. Minister wants to use that money. Does he want a blank cheque for K£97 million which can be a slash-fund to be used the way it has been in the past; that you invite the President and when there are good singers and dancers for him, he orders and the Minister stands up and directs: "bring rural electrification here", and the following day the KPLC starts taking pylons there? Or, there is a defection, you want to campaign and you bring power pylons like they did in Kipipiri Constituency? Could it not be better for the hon. Minister to give us a schedule of how he intends to distribute the K£97 million he has requested for?

There were some concerns that were raised in this House when Westmont Power Limited was allowed to be one of the independent power generators together with Ibera Africa Power Limited. First, to date, there has never been done a technical audit of the equipment brought in from South-East Asia by Westmont Power Limited and there has not been any attainment of performance deadline by this company. They keep postponing the date when they are supposed to provide the power, and yet, Westmont Power Limited has applied to the same Government to be given franchise for the next stage of private supply of power. Could the Minister give an assurance to this House that a proper audit, though belated, will be carried out not only technical audit, but also environmental audit of the second-hand equipment brought here by Westmont Power Limited? Could the Minister also consider making it a matter of policy that all future investments in power generation will be preceded by both technical and environmental audits?

Thank you, Mr. Temporary Deputy Speaker, Sir.

Mr. Angwenyi: Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me a chance to contribute to this Motion. The Ministry of Energy is a very important Ministry. As we aspire to industrialise our country, we need to have adequate electrification in this country before we can achieve this goal. I am particularly concerned about rural electrification. A vast majority of hon. Members of this House come from rural constituencies. We have been voting money year in, year out, for rural electrification. I carried out a small survey in this House to find out where rural electrification has been done in this country and a vast majority of those rural representatives said that there is no rural electrification in their constituencies. I would like the Minister, like it has been said by my colleague, hon. Kituyi, to give us a master plan of rural electrification in this country so that we can know how the money we are voting for that purpose will be used.

Mr. Temporary Deputy Speaker, Sir, I come from a constituency that is a major coffee producer in this country, and which earns foreign exchange which we use to pay the hefty loans we have acquired for electrification and other purposes. But there is no single Rural Electrification Programme (REP) project in the coffee factories in my constituency. There is none in other parts of the district, which produces a lot of coffee. When you also compare the amount that has been budgeted for the coffee industry - K£10 million - against K£15

million for the Kenya Pipeline Company (KPC), you wonder why we give so much money to KPC which should be self-sufficient by now. The KPC was constructed by public funds. If it were a private company, it would be making profit by now, meaning that it should provide for its now operations and maintenance costs and other expenses before it declares a profit. Why are we budgeting K£15 million for KPC?

There is also an amount of K£10 million budgeted for the National Oil Corporation of Kenya (NOCK). We have been told that NOCK could bring down the prices of petroleum products, but where has it done that? Even in Nakuru, where the Assistant Minister for Energy talked about, there are variances in prices. Some companies have lowered their prices while others have hiked theirs. So, NOCK has not had any impact on market prices of the petroleum products. But even if it were to have that impact, why do we continue allocating funds to that company? That company has continued to be serviced by the Government using public resources, and it should now compete with other oil companies.

Mr. Temporary Deputy Speaker, Sir, I had a chance to work with oil companies some time back, when we did not have NOCK, and at that time, we did not have dumping of petroleum products like it is today. At that time, the prices were really scrutinised before they were announced. We now have a Permanent Secretary in the Ministry of Energy who has no control or interest in the pricing of petroleum products in this country. I would suggest that the Minister for Energy, may be, revises these Estimates and removes the amount of money voted for NOCK and KPC - the K£25 million - and give it to the REP. Let these parastatals fend for themselves and, in fact, make a profit and give dividends to the Exchequer. Regarding the amount under the REP Maximisation and self-help work amounting to K£15 million, what is it for? Could we be told clearly, by being given a work plan, what is the use of this amount of money? Could this be an amount that is to be stashed away in people's pockets?

I know the new Minister for Energy is a relatively clean man; being an academician, he does not have much greed for making a lot of money. But, maybe, the officers working under him will use this type of Vote to steal money from the Ministry.

Mr. Kariuki: On a point of order, Mr. Temporary Deputy Speaker, Sir. Could the hon. Member, please, clarify which Minister he is talking about because there are two Ministers in the Chamber and, maybe, one is corrupt and the other is not?

Mr. Angwenyi: Mr. Temporary Deputy Speaker, Sir, I wish to continue. I am trying to say that this Ministry has been allocated a little amount of money compared to its importance in this country. So, the little amount of money that has been voted for this Ministry should be used where it will be most effective, and where it will have the highest impact to the people of Kenya. That is why I am saying that the amount of money being voted for those other corporations that fall under the Ministry should be removed and taken to the REP. I have noted that this is the only Ministry where the Development Vote is higher than the Recurrent Expenditure. We should commend the Ministry for that because we want the Development Vote to be on the higher side; that is where we are going to create jobs, industries and increase development. I would urge the Ministry to seek further funds during the time of revising the Estimates, and I hope the Minister for Finance and Planning will allocate the Ministry much more funds than what they have been given now. But if he cannot do that, I would urge the Ministry to work out on their plans for next year and seek much more money - maybe ten times more - than what they have sought today.

Mr. Temporary Deputy Speaker, Sir, with those few remarks, I wish to support the Motion.

Mr. Kariuki: Thank you very much, Mr. Temporary Deputy Speaker, Sir, for giving me an opportunity to comment on the Vote of the Ministry of Energy. I would like, first of all, to welcome the two new Ministers - Dr. Francis Masakhalia and Mr. Francis Lotodo - to this small Ministry; I do not know how they will fit in it because we thought that the Ministry would be phased out. But I hope that they will fit in it all the same. I wish Dr. Masakhalia, who was previously in the former Ministry of Finance, would be given a chance, at least, to prolong his stay to more than six months, so that he can prove his ability.

We are concerned about the funding of REP, and more so, the criteria used to ensure that all the constituencies are taken care of. I can see from the Printed Estimates that Murang'a District has been given K£759,000, but I think it is important to know which parts of Murang'a will benefit. It will be helpful to know that so that each of our constituencies is properly taken care of. There has been discrimination in allocation of funds to areas under the REP. I think the Ministry should be more transparent and accountable in ensuring that every part of the Republic is taken care of, rather than concentrating in areas which happen to be totally unproductive and which need not be given priority, while others which are more productive are overlooked altogether.

We hope the Ministry will be more concerned about consumers' interest. Prices have been hiked arbitrarily by the Kenya Power and Lighting (KPLC) without the Ministry pointing a finger. Inefficiencies in running KPLC are passed onto the consumer. There is a lot of corruption going on in KPLC, and that necessitates increase in tariffs so that the

inefficiencies are accommodated by the increase in tariffs, making, therefore, Kenya's power to be the most expensive in Africa. I think it is important for the Ministry to look into the rates of tariffs to ensure that we do not resort to the courts of law to stop them being increased.

The Independent Power Producers (IPPs) have not created an impact at all in reduction of the tariff rates. We thought that by having new IPPs, there would be reduction in the rate of tariffs. That has not been the case. It is worrying that even power shortages and rationing are still continuing, whereas we thought that with the Kipevu Power Plant and the Nairobi IPPs being introduced, there would be no more power rationing. We hope that something will be done to ensure that Kenyans get what they were promised, because I think we talk too much and do very little.

Hopefully, those areas from which power is generated should be given some royalties. I happen to come from a constituency where there are three power stations - Nesco, Tana and another one whose name I cannot remember. But what is happening is that we get power generated from certain areas, including Masinga, Turkwell and others, and people from those areas do not benefit. They just see power lines crossing their ridges and valleys. I think priority in power allocation should be given to areas from which power is generating. Otherwise, we shall tell our constituents that they should cut off all those power lines so that they do not interfere with the environment they are hazardous and cause a lot of damage to the environment, if the power line posts fall. Therefore, the Ministry should look into the possibility of giving those areas from which power is generated priority in power allocation, and, also, maybe, some royalties. There is no point at all charging very huge power tariffs and the areas from which power is generated are not taken care of.

Mr. Temporary Deputy Speaker, Sir, the levy on our roads maintenance does not seem to create any impact at all. Everybody is wondering where this money is going. Is there an account which was set aside for the purposes of road maintenance? Is that money going to the Consolidated Fund to pay salaries? These are the questions that Kenyans are asking. Potholes are increasing and roads are becoming impassable because they are not properly maintained, yet petroleum products consumers are paying levy. Where is that money going? Is it being looted, misappropriated or what is going on? The Government should utilise that money for the purposes it was intended for. It should not be using it for other purposes. If it does not need that money, then the petroleum products consumers should not pay the levy at all. Otherwise, we are being cheated as the users of petroleum products.

I have seen an item on exploration of petroleum oil. At one time, we were told on a front full page of a newspaper that there was an indication that petroleum products had been discovered in the North Eastern Province. What happened thereafter? Kenyans should never be given half-cooked information which is not authentic. We had hope that there would be petroleum somewhere. Why should the Chief Executive of this country come up with a statement to that effect? Was he misguided? Was it true, untrue, or was it just meant for public consumption? Any statement made to that effect, that there was petroleum somewhere, should be confirmed, refuted or withdrawn, if at all there was nothing like that. It gave people a lot of false hopes and this is not fair.

Mr. Temporary Deputy Speaker, Sir, we are happy to note that small indigenous business entrepreneurs are coming up with petrol stations through the liberalisation programme. Unfortunately, the big fishes are also trying to crush them by going round closing down those petrol stations. We are not here to cater for the multi-national enterprises like Shell, BP, Total and Mobil. We should take care of that small indigenous businessman. We should be proud of our people, help them to grow and not crush them. It is very unfortunate that the Provincial Commissioner, Nairobi, and the City Council, at one time went round harassing these small petrol stations owners. This is very unwelcome. They should stand firm on liberalisation and support those local people, so that they can be encouraged to grow. We do not want profits to be remitted elsewhere at the expense of our local people, who are already very poor and continuing to be poorer. So, the Ministry should ensure that the liberalisation programme takes off, and that more and more areas that should be privatised are privatised.

In fact, corporations like the Kenya Pipeline Company (KPC), which happens to be managed by a very close friend of mine, are doing a very good job. Unfortunately, the idea is not for the Government to perpetuate its ownership in KPC. It should be privatised and shares sold through the Nairobi Stock Exchange (NSE) because that is a profitable organisation. What does the Government have to do, being a shareholder there? The Government is supposed to be a facilitator and an initiator of a programme such as KPC, but should not to hang on as an owner. The taxpayers are supposed to be the owners of these institutions. The KPC shares should be sold in bits. Maybe, the first 20 per cent can be sold next year, and another 20 per cent thereafter. This is what the Government did with the Kenya Commercial Bank, the Housing Finance Company of Kenya and other corporations. It is not good for the Government just to be talking about how good KPC is doing. After all, there is less accountability if KPC answers to only one person who appoints the chief executive. If at all members of the public are involved in ownership, then there will be more watchdogs to ensure that, that type of corporation

continues to be well managed, particularly if you remove an efficient managing director and bring in a looter. I hope that will not happen because we are already having very good performance by that corporation.

Mr. Temporary Deputy Speaker, Sir, I am worried very much about the National Oil Corporation of Kenya (NOCK). Other than helping the small indigenous entrepreneurs that I talked about earlier, what does it have to do with opening of small petrol stations? It should be a wholesaler, not a retailer. It is setting a very bad example. It should move out of retail trading, pass that on to small entrepreneurs, and it should not be all over the place looking for plots so that it can open petrol stations. After all, small enterprise is very difficult to manage. Those of us who are in business know that where you have cash-oriented transactions, the possibility of misappropriation is very high. Therefore, NOCK should be advised to move out of retail trading to wholesale trading. It should sell off those small petrol stations that it is running. It is not fair and proper, and it should leave that to retail operators.

A bit has been talked about dumping of oil that is in transit to the neighbouring countries. It is important for the Ministry to be more serious in ensuring that the Kenya Revenue Authority collects its rightful dues. It should not allow looters to escape taxation by consigning their goods for transit, and then dumping them in the local market. Every importer of transit goods should first of all pay duty at the point of entry and then have a refund after it is proved that those goods have passed the borders. There should be no goods whose duty has not been paid passing through the country because there is a possibility of a lot of things happening, like dumping of those goods here. The Ministry should work in collaboration with the Ministry of Finance to ensure that duties are paid, and that it does not facilitate dumping of those goods. This is very unfair. When you go to some petrol stations, you will find petrol being offered at a throwaway prices. The other day, I was in Garissa and I was told that they are getting petrol from Somalia. It is being sold at half the price of petrol in the market. If that is true, then it is very serious. I believe that somebody somewhere is allowing that petrol to enter into this market without duty being paid. It is important for us to be fair and ensure that Kenyans do not face any unfair competition from dumped products. This is making some people fear that the Government is not doing its proper job where it should.

Mr. Temporary Deputy Speaker, Sir, it is also important for the Ministry to keep a very close look at Kenya Power Lighting Company (KPLC). The KPLC, when it was "Reddy Kilowatt", was offering very good services. It looks like services are becoming poorer in terms of complaints for repairs of lines and other issues. I happen to have had a case about two weeks ago, where a post fell just next to my house. It took them about three days to get that post re-erected. In the old days, one would call "Reddy Kilowatt" and within two hours, there would be people there doing repair work. I tried to talk to everybody at KPLC, and they were so rude. Things have just gone haywire. I do not know whether Mr. Gichuru is any more bothered about running KPLC, or whether he is just making money. It is important for him to put his house in order. We are having a lot of complaints all over the place. For example, we are getting bills which are highly inflated. I remember, last year, I received a bill which was ten times my normal consumption. I tried to reach Mr. Gichuru and he could not even respond. I will torment him during the annual general meeting because that is the only place where he can answer to some of us. He does not seem to care any more. I think we should give him a chance to respond to some of these issues in the Anti-Corruption Committee.

Thank you.

The Assistant Minister for Local Government (Mr. Affey): Thank you very much, Mr. Temporary Deputy Speaker, Sir, for giving me this opportunity to contribute to this Motion.

As we very well know, the energy sector is a very important sector in this country. It is important in as far as the economic development of this country is concerned. When we talk about energy, we are talking about almost all sectors of our economy. That is why I stand up to support this particular Motion.

Mr. Temporary Deputy Speaker, Sir, first of all, I would like to congratulate the Cabinet Minister in the manner in which he has presented his case. I would also like to congratulate a number of parastatals that fall under this Ministry. First and foremost, we know that the management of these corporations is very important, and by extension, where there is poor management, then there is poor service and, eventually, it is transferred to the customers. I am glad that one such parastatal, the Kenya Power and Lighting Company, has been well managed despite what my friend here said a while ago. This can only be attributed to the fact that when we have seen corporations being run down, this is the only corporation which has been able to take back some billions of shillings to the Consolidated Fund. We need to encourage efficient management. When Members of Parliament come to the Floor of the House, they need to be very careful not to politicise the organisations that have been managed quite well.

Having said that, I come from a region that really requires the attention of the Ministry. Energy is so important for the economic development of any region. We need to have programmes that will alleviate poverty. I

do not know of a region in this country where poverty is rife and which has more opportunities of alleviating it more than the North Eastern Province. We have failed in the past to harness all these resources. We have got plenty of resources, most of them natural, for which we require very little money. The concept of solar energy in North Eastern Province should be harnessed properly. We are not asking for importation of fuel or for anything more. We are only asking for the harnessing of what we have. God has given us an abundant supply of solar energy.

I would like to appeal to the Minister to consider certain projects in North Eastern Province and see how best he can support the communities that live there to harness this solar energy. The Minister is requesting for K£57,000 for petroleum exploration. We need to be fair to regions that we think can supply this country with oil. It is on record, it has been tried, and I am sure that if we get proper commitment from the Minister, we can strike many oil wells in North Eastern Province. The environmental conditions in North Eastern Province are similar to those in the Middle East. I do not see why the Sudan cannot only supply oil to their domestic market, but they can even export it and yet, in Kenya, we continue to import. We have the resources and the reserves, but we have failed to have a commitment to explore the resources we have in this country.

It is a well-known fact and it hit the headlines in 1987 that in a certain place in Wajir District, where this exercise was undertaken, it was discovered that we have got a substantial amount of oil. Due to these oil politics, the eventual report was that it is not sufficient for commercial purposes. Even if it is not sufficient for commercial purposes, I am sure that it is sufficient to an extent that it will relieve us of pain. Therefore, I would like to request the Minister to have keen interest in the North Eastern Province. If he can undertake a tour, we can take him to sites where we think, as leaders from that area, that if exploration is done, we can discover oil.

I do support the Rural Electrification Programme, and I am appealing to the Minister concerned to consider extending that service to many other areas in North Eastern Province. Habaswein Sub-district is the headquarters of Wajir South Constituency. We have already put in a request, and I am requesting the Minister to make sure that our request is granted, so that, that town, which is located along the Wajir-Garrisa highway, and has got enough population and consumers is given electricity, before the end of this millennium. If we do that, we will encourage investors to go there and alleviate the unemployment problem and improve the income of the people of that area. By extension, we will be able to assist the Government in its attempt to alleviate poverty.

Habaswein is such a central location, and a very important centre to the people of North Eastern Province, and especially to the people of Wajir District. We have already put a request to the Government to upgrade this area to district status. The only other item we are lacking now is electricity. We already have telephone facilities there, and enough water. In your Rural Electrification Programme, I am requesting, on behalf of the people of Wajir South, for the supply of power to Habaswein.

With those few remarks, I beg to support.

Mr. Mwenje: Thank you Mr. Temporary Deputy Speaker, Sir, for giving me this opportunity to contribute to the Vote of the Ministry of Energy. People tend to think that those of us who come from the urban areas, and in particular Nairobi, enjoy the services of the Kenya Power and Lighting Company, and that we are supplied with electricity. I want to remind the Minister for Energy that while he is undertaking rural electrification in upcountry areas, Nairobi is equally hit by this problem, especially my constituency. You will soon see, when the census results are out, that in a place like Kayole, which now houses well over 200,000 people, it is only a few areas where there is electricity. In one big estate called Soweto, which houses well over 80,000 people, there is not a single supply of electricity. We have written, reminded, and talked about it severally, but we have not seen any action being taken.

I want to appeal to the Minister that while others are talking of rural electrification, I now want to talk about urban electrification. It is very bad. There are some people who live here, particularly those from the lower income earning group, who do not have electricity and nobody tends to remember that these people exist. In fact, sometimes I remind them that when they go to their rural homes, they tend to say they are staying in Nairobi. If somebody came from that rural home to visit them here, they would be surprised to see that they are using paraffin lamps, candles and all these kinds of things. I would like to appeal to the Minister that when he talks of selling electricity, he should not think of up-country areas alone. In up-country areas, the Minister will just sell to a few people in a very small area. But in Nairobi, from one house to another, the Minister will sell a lot of electricity. He will raise a lot of income. It does not cost so much. All he requires are a few extra transformers. He will be able to make money from the supply of electricity. The areas that require electricity are quite many. I would like to say that in Embakasi alone, apart from the areas just next to Outering Road, the rest are not adequately supplied with electricity. Such areas include Kayole, Njiru, Ruai and all the way to the boundary of Kangundo. I would urge the Minister to consider those areas as urgently as possible, so that the people living there could enjoy the fruits of Independence, if this is what is called the fruits of Independence.

Mr. Temporary Deputy Speaker, Sir, another thing which is happening, which needs some kind of explanation, is the continuous blackouts. Every now and then, we experience blackouts. Recently, the situation was aggravated further by the rationing of electricity. How do you ration electricity when you are actually selling? Other people are looking for markets. But here, the Kenya Power and Lighting Company (KPLC) has a ready market, and yet, it is rationing electricity! They do not give electricity to anybody free of charge! They sell it! Why should they ration? It means they are not good planners. If you talk of low water levels, and the other day we had the *El Nino*, which was a lot of water from heaven, the Ministry could have stored the water in huge reservoirs. Again, all of a sudden, you are rationing because there is low water level. Which is which? When there is so much water, it goes to waste in the sea.

Why should you allow the water to go to waste when you have been collecting all this money? It is time the reservoirs are used to store water so that it can be used during the dry seasons. Rains are about to come, and the Minister should tell us when he will stop the rationing of power. This should never happen again. This shows what kind of poor planners we are. Sometimes, we have so much water and then, all of a sudden, we have no water. This is serious!

On the other hand, you may have visited cities outside the country. Roads are well lighted. But today, on our roads, all the electricity poles are down. They have either been felled by something, or there is no supply. Why has this situation been allowed? Whether some of them are maintained by the City Council, it is the Ministry which should come up and do the repairs. The City Council is just an agent. The responsible institution is the Ministry of Energy. This should not be allowed to happen. Nairobi needs to look like a city. We cannot do it unless the Ministry of Energy comes in. We should not leave everything to the Nairobi City Council. The Ministry of Energy and the KPLC have a duty to do. They have got to come in now and assist, so that our City looks like other cities.

About the blackouts, it has never been explained why they occur. Why do they take long? Sometimes, they take as long as six hours. I do not know why this is happening. We must remind the Ministry of Energy that in Nairobi, there are so many industries which depend on electricity. This business of rationing electricity and blackouts is making our people lose jobs. When the industries cannot manufacture, the owners of the industries will either suffer, or they will find it easier to close their operations at night. Some industries have to operate at night. It should not be taken for granted that this only affects those who are lighting. It is very serious! Every owner of a big industry has to buy a big stand-by generator to deal with this problem. That situation should not be allowed to continue. When we buy generators, we spend our foreign exchange on something that would not have been necessary if there was no rationing or blackouts. That is not right. We have now resorted to importing energy from different companies. This is uneconomical to our people who pay taxes. Although everybody thinks we are paying, even those who have not been supplied with electricity also pay towards electricity. This is because some of the money comes from the Government. Some of the rural electrification programmes are only done half-way. I have been told that money has been given for particular areas. Let the money be apportioned more properly. Let the KPLC work like a businessman who believes that whoever wants to buy from him, he should sell to him. This is what should happen.

The Ministry of Energy is a very important Ministry. But I still fail to see their operations because even now, we are told that there are oil deposits in this country. How long will it take to discover them? What is it that we are missing? The Ministry should go to areas that have been reserved for garbage dumping like Dandora, and see whether we can get oil. Otherwise, they should license me to explore for my own oil and sell it. We are not satisfied with the way the Ministry of Energy has been working. At least, we are satisfied with the KPLC. It is the only parastatal which is surviving. We are glad that the KPLC has survived. All the other parastatals have been squandered, as we will soon see in the Public Investments Committee's (PIC) Report. But we would like to tell the Minister for Energy to wake up and look at the problems facing our country, particularly here in Nairobi. There are areas which are not supplied with electricity. If the Minister is prepared, we will give him the areas that do not have electricity.

With those few remarks, I beg to support.

The Member for Siakago (Mr. Muturi): Thank you, Mr. Temporary Deputy Speaker, Sir. I stand in support of the Minister's proposal for the Ministry of Energy.

The Temporary Deputy Speaker (Mr. Poghiso): Order! Hon. Members, I would like to draw your attention to the new hon. Member who is on the Floor. He is making his maiden speech, so the basic rules of maiden speech apply. There will be no interruptions. I would like to ask him to introduce himself and proceed.

The Member for Siakago (Mr. Muturi): Mr. Temporary Deputy Speaker, Sir, I am Justin Muturi, Member of Parliament for Siakago Constituency, Mbeere District.

Mr. Temporary Deputy Speaker, Sir, having listened to various hon. Members make their contribution

with regard to the Vote of the Ministry of Energy, I think the importance of this Ministry in our country cannot be gainsaid. This is because we all appreciate that the Ministry of Energy is central to our economic development, and more so, when it is in the Government plan that this country shall be industrialised, hopefully, by the year 2020. Owing to the importance of this Ministry, and the fact that we all do appreciate that part of that hope for industrialisation will come through the vehicle of what we currently refer to as *Jua Kali*, I feel that the allocation sought by the "Ministry for Rural Electrification" is, perhaps, inadequate. But I do support, nevertheless, the fact that the Ministry has quite concisely provided for finances, at least, in every district for rural electrification.

Mr. Temporary Deputy Speaker, Sir, I have only one request I wish to make to the Minister. Whereas we, in the districts, sit in the DDCs to discuss various issues regarding development in our respective areas, we find it a little confusing that - unless it only happens in my district - we do not have ministerial representation of the Ministry of Energy. We only see the representatives of the Kenya Power and Lightning Company (KPLC). When you talk to the representatives of the KPLC in the DDCs, they appear, more often than not, interested more in the private aspects of electricity supply as opposed to the public one, which in many areas is provided through the Rural Electrification Programme. I come from an area that houses five dams, where electricity is generated. It is a pity that notwithstanding the proximity of those dams to various centres, we still cry for electricity like the rest of the country. People in those areas only see wires from the dams. I wish to appeal to the Minister that, as a way of appreciation to those communities, they should be considered in the provision of electricity.

Mr. Temporary Deputy Speaker, Sir, I am also concerned that when we talk about power generation, we only think in terms of mega-projects. We have various small rivers in which, apparently, the Ministry does not have any programme to do small hydro-electric generating stations. Those of us who have travelled will appreciate that such schemes will cost less. This has been proved in countries like China, where the capital outlay is so minimal. I will urge the Ministry to incorporate in its programme, areas where there are small rivers to generate little amounts of power, because it is that kind of power that will help the rural communities to develop small micro-projects, like the *Jua Kali* sector. It is my view that we will stop thinking in terms of the many billions that will be required to extend the pipeline from Eldoret to Kampala. That is a very good capital project, but we need these small projects incorporated in the Ministry's programme, so that we have some activity going on in the small rivers. The Ministry should be seen to be doing something in those areas.

Mr. Temporary Deputy Speaker, Sir, after the recent reorganization of Government, I am a little confused as to whether to address my other area of contribution to the Ministry of Energy or to the Ministry of Agriculture and Rural Development. This is with regard to a parastatal known as the Tana and Athi Rivers Development Authority (TARDA). I know for a fact that TARDA owns Kiambere Dam and Masinga Dam. In the policy of TARDA, it was agreed that they will spend 2 per cent of their net revenue within the local communities. I do not know whether that is happening in Mbeere District, because it is a way of ploughing back part of the goodwill that the Ministry or the parastatal has got from the community and thus, encourage them to support those parastatals. I am also reminded that as a gesture of good will from the Government to communities that have continued over the years to support it, a policy like that one of reinvesting 2 per cent of their net revenue will go a long way to encourage those communities to continue supporting those parastatals.

With those few words, I beg to support.

Mr. Kimeto: Thank you very much, Mr. Temporary Deputy Speaker, Sir, for giving me this opportunity to contribute to the Vote of the Ministry of Energy. I feel that the Ministry of Energy is very important, and it should be allocated more money. When you look at the other Ministries, like the Ministry of Local Government, you find that most local authorities are not working because they have no power, like Sotik Urban Council. In urban centres, we have high populations that can use electricity in their day-to-day activities. So, I would urge this Ministry to provide electricity to those centres. Since the Ministry of Energy is one of the most important Ministries in this country, I would suggest that, in future, when we are preparing Budgets, we allocate more funds to it, so that we enable them to provide electricity to our people. Electricity will enable our people to set up small industries throughout the country.

Mr. Temporary Deputy Speaker, Sir, this Ministry could also provide electricity to schools in urban areas, and enable students to excel in their examinations and join public universities. Since we do not have electricity in the rural areas, students do not perform well in their examinations. It is a pity that we have very few students from rural areas joining our public universities. This is because there is no electricity in schools and, therefore, they cannot do well in their studies. So, I feel that some of funds set aside for the Ministry of Education, Science and Technology should be allocated to the Ministry of Energy in order to provide electricity in the rural areas.

Mr. Temporary Deputy Speaker, Sir, if you look at the Ministry of Agriculture and Rural Development, you will realise that it is not doing well. It is sad that instead of carrying out agricultural activities in this country and produce sufficient food--- The money that we use to import agricultural produce should be allocated to the

Ministry of Energy, to enable it to provide electric pumps to farmers, so that they can irrigate their farms. By so doing, our farmers will be able to grow horticultural crops. If we cannot get enough money from the Consolidated Fund for this Ministry, then there is no way we will create job opportunities for our people. If we can provide electric pumps for our farmers, then we will create employment for our youths in the agricultural sector, and there will be enough food for our people. If this Ministry can be utilised well in the agricultural sector, then famine will be a thing of the past in the country.

Mr. Temporary Deputy Speaker, Sir, the Jua Kali sector is very important in this country. We can only develop it if this Ministry would provide electricity in all parts of the country. With electricity in the rural areas, youths would be in a position to set up small Jua Kali enterprises and avoid migrating to urban areas in search of employment. It is, therefore, the responsibility of this Ministry to provide electricity in all parts of the country. When we have electricity in those areas, we will save our forests. At the moment, the destruction of forests has reached an alarming level. It is important that we provide electricity to rural areas, so that it can be used as a substitute for firewood. With electricity, nobody will destroy our forests because electric power will be used for cooking and, ironing of clothes, among other things. Without electricity, our women will have nothing to use in curling their hair. Provision of electricity in health centres in the countryside will make it easier for our people to get access to X-ray facilities. Therefore, we should approve the Vote of this Ministry, so that our people can be provided with these social amenities and facilities, right at the village level. It is unfortunate that electricity has always been provided to people who live in the urban centres.

Mr. Temporary Deputy Speaker, Sir, last year, I requested the Ministry of Energy to provide electricity in Ndanai Division of my constituency. In the same vein, I would like to appeal to the Ministry to move with speed and do the same because we are in dire need of electricity. We see electricity being provided in other parts of our district, but there is none at Ndanai Division. The Ministry should really take into consideration our request for electricity.

Mr. Temporary Deputy Speaker, Sir, if we provide electricity in our towns, incidences of insecurity will be less. By so doing, criminals will have nowhere to hide. This should be done in the estates so that people can conduct their daily activities without fear. The only way we can do that is to give the Ministry of Energy the resources it requires in order to carry out this function.

Mr. Temporary Deputy Speaker, Sir, when the Ministry of Energy will be making its budgetary projections, it should consult the Members of Parliament who are Members of the Departmental Committee on Energy. This is because electricity is required everywhere in the Republic, and the input of the Members of Parliament will assist them a great deal. If we cannot provide electricity to the whole country, let us try even half-way or quarter-way, whichever is possible. We should not leave a large part of our Republic without electricity. We want the Ministry of Energy to work to the best of its ability, to make Kenya an industrial country but we cannot industrialize without electricity.

With those few remarks, I beg to support.

Mr. Maore: Thank you, Mr. Temporary Deputy Speaker, Sir, for the opportunity to contribute to this Vote.

For the last 18 years, we have had very interesting priorities by the Ministry of Energy on rather awkward policies. There is a Sessional Paper that went through this House regarding the industrialisation of this country by the year 2020. Apart from education, the other key sector that is critical to the development or achievement of that goal is energy. While underscoring the importance of energy to the industrialisation of the country, during the most critical period which was the early eighties and, lately, the early nineties, the Ministry was occupied by "vampires" at the top, whose only major preoccupation was their obsession with mega-contracts, not because they were viable but because of the kickbacks involved.

Mr. Temporary Deputy Speaker, Sir, in the mid-eighties, there was the involvement of the AMOCO Corporation in an oil exploration project in Northern Kenya. Up to this day, it remains a mystery as to whether there were, or there were not, any oil reserves that we have in this country. When we do commit taxpayers money into a project like that, whether it is in foreign aid or from the Exchequer, we need accountability. We need the Government of Kenya to come and say: "They spent so much. There was oil" or "there was no oil". The Government should come clean on this, rather than leaving the issue to rumours, speculation and innuendoes, that, maybe, some interested parties did realise there was oil and they did not want to talk about it. Otherwise, what would be the motive behind the secrecy?

Mr. Temporary Deputy Speaker, Sir, another issue that arises is the question of the impact of frequent rationing by the Kenya Power and Lighting Company (KPLC). This is going on now, and it was there in 1997. When the rationing was going on in 1997, which is barely two years ago, there was a lot of economic disruption due to closures of factories. Businesses were disrupted and a lot of money was lost. When you undergo

a misfortune of that nature, you do not want to go through it twice. The difference between a human being and an animal is that the former is able to predict and know that one day, or he/she might be in trouble and take the necessary precautions. At that time, when there was rationing as a stop-gap measure in the process of trying to take care of these eventualities of the vagaries of weather, there were attempts to invite private investors. These are the so-called power generation companies, and that is how we ended up with Iberafrica, Westmont and the other companies.

Mr. Temporary Deputy Speaker, Sir, the process of getting these two companies was a major problem involving a lot of interested parties who did not want to get the most viable alternative replacement or boost to the national grid. These are people who are interested in what kickback they might get in the process. We are running a country, but one day, and it does not matter whether it is one week, one year, ten years or 20 years, those Kenyans who are enriching themselves with the sweat of Kenyans in fraudulent means will have to pay. It is not going to be very difficult one of these days to have this Parliament pass a legislation requiring those people who have primitively accumulated wealth in

fraudulent means--- Their wealth shall be repossessed.

Mr. Temporary Deputy Speaker, Sir, we have had legislations in places like Latin America whereby the untouchable found themselves, one day, having the fleets of cars, beach houses, aircraft and jets all repossessed. Today, nobody would have thought the son of Abacha would be in on some charges. But I can assure you that when he was committing those crimes that he is alleged to have committed in 1996, he thought he was just shooting dogs in the streets of Lagos.

Mr. Temporary Deputy Speaker, Sir, we do not want people who are entrusted with public property to appropriate it to themselves as if there is no law. There could be a law of the wielders of power; they do not know any other law, but just power and the obsession with power, which you might wake up one morning and find, it has evaporated. The Government should be exploring nuclear energy to subsidize the hydro-electric projects that we are undertaking. But this has a lot of danger. In whose hands would you entrust nuclear energy; people who do not even trust their own Kenya Bureau of Standards to maintain the slightest standard of shoes, clothes or anything? In the long-term, we would wish the Government to explore ways and means of initiating nuclear energy in our industrialization process, maybe in partnership with those people who have the capability of managing and monitoring the abuse of nuclear energy. But that may happen in many years to come.

Mr. Temporary Deputy Speaker, Sir, in the sector of renewable energy development, we need to synchronize the activities of the Ministry of Natural Resources and Environment so that the vast majority of Kenyans, who depend on wood fuel, may be advised on how to seek alternatives. At the turn of the century, 80 per cent of Ethiopia was forested, but today it is 2 per cent.

With the current Nyayo projects of deforestation, I think in five to ten years, Kenya's forests are going to be depleted by more than 50 per cent.

The Minister for Information, Transport and Communications (Mr. Mudavadi): On a point of order, Mr Temporary Deputy Speaker, Sir. Hon. Maoka Maore is talking of a new project on which he can enlighten us. There is no Nyayo project of deforestation. I do not know under what Vote that appears.

Mr. Maore: Mr. Temporary Deputy Speaker, Sir, I am talking about new and renewable sources. If the Minister had the chance of watching KBC broadcast last night, he would have seen the Mt. Kenya forest and the Eastern Provincial Commissioner with stumps of trees on desolate land that were destroyed in just months ago. Is that not a Nyayo project?

MEMBERS' HALF-HOUR STATEMENTS

The Temporary Deputy Speaker (Mr. Poghismo): Hon. Members, we are now in Zero Hour. This is, ordinarily, time to interrupt the Business of the House. Therefore, under Standing Order No.20(A), I will call upon hon. Members who would like to seek Ministerial Statements to do so, starting with hon. Mwenje.

Mr. Mwenje: Thank you, Mr. Temporary Deputy Speaker, Sir. Before I request for the Ministerial Statement, I would like to take this opportunity to send my condolences to the family of the founding father of the Nation of Tanzania, the late Mwalimu Julius Nyerere, who passed away early today.

DEMOLITION OF JOGOO/OUTERING
ROADS JUNCTION MARKET

I rise to seek a Ministerial Statement from the Minister for Local Government---

The Assistant Minister for Local Government (Mr. Affey): On a point of order, Mr. Temporary Deputy Speaker, Sir.

Mr. Mwenje: Mr. Temporary Deputy Speaker, Sir, the hon. Member should know that points of order are not allowed during Zero Hour.

The Temporary Deputy Speaker (Mr. Poghisio): Mr. Mwenje, do you know how many seconds you have?

Mr. Mwenje: Mr. Temporary Deputy Speaker, Sir, I know that I have two seconds, but I am being interrupted.

Mr. Temporary Deputy Speaker, Sir, yesterday, Nairobi City Council *askaris* went to the junction of Jogoo and Outering Roads and demolished a market that was put up with the blessings of His Excellency the President. This morning, the same *askaris* went back to the market and stole traders' wares and foodstuffs, including meat and chapattis. This is a very serious situation, where City Council *askaris* steal commodities from members of the public and demolish their markets. So, I would like the Minister to settle those people at a nearby place if it is not possible to re-settle them at the same market. Also, he should ensure that the wares that were taken away by the City Council *askaris* are returned to the traders immediately, as those people rely on that business for their survival. The foodstuffs that have been taken away are perishable. So, I would like the Minister to order the City Council to return to the traders, today, the foodstuffs and other wares that have been taken away from them.

The Assistant Minister for Local Government (Mr. Affey): Mr. Temporary Deputy Speaker, Sir, we will make our Ministerial Statement on Tuesday, next week.

Mr. Mwenje: Mr. Temporary Deputy Speaker, Sir, while I appreciate that the Assistant Minister will make his statement on Tuesday, there is a very urgent matter which needs to be attended to. The foodstuffs that have been confiscated from the traders will have gone bad by then. Could the Assistant Minister order the City Council to return all the foodstuffs it confiscated from the traders before they go bad? We cannot wait until Tuesday, next week. The Assistant Minister has the chance to order the return of those foodstuffs. Could he do so now, so that the traders could have back their foodstuffs before they go bad?

The Temporary Deputy Speaker (Mr. Poghisio): Mr. Mwenje, you have asked the Assistant Minister to make a Ministerial Statement, and he has responded to your request. So, let us have Mr. Munyao next.

Mr. Munyao: Mr. Temporary Deputy Speaker, Sir, my Ministerial Statements requests touch on the Office of the President and the Ministry for Education, Science and Technology.

One, I would like to request the Minister of State, Office of the President, to urgently undertake to increase famine relief food supplies to Ukambani area, the North Eastern Province, and other parts of the country where people are starving, intensify the School Feeding Programme activities in all schools in those areas, and supply the correct type of seeds to the people of those areas, so that they can sow them before the rainy season sets in. Two, I would like to request the Minister for Education to suspend payment of school fees in those areas, particularly for students in Form IV, to enable them write their examinations, which are around the corner.

Mr. Temporary Deputy Speaker, Sir, both Ministerial Statements are very urgent, but neither a Minister of State, Office of the President, nor the Minister for Education is here. However, the Deputy Leader of Government Business is here; I hope that he will take into account the urgency of these statements. I would like him to undertake that School Feeding Programme activities will be intensified and proper seeds supplied to farmers in those areas.

The Temporary Deputy Speaker (Mr. Poghisio): I will allow the Deputy Leader of Government Business to respond to Mr. Munyao's requests.

The Minister for Information, Transport and Communications (Mr. Mudavadi): Thank you, Mr. Temporary Deputy Speaker, Sir. I would like to assure hon. Munyao that we will get both Ministers; the Minister of State, Office of the President and the Minister for Education. The Assistant Minister for Education, Science and Technology, Dr. Wamukoya, is here to make sure that the Ministerial Statement is issued here next week. I would like to take this opportunity also to say that there was nothing wrong with hon. Mwenje conveying his condolences. In fact, that was in order. The only problem is that he conveyed the condolences to the dead person, who cannot receive condolences.

Mr. Mwenje: I sent my of condolences to Tanzanians!

The Minister for Information, Transport and Communications (Mr. Mudavadi): Mr. Temporary Deputy Speaker, Sir, he sent condolences to the late Mwalimu Julius Nyerere.

Mr. Mwenje: I sent my condolences to Tanzanians!

ADJOURNMENT

The Temporary Deputy Speaker (Mr. Poghisio): Order, Mr. Mwenje! Hon. Members, it is now time to interrupt the business of the House. The House is, therefore, adjourned until Tuesday, 19th October, 1999, at 2.30 p.m.

The House rose at 6.30 p.m.