

NATIONAL ASSEMBLY

OFFICIAL REPORT

Wednesday, 26th October, 2005

The House met at 9.00 a.m.

*[The Temporary Deputy Speaker
(Mr. Khamasi) in the Chair]*

PRAYERS

QUESTIONS BY PRIVATE NOTICE

TRANSPORT/ESSENTIAL DRUGS FOR NDHIWA SUB-DISTRICT HOSPITAL

(Mr. Ogur) to ask the Minister for Health:-

(a) Is the Minister aware that Ndhiwa Sub-district Hospital, which has been a referral centre for Lambwe Dispensary, Got-kojowi and Pala Health Centres is unable to discharge its duty effectively due to lack of transport?

(b) Is she further aware that the hospital is currently experiencing an acute shortage of essential drugs such as quinine and others used for treatment and management of malaria?

(c) If the answers to "a" and "b" are in the affirmative, what action is the Minister taking to correct the anomalies?

The Temporary Deputy Speaker (Mr. Khamasi): We will start with Questions by Private Notice. Hon. Member for Nyatike! He is not there? His Question is dropped.

(Question dropped)

ARBITRARY INCREASES IN FUEL PUMP PRICES BY OIL COMPANIES

Mr. Osundwa: Mr. Temporary Deputy Speaker, Sir, I beg to ask the Minister for Energy the following Question by Private Notice.

(a) Is the Minister aware that oil companies have raised fuel pump prices by more than five shillings per litre in the past two months?

(b) What urgent steps has he taken to ensure that those companies do not raise prices arbitrarily?

The Assistant Minister for Energy (Mr. Kiunjuri): Mr. Speaker, Sir---

Mr. Osundwa: On a point of order, Mr. Temporary Deputy Speaker, Sir. I have not received the written reply and, therefore, I am disadvantaged.

(Loud consultations)

The Assistant Minister for Energy (Mr. Kiunjuri): Mr. Temporary Deputy Speaker, Sir, I

am sure that we brought the written answer yesterday and the hon. Member is being provided with a copy at the moment. I hope that he will go through it as I read it.

Mr. Temporary Deputy Speaker, Sir, first of all, I beg to apologise. Yesterday, I talked about the drilling being done 10,000 kilometres away, but I meant 10 kilometres. It is only that I was a bit in a hurry.

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

(a) Yes, I am aware of the price increases which have taken place in the last several months. The retail prices have increased from Kshs72.67 in July, 2005, to Kshs76.99 in October, 2005, an increase of about Kshs4.32 per litre.

(b) The Government has constituted a task force comprising representatives from the Ministry of Finance, Ministry of Trade and Industry, Kenya Institute of Public Policy Research and Analysis (KIPPRA) and the Attorney-General's Chambers to investigate the cartel-like behaviour of all companies in order to establish whether or not there has been collusion and arbitrary increase of prices. The task force is expected to submit its report by the end of this month and the recommendations made thereof will be used for the formulation of measures to deal with any malpractices.

Mr. Osundwa: Mr. Temporary Deputy Speaker, Sir, it is common knowledge that when pump prices are increased, the whole country suffers. The Minister promised the whole country that he would take immediate and drastic action against those companies, but now it is over two months and he is talking of taking action only at the end of this month. What immediate steps has he taken to ensure that oil prices are not raised arbitrarily?

Mr. Kiunjuri: Mr. Temporary Deputy Speaker, Sir, the Minister is bound by the laws of this country, with regard to the de-regulation and this Parliament is the one that is responsible for it. Our hands are tied completely and there is nothing we can do about it. The only immediate action we can take is the one we have taken; to constitute this task force to establish whether there is collusion. That is the only way in which, after establishing that, indeed, there is collusion, we can take action.

Mr. Muite: Mr. Temporary Deputy Speaker, Sir, part of the reason for pump prices increasing all the time is our over-dependence on oil as a source of energy, including electricity and what-have-you. Does the Assistant Minister know that Kitui and Mwingi districts are sitting on very high grade quality coal? What steps is the Ministry taking to begin to exploit that coal as an alternative source of energy, including for electricity generation?

Mr. Kiunjuri: Mr. Temporary Deputy Speaker, Sir, we explained that in the Budget and it was also in the Sessional Paper that we brought here. Now, we have already tendered for the drilling of coal in Kitui North and Mwingi districts.

Mr. Abdirahman: Thank you, Mr. Temporary Deputy Speaker, Sir. *Ad hoc* committees and task forces are not a solution to the ever-rising fuel prices in this country, and you can hear the Assistant Minister say that their hands are tied. I would want to know from him, what regulatory mechanisms they have within the Ministry to control fuel prices in this country or to control companies that unilaterally make decisions to increase fuel prices in this country.

Mr. Kiunjuri: Mr. Temporary Deputy Speaker, Sir, it is unfortunate that we are enemies of our own selves. We always put politics before everything else and that is why multinationals are taking advantage of us. For the first time, all of us, either in the Opposition or in the Government, must agree to tackle this problem. We are faced with an opportunity where we are able, once again, to regulate them. The Energy Bill is coming up very soon, and hon. Members will have an opportunity to seal all the avenues through which we can be exploited by the multinationals.

Mr. Mukiri: Mr. Temporary Deputy Speaker, Sir, if you go to Nakuru at the moment, you

will find that we are buying super at Kshs70 while the price is between Kshs76 to Kshs77 here in Nairobi. What measures is the Assistant Minister going to take so that, as we wait for the report of this task force, there is a bit of rationalization of the prices?

Mr. Kiunjuri: Mr. Temporary Deputy Speaker, Sir, we are aware of that. We have a loading arm in Nairobi and another one in Mombasa. Fuel in Mombasa is more costly than in Kisumu and Eldoret. We know it is outright exploitation but what can we do if we are not empowered by this House? It is upon this House to empower us! Those regulations must be put in place to make sure that we are not exploited.

The Temporary Deputy Speaker (Mr. Khamasi): Last question, Mr. Osundwa!

Mr. Osundwa: Mr. Temporary Deputy Speaker, Sir, farmers in this country depend on diesel fuel. What measures is the Ministry taking to ensure that farmers are compensated when fuel prices go up? They sell their produce cheaply and yet, the cost of inputs is so high. The high fuel prices always ensure that farmers do not benefit from their produce!

Mr. Kiunjuri: Mr. Temporary Deputy Speaker, Sir, that can only be addressed by the Minister for Finance.

The Temporary Deputy Speaker (Mr. Khamasi): We are now moving to Oral Answers to Questions.

ORAL ANSWERS TO QUESTIONS

Question No.357

REFUND OF MR. STEPHEN KIBET'S MONEY BY M/S GESOKO GBC LTD

Mr. Choge asked the Minister for Finance:-

- (a) whether he is aware that M/S Gesoko GBC Limited is duly incorporated under the Companies Act with an address based in Webuye;
- (b) whether he is further aware that the said company transacts financial matters and has a branch in Kapsabet Town; and,
- (c) what measures he is taking to ensure that, that company either fulfils its obligations or refunds monies collected from one Mr. Stephen Kibet Kerich.

The Assistant Minister for Finance (Mr. Obwocha): Mr. Temporary Deputy Speaker, Sir, I beg to reply.

(a) Records held in the registry of the Department of Registrar-General indicate that Gesoko GBC Limited was incorporated on 19th December, 1996 under Certificate of Incorporation No.C74210. The company's registered office is situated at plot No.439/82 Moi Highway, Webuye, and the postal address is 1365 Webuye.

(b) Since the company is not licensed to conduct financial business under the Banking Act, I am not aware that it transacts financial matters anywhere in Kenya. I am not further aware that the company has a branch in Kapsabet.

(c) In view of the response to part (b) above, I am not in a position to take any measures to ensure that the company fulfils its obligations or refunds monies alleged to have been collected from one Mr. Stephen Kibet Kerich, as that does not fall under the Banking Act. However, Mr. Kibet had deposited Kshs200,000 with that company. But since they have not given him money to buy a tractor which he wanted, he reported that fraud to the Criminal Investigation Department (CID) on 2nd July, 2002 under File No.771486/2002 which was opened by the Director and his agents. Mr.

Kibet should, therefore, follow up the matter with the Police Department.

Mr. Choge: Mr. Temporary Deputy Speaker, Sir, you will notice from the answer by the Assistant Minister that the Government has admitted that certain conmen within Kapsabet and Webuye have been going round taking money from farmers and promising them certain services. The matter has been reported to the police. That case is going to give a very bad name to the Ministry of Finance as far as the regulation of financial bodies is concerned. What steps is the Assistant Minister taking to ensure that the directors of those companies are rounded up and charged before a court of law?

Mr. Obwocha: Mr. Temporary Deputy Speaker, Sir, that company was licensed to carry out building works and general construction. So, it has nothing to do with financing businesses. Those financial institutions are licensed by our Ministry. But we have taken up the issue with the CID to investigate the conduct and transactions of that company. We have told the CID to take up that issue.

Mr. Muite: Mr. Temporary Deputy Speaker, Sir, one gets the impression from the Assistant Minister that, since they had not licensed that company under the Banking Act, the Ministry of Finance looks a little bit lukewarm. Does the Assistant Minister agree that bogus companies which are not licensed under the Banking Act prey on *wananchi*? It is the responsibility of the Ministry of Finance to be a lot more active and round up those directors! It should not say: "Oh! This company is not licensed under the Banking Act!" What immediate steps is the Assistant Minister taking to round up all those directors who are masquerading as money-lenders to *wananchi*?

Mr. Obwocha: Mr. Temporary Deputy Speaker, Sir, I agree with him absolutely. If that is brought to our attention, we will report it to the law enforcement agencies. They will take action against anybody pretending to transact business as if he or she is licensed under the Banking Act.

The Temporary Deputy Speaker (Mr. Khamasi): Last question, Mr. Choge!

Mr. Choge: The Assistant Minister has admitted that a report was made to the CID Office in Kapsabet. He has also admitted that, in fact, that company has collected a substantial amount of money from the complainant. He has also admitted that, that company is not licensed to transact financial matters. Could the Assistant Minister involve the Anti-Banking Fraud Unit within Central Bank of Kenya and ensure that the directors, whose names have been given as Mr. Shadrack Masese and Enock Kibagundi, are rounded up and charged in a court of law?

Mr. Obwocha: Absolutely, Mr. Temporary Deputy Speaker, Sir! I have said that, that case was reported to the CID on 2nd July, 2002 and File No.771486/2002 was opened. The director and three agents have been charged in court for obtaining money by false pretences.

The Temporary Deputy Speaker (Mr. Khamasi): Are they the same names that have been mentioned by him?

Mr. Obwocha: Yes, Mr. Temporary Deputy Speaker, Sir. Those are the people who have been taken to court.

The Temporary Deputy Speaker (Mr. Khamasi): Next Question by the hon. Member for Molo! Mr. Mukiri!

Question No.618

JUSTIFICATION FOR EXISTENCE
OF MANY STATE HOUSES AND
LODGES IN THE COUNTRY

Mr. Mukiri asked the Minister of State, Office of the President, considering the

colossal amounts of money spent in the maintenance of State Houses and Lodges, and in view of improved communication facilities, whether he could justify the rationale of the existence of the many State Houses and Lodges throughout the country.

The Assistant Minister, Office of the President (Mr. M. Kariuki): Mr. Temporary Deputy Speaker, Sir, I beg to reply.

(a) State Houses and Lodges are not allocated colossal amounts of money, but get a minimal and justifiable budgetary provision like all other departments of the Government. Through the normal budgetary procedures, State House asks for its allocation of funds from Treasury, with no preferences given to the department. It is from such budgetary allocations that all the operations of State House, including the internal and external assignments of His Excellency the President, are funded from.

(b) It has, therefore, been by strict budgetary control that state houses and lodges have been able to maintenance the current status.

(c) It is necessary that all State Houses and Lodges are maintained to enable His Excellency the President to easily facilitate his work and meet *wananchi*.

Mr. Mukiri: Mr. Temporary Deputy Speaker, Sir, it is common knowledge that the three presidents that this country has had, visit those lodges only once in a year. Sometimes, they do not visit them at all. Could the Assistant Minister enumerate how much money they spent last year in all State Houses and Lodges outside Nairobi?

Mr. M. Kariuki: Mr. Temporary Deputy Speaker, Sir, I do not have the budgetary allocation for the last financial year, but that is indicated in the Printed Estimates. However, for the benefit of the House, during this financial year, State Houses and Lodges have been allocated Kshs250 million for Development Expenditure and Kshs861 million for Recurrent Expenditure. We only have three State Houses namely, Nairobi, Mombasa and Nakuru. The State Lodges are Eldoret, Kakamega, Kisumu and Sagana.

Mr. Kombe: Mr. Temporary Deputy Speaker, Sir, I understand that there was a State Lodge in Malindi. I wonder why the Assistant Minister has not mentioned it. Is it because it was grabbed? If so, could he tell us what measures he is taking to repossess it back and possibly ask the President to visit that area because he has not done so for quite a while now?

Mr. M. Kariuki: Mr. Temporary Deputy Speaker, Sir, I am not aware that there is a Malindi State Lodge. The only State Lodge, which is an extension of Eldoret State Lodge, has been the State Lodge at Cherangani, which has not been used for some time.

Mr. Kombe: On a point of order, Mr. Temporary Deputy Speaker, Sir. In 1979, I was working at the Norfolk Hotel as an Assistant Electrician. I was sent to instal some appliances at the Malindi State Lodge because the then President was visiting that area. How come the Assistant Minister is not aware of that State Lodge?

The Temporary Deputy Speaker (Mr. Khamasi): Mr. Kombe, that is another Question!

Mr. M. Kariuki: Mr. Temporary Deputy Speaker, Sir, I did not know that the hon. Member was an electrician. I am happy to know that he is one. However, I do not have any information relating to Malindi State Lodge. As far as the information I have is concerned, it is not among the list of State Lodges known to the Government presently.

Mr. Marende: Mr. Temporary Deputy Speaker, Sir, is the Assistant Minister satisfied that the projected and, indeed, budgeted for expenditure of Kshs100 million to construct a Presidential palace at State House, Nairobi, is a national priority? Is this project justified? If so, why?

Mr. M. Kariuki: Mr. Temporary Deputy Speaker, Sir, that was subject of a debate in this House. It is my view that this House has a collective responsibility. Once a discussion has taken

place on the Floor of this House and a Motion is carried, it should not be re-opened. What the hon. Member is trying to do is to re-open a matter that was closed here and a vote taken.

The Temporary Deputy Speaker (Mr. Khamasi): Certainly!

Mr. Mukiri: Mr. Temporary Deputy Chairman, Sir, I am sure you have heard of the amount of money that is being spent in the maintenance of State Houses and Lodges. In view of the fact that the President has not visited some of the State Houses and Lodges, is there any justification for their continued maintenance?

Mr. M. Kariuki: Mr. Temporary Deputy Speaker, Sir, it is not true to say that His Excellency the President has not visited some of the State Houses and Lodges. He has already visited them. He is supposed to tour the whole country and we have enough State Houses and Lodges to cover various parts of the country. Indeed, the pressure has been to have more State Lodges in parts of North Eastern and Eastern provinces.

The Temporary Deputy Speaker (Mr. Khamasi): Next Question, Mr. Ndambuki!

Question No.119

TARMACKING OF NUNGUNI-
KIKOKO-ITHEMBONI ROAD

Mr. Ndambuki asked the Minister for Roads and Public Works if he could inform the House when the 2.5-kilometre stretch of road from Nunguni to Kikoko and 1.5-kilometre section from Nunguni to Ithemboni centre will be tarmacked.

The Minister for Roads and Public Works (Mr. Raila): Mr. Temporary Deputy Speaker, Sir, I beg to reply.

In the current Financial Year, 2005/2006, the Ministry has allocated Kshs20 million from the fuel levy funds to start repairs and tarmacking of the roads. The roads are under in-house design and tenders for the works are envisaged to be invited in the latter half of this financial year.

Mr. Ndambuki: Mr. Temporary Deputy Speaker, Sir, I would like to thank the Minister for that answer. That is good news for the residents of that area. That road has not been tarmacked for the last 20 years. However, could the Minister be specific as to when the works will begin? He has said that tenders for the works are envisaged to be invited in the latter half of this financial year. Could he give a specific time frame?

Mr. Raila: Mr. Temporary Deputy Speaker, Sir, I have said that in-house designing is being done right now. I would like to assure the hon. Member that, that is almost in the final stages. As soon as this is concluded, probably at the end of the year, we will go to tender so that work can start.

Ms. Mwau: Mr. Temporary Deputy Speaker, Sir, the 2.5-kilometre stretch from Nunguni to Kikoko was under repair some time back. Could the Minister inform this House if there were funds allocated to tarmack and repair parts of this road in the recent past? What happened to those funds?

Mr. Raila: Mr. Temporary Deputy Speaker, Sir, yes, the hon. Member is right. There was some money allocated in the last financial year. The Kshs1.3 million, which was spent on improving Nunguni-Kikoko Road, was for patching and drainage works. **Mr. Ndambuki:** Mr. Temporary Deputy Speaker, Sir, I am satisfied.

Question No.157

IMPROVEMENT OF TURBO-NZOIA
RIVER ROAD TO BITUMEN STANDARDS

Dr. Kibunguchy asked the Minister for Roads and Public Works:-

- (a) if he is aware that Road C44, Turbo-Nzoia River, is an important link between Lugari and Bungoma districts;
- (b) if he is further aware that this road passes through the proposed Lugari District headquarters; and,
- (c) what urgent measures he is taking to improve this road to bitumen standards.

The Minister for Roads and Public Works (Mr. Raila): Mr. Temporary Deputy Speaker, Sir, I beg to reply.

(a) I am aware that Road C44, Turbo-Nzoia River, is a very important link between Lugari and Bungoma districts.

(b) I am also aware that the road passes through the proposed Lugari District headquarters

(c) There are no immediate plans to improve this road to bitumen standards. However, owing to the importance of this road, my Ministry allocated Kshs500,000 during the last financial year for maintenance of the road.

I beg to add that, in this financial year, we have allocated Kshs1 million and already Kshs200,000 has been remitted to the District Works Officer, Lugari.

Dr. Kibunguchy: Mr. Temporary Deputy Speaker, Sir, that is a very unfortunate response from the Minister. He has admitted that this road is an important link to agricultural districts and that it also passes through the proposed district headquarters. His Ministry has only allocated Kshs1 million for maintenance. Does he have any plans in the next financial year, or in the next ten years, to tarmack this road?

Mr. Raila: Mr. Temporary Deputy Speaker, Sir, I know the importance of this road to the economy of the area. I also know that there are two sections which are particularly bad. These sections are from the Junction of Road A104 at Turbo to CPU, approximately 2.5 kilometres long and the last two kilometres to Makutano Shopping Centre. We have allocated Kshs1 million for repair of those two sections this financial year. All Road Cs are under the plan for tarmacking depending on the availability of funds. So, this road will in future be tarmacked, but I cannot give an assurance as to when that will start.

Mr. Bifwoli: Mr. Temporary Deputy Speaker, Sir, you heard the Minister say that he has allocated only Kshs1 million this year to repair the road from Nzoia to Bungoma, and yet the road is impassable. How much does it cost to upgrade one kilometre? What is the length of the road that he is going to upgrade with Kshs1 million?

Mr. Raila: Mr. Temporary Deputy Speaker, Sir, I wish the hon. Member listened to what I said. I gave specific sections of that road which are in a bad condition. These sections require the services of a bulldozer to make them more comfortable for motorists. I did not say we are gravelling the whole road. Last year, we allocated it Kshs500,000 and this year, we have allocated Kshs1 million, to deal with those sections of the road which are not quite motorable.

Mr. Kombe: Mr. Temporary Deputy Speaker, Sir, by the standards of the Ministry, to gravel one kilometre costs Kshs1 million. Now, if the Minister talks of Kshs1.5 million, that by itself means he is talking of one and half kilometres. He should be serious and allocate more funds as opposed to what he did in the previous Budget. Could he now take necessary measures to make sure that the road is done to the satisfaction of his Ministry?

Mr. Raila: Mr. Temporary Deputy Speaker, Sir, for the hon. Member's information, there is no standard rate for gravelling of a road. This depends on the availability of raw materials. It varies, therefore, from Kshs500,000 to sometimes Kshs2 million per kilometre. But we are not actually gravelling the entire road, we are just repairing some sections which are bad.

On the allocation of funds, the hon. Member is aware that funds for roads are allocated by this House, not by the Minister. I have no other source of funds, other than those that are given to me by the House. The funds that I have are applied accordingly, as passed by the House.

Dr. Kibunguchy: Mr. Temporary Deputy Speaker, Sir, I am very disappointed by the answer. The Minister has made it extremely clear that all Class C roads need to be tarmacked. When will this road be tarmacked?

Mr. Raila: Mr. Temporary Deputy Speaker, Sir, if it was the wish of the Ministry, we would tarmack all Class C roads in the country. But the hon. Member knows the kind of money that I get in a year. I said that I needed Kshs120 billion to bring all the roads in the country into a proper state of affairs. But he knows how much I get in a year. This year, I have got only Kshs12 billion. So, I cannot work beyond my means. I cannot, therefore, give the hon. Member an assurance of when that road will be tarmacked, unfortunately.

Question No.659

AMBULANCE FOR RIANA HEALTH CENTRE

Mr. Opore asked the Minister for Health:-

(a) whether she is aware that Riana Health Centre in Bonchari Constituency does not have an ambulance; and,

(b) when she will provide an ambulance to be used in the transfer of patients by Riana and the neighbouring Iyabe and Riotanchi health centres.

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

(a) I am aware that Riana Health Centre in Bonchari Constituency does not have a serviceable ambulance at the moment.

(b) Riana Health Centre will be considered for purchase of ambulances earmarked for this financial year. Currently, the facility can access ambulance services from Kisii District Hospital, which is available within short notice.

Mr. Opore: Mr. Temporary Deputy Speaker, Sir, Suneka Division in Bonchari Constituency is the only division in Kisii Central which has no ambulance services. For the Assistant Minister to suggest that it can get services from Kisii District Hospital is very unworkable because Kisii District Hospital serves Kilgoris, Rachuonyo, Migori, Nyamira, Gucha and even Kuria. That is over-stretching the services that Kisii District Hospital provides. I think the Assistant Minister should be more serious and say exactly when Suneka Division will have ambulance services.

Mr. Konchella: Mr. Temporary Deputy Speaker, Sir, I said we would consider allocating this health centre an ambulance when we purchase the ambulances this financial year.

Mr. Rotino: Mr. Temporary Deputy Speaker, Sir, the question of ambulances is always being raised by Members, and it is the duty of the Ministry to provide ambulances to our health facilities. Could the Assistant Minister tell us how he is going to deliver ambulances to all the health centres?

Mr. Konchella: Mr. Temporary Deputy Speaker, Sir, the funds available will enable the Ministry to procure one ambulance per district, this financial year. It will be the decision of the Ministry to allocate that particular ambulance to the most needy of the health facilities within the district. So, we can discuss about it once the ambulances have been procured.

Dr. Khalwale: Mr. Temporary Deputy Speaker, Sir, the issue of ambulances in this country

is such that whenever there is an ambulance, you will find that there are no drivers and vice-versa. Could the Assistant Minister consider privatising ambulance services so that people who are running this service can be drawing money from the National Hospital Insurance Fund?

Mr. Konchella: Mr. Temporary Deputy Speaker, Sir, those are some of the reforms the Ministry is considering in the Bill on social insurance. The issue is lack of money. The Ministry does not have enough money to recruit drivers and provide these services.

Mr. Opore: Mr. Temporary Deputy Speaker, Sir, going by the answer given by the Assistant Minister, that they will provide an ambulance per district, what assurance do I have that Suneka Division will get an ambulance?

Mr. Konchella: Mr. Temporary Deputy Speaker, Sir, the ambulance allocated to that particular district will be considered, depending on the need, because we will have to look at the whole district. If it merits, then it will get one. That is the assurance I can give. I cannot say Suneka will be given an ambulance because there might be some other more needy areas within the district.

Question No.131

IMPLEMENTATION OF REP IN
SUBUKIA CONSTITUENCY

Mr. Wamwere asked the Minister for Energy:-

- (a) if he is aware that on 20th May, 1999, Nakuru District Development Committee approved the electrification of schemes in Bahati, Njoro, Elburgon and Molo divisions; and,
- (b) if he could explain why the decision by the Committee has not been implemented.

The Assistant Minister for Energy (Mr. Kiunjuri): Mr. Temporary Deputy Speaker, Sir, I beg to reply.

(a) Yes, I am aware that on 20th May, 1999, the Nakuru District Development Committee (DDC) approved the electrification of 19 schemes in Bahati, Njoro, Elburgon and Molo divisions. Out of these schemes, Kabati-ini Trading Centre has already been supplied with electricity at a cost of Kshs2,340,0000, while the electrification of the Moi Ndeffo Scheme will be completed this year at an estimated cost of Kshs4.6 million.

(b) Due to financial constraints, coupled with the high demand for rural electrification, it is not possible to have all the projects submitted by the DDCs implemented in one year. Given this fact, a circular was sent to all the District Commissioners in May, 2004, asking them to submit to the Ministry the five top-most priority projects per district for funding consideration over the next two to three years. The Nakuru DDC has since submitted a revised list of priority projects covering all the constituencies in the district, on which all future implementation of the Rural Electrification Programme in the district will be based. Moreover, most of the projects which were approved in 1999 are domestic households. The current policy emphasises the electrification of market centres, schools and other public institutions such as health centres and community water supplies. These schemes can be implemented using public funds.

Mr. Wamwere: Mr. Temporary Deputy Speaker, Sir, it is unfortunate that these answers continue to be so frustrating. Questions are basically answered the same way KANU Ministers used to answer Questions in this House. It appears as if Ministers are not ready to change.

However, could the Assistant Minister tell the House what happened to the Kshs30 million which was raised by community groups in Subukia? Can that money be used to supply electricity to

Subukia rather than the people depending on the Government's contribution which is so small and does not make any difference at all?

Mr. Kiunjuri: Mr. Temporary Deputy Speaker, Sir, first of all, hon. Wamwere was in this House in 1982. I would like to assure him that even the KANU Ministers had improved. However, we have really improved.

It should be noted that from 1999/2000, all the money that was voted for the Ministry never went to the actual purpose of rural electrification. The Kshs296 million and Kshs496 million was used to finance the systems losses. This Government has tried very much and we have stabilised the systems. We have set aside Kshs1.3 billion to stabilise the systems. For the first time, we are using the money voted for the Rural Electrification Programme for that purpose.

Mr. Cheboi: Mr. Temporary Deputy Speaker, Sir, the Assistant Minister has talked about the Nakuru DDC. How many projects have been funded by the Nakuru DDC in Kuresoi Constituency, which falls in the same district? For quite a long time, we have not received any funding in Kuresoi Constituency.

Mr. Kiunjuri: Mr. Temporary Deputy Speaker, Sir, the hon. Member forwarded to us the estimates. I will table the list of the projects that are on-going in Nakuru District.

Mr. Midiwo: Mr. Temporary Deputy Speaker, Sir, the Assistant Minister seems to be given the same answers to Questions. This is happening in all the Ministries. This is a very important Question. I think the Assistant Minister's mind is somewhere else. You know that he goes to many other places!

The Temporary Deputy Speaker (Mr. Khamasi): Mr. Midiwo, where is the Assistant Minister's mind?

Mr. Midiwo: Mr. Temporary Deputy Speaker, Sir, he should tell us!

The Temporary Deputy Speaker (Mr. Khamasi): Order, Mr. Midiwo! Ask your question!

Mr. Midiwo: Mr. Temporary Deputy Speaker, Sir, could the Assistant Minister kindly tell the House what will happen to the money that has been collected by communities and submitted to the Kenya Power and Lighting Company (KPLC)? Is this money being held up in accounts all over the country on the instruction of the KPLC?

Mr. Kiunjuri: Mr. Temporary Deputy Speaker, Sir, if there are people who go to other places, Mr. Midiwo can be one of them!

Mr. Cheboi: On a point of order, Mr. Temporary Deputy Speaker, Sir. Is hon. Midiwo making a personal admission of what has been in public domain and giving evidence against the Assistant Minister? It is said that there is somewhere the two of them normally visit!

The Temporary Deputy Speaker (Mr. Khamasi): Mr. Assistant Minister, could you answer the question asked by Mr. Midiwo?

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

The Temporary Deputy Speaker (Mr. Khamasi): I will not allow any more points of order!

Mr. Kiunjuri: Mr. Temporary Deputy Speaker, Sir, I would like to inform the hon. Member that I do not only have gas shock absorbers, but also hydraulic shock absorbers. I cannot be shaken or diverted from my course. However, it is true that the KPLC collected a lot of money from its customers. We have been trying to sort out the issue. For the last two years, we have done our level best. The hon. Members can also confirm that, at least, there is something going on in every district under the Rural Electrification Programme.

Mr. Wamwere: Mr. Temporary Deputy Speaker, Sir, last year when I asked a Question about electricity in Subukia, the former Minister for Energy, hon. Ochilo-Ayacko, asked me to submit to him four projects which he said the Ministry was ready to fund. Could the Assistant

Minister tell us what progress has been made in the implementation of the four projects?

According to my observation, Ministers have been answering Questions in same way since 1982. Is this Ministry ready to start answering Questions differently, so that we can know that there has been a change?

Mr. Kiunjuri: Mr. Temporary Deputy Speaker, Sir, I understand hon. Wamwere's frustrations. I have only been answering Questions since 2002 and not 1992. However, hon. Wamwere should appreciate that three projects have been implemented in his constituency including supplying electricity to a police station. The Ministry will continue to work hard to ensure that we implement more projects in the relevant areas. We are about to complete the electrification of the Moi Ndeffo Scheme at a cost of Kshs4.6 million.

Question No.465

MANAGEMENT FEE CHARGE ON
TEA FACTORIES BY KTDA

Mr. Mwanicha asked the Minister for Agriculture:

- (a) if he is aware that the Kenya Tea Development Agency (KTDA) charges the tea factories management fees at the rate of Kshs3 per kilogramme of processed tea;
- (b) if he is further aware that over and above the management fees, the top management of the factories is paid by the respective factories; and,
- (c) in view of the fact that farmers are paid only Kshs9 per kilogramme of green leaf, whether the Minister could consider taking over the salaries of the tea extension workers to help improve earnings of the tea farmers.

The Minister for Agriculture (Mr. Kirwa): Mr. Temporary Deputy Speaker, Sir, I beg to reply.

(a) I am aware that the KTDA charges management fees at the rate of 3 per cent of the net proceeds as per the management agreement between the said organisation and individual factories.

(b) I am also aware that salaries of the top management of the tea factories are paid by the factories as provided for in the management agreement between the Kenya Tea Development Agency (KTDA) and the factories.

(c) The Ministry is unable to take over the salaries of the extension workers since the KTDA is a private company.

Mr. Mwanicha: Mr. Temporary Deputy Speaker, Sir, this is an unfortunate answer. Farmers know that tea is sold at the Mombasa Tea Auction at Kshs160 per kilogram yet they are paid only Kshs9 per kilogram. How much does the agency fees payable at the rate of 3 per cent annually work to in Kenya shillings?

Mr. Kirwa: Mr. Temporary Deputy Speaker, Sir, it is 3 per cent of the total volume. I do not have the calculations at hand but it can be calculated against the total volume of tea that is sold at the auction.

Prof. Olweny: Mr. Temporary Deputy Speaker, Sir, the amount that goes to the KTDA is a lot compared to the Kshs9 per kilogram which is paid to farmers based on the weight of green leaf. Could the Minister tell us why these tea factories cannot be allowed to use the money they give to the KTDA to employ their own extension workers? This money would be enough to do so.

Mr. Kirwa: Mr. Temporary Deputy Speaker, Sir, I think hon. Members did not get the correct position. I said that there is an agreement between the KTDA and each factory, on the management fees which have been tabulated over the period. In 1997, it was 5 per cent. It has since

been negotiated downwards to 3 per cent. That is an agreement between the KTDA and the factories. If factories, for any reason, feel that they can have management under different organisations, that information can be passed. This will be discussed by the KTDA so as to sever the worker relationship between KTDA and any factory in question.

Mr. Mwanacha: Mr. Temporary Deputy Speaker, Sir, I would like to insist that the Minister gives the House the answer. This is not Mathematics, but arithmetic. How much money does 3 per cent work to every year? That would give us an idea of how much money they are getting.

My last question is---

The Temporary Deputy Speaker (Mr. Khamasi): Wait a minute, Mr. Mwanacha! You were supposed to ask the last question. Is that not so?

Mr. Mwanacha: Mr. Temporary Deputy Speaker, Sir, I was making a comment.

The Temporary Deputy Speaker (Mr. Khamasi): Why do you want to make a comment? This is Question Time!

Mr. Mwanacha: Mr. Temporary Deputy Speaker, Sir, the Minister avoided my question. How much money is the agency fees payable at 3 per cent per year? If he does not have that answer, could he go back and give us the answer another time? We need it! Farmers are on the verge of giving up because they are paid Kshs9 per kilogram while the tea is sold at Kshs160 per kilogram at the auction.

Mr. Kirwa: Mr. Temporary Deputy Speaker, Sir, I did not avoid the question. Whether it is Mathematics, statistics or arithmetic, 3 per cent can be computed against the total volume of the proceeds sold at the Mombasa Tea Auction. We can avail this information. You can ask for the volume of the tea that is sold at the auction and what each factory pays. Unless the hon. Member wants a breakdown for each factory, that information should be against the volume of tea that is sold. That information is public knowledge.

The Temporary Deputy Speaker (Mr. Khamasi): Order, Mr. Minister! May I suggest that, that information is brought to the House sometime next week so that hon. Members can advise farmers accordingly? Is it possible to do that on Tuesday next week?

Mr. Kirwa: Mr. Temporary Deputy Speaker, Sir, it is possible to do that anytime, even this afternoon, if you so wish.

The Temporary Deputy Speaker (Mr. Khamasi): Will it be ready by Tuesday next week?

Mr. Kirwa: This afternoon, Mr. Temporary Deputy Speaker, Sir.

The Temporary Deputy Speaker (Mr. Khamasi): That is fine!

Question No.197

TLB LICENCE WAIVER FOR
PRIVATE PICK-UP VEHICLES

Mr. Rotino asked the Minister for Transport whether he could consider waiving Transport Licensing Board (TLB) licences for private pick-up vehicles.

The Assistant Minister for Transport (Mr. Ligale): Mr. Temporary Deputy Speaker, Sir, I beg to reply.

I am not in a position currently to exempt private pick-ups from TLB licences. All pick-ups are registered as commercial vehicles. There is no pick-up vehicle which is registered as private. Some of these pick-ups are used by major companies. It may, therefore, be difficult to implement a decision to exempt private pick-ups from TLB. However, a Ministerial Committee is reviewing all road transport related laws with a view to making recommendations for less restrictive laws to

enhance the sector.

Mr. Rotino: Mr. Temporary Deputy Speaker, Sir, I asked this Question because pick-up owners in the rural areas are being harassed by the police. This enhances corruption within the police. The licence forms indicate personal private/commercial. Most of the pick-ups are registered as private vehicles. I do not know why the Assistant Minister said that there is no pick-up vehicle registered as private. Since he is aware that most of the pick-ups in the rural areas are private, including the ones owned by hon. Members, could he exempt them from the TLB licence?

Mr. Ligale: Mr. Temporary Deputy Speaker, Sir, I have said that I am aware of that problem and that is why the Ministerial Committee is looking into it. Currently, under the law, there is no private pick-up vehicle. As soon as I have that recommendation, I will come back to this House. The law will be amended and all private pick-up vehicles will be exempted from the TLB licence.

Mr. Sirma: Mr. Temporary Deputy Speaker, Sir, I think the Assistant Minister is not working in tandem with the insurance firms. This is because when we insure our vehicles, there is insurance for private and commercial vehicles. This is within the Transport Act. Unless they are collaborating with the police, could the Assistant Minister save Kenyans from the continued harassment, and bribery, by the police? This is becoming a cancer in this country!

Mr. Ligale: Mr. Temporary Deputy Speaker, Sir, I have undertaken to have the law revised as soon as possible. That, in itself, may not eradicate corruption from the police. It may only help control it.

Mr. Rotino: Mr. Temporary Deputy Speaker, Sir, the nearest Kenya Revenue Authority (KRA) office in the North Rift is in Eldoret. People have to travel all the way from Lokichoggio, Lodwar and Kapenguria to Eldoret to get a simple inspection certificate and the TLB licence. Could the Ministry consider opening a station in Kapenguria? This will be nearer for the people coming from Lodwar and Lokichoggio.

Mr. Ligale: Mr. Temporary Deputy Speaker, Sir, the KRA offices are opened by the Ministry of Finance. However, the hon. Member should appreciate the fact that we have made it simpler for *wananchi* who want to obtain these licences to get them from the KRA offices. In the past, they would have had to come to the headquarters to appear before the TLB. We have made it easier so they can get them at the KRA offices. It is unfortunate that the nearest KRA office for the people there is in Eldoret. I hope that, some day, they will have an office nearer the hon. Member's home.

Question No.645

ALLOCATION OF VEHICLE TO WAJIR DSDO

Mr. Abdirahman asked the Minister for Gender, Sports, Culture and Social Services:-

- (a) how vehicles are allocated to District Social Development Officers (DSDOs) in the country; and,
- (b) when the Government will allocate a vehicle to the DSDO in Wajir.

The Minister for Gender, Sports, Culture and Social Services (Mr. Ochilo-Ayacko): Mr. Temporary Deputy Speaker, Sir, I have had a discussion with Mr. Abdirahman to the fact that part "b" of the Question has not been responded to, to my satisfaction. With your indulgence, I could give a good response next week.

The Temporary Deputy Speaker (Mr. Khamasi): Mr. Abdirahman, what have you got to

say about that request?

Mr. Abdirahman: I am in agreement, Mr. Temporary Deputy Speaker, Sir.

The Temporary Deputy Speaker (Mr. Khamasi): Very well!

(Question deferred)

Question No.387

TITLE DEEDS FOR KALAMA/CENTRAL
DIVISION RESIDENTS

Mr. Mwanzia asked the Minister for Lands and Housing:-

(a) whether he is aware that adjudication and survey work for Kalama and Central divisions has been completed for at least ten years now; and,

(b) whether he could inform the House why land owners in the area are finding extreme difficulties in acquiring title deeds.

The Assistant Minister for Lands and Housing (Mr. Mungatana): Mr. Temporary Deputy Speaker, Sir, I beg to reply.

(a) I am aware that apart from Mumandu adjudication section in Kalama Division and Ngilani adjudication section in Central Division, all the other sections in the two divisions are registered.

(b) Land owners in the completed adjudication sections can get their titles while the owners in the two incomplete sections will get their titles after adjudication of those sections has been completed.

Mr. Mwanzia: Mr. Temporary Deputy Speaker, Sir, if you look at the answers given, you will realise that they are irrelevant to the Question. In part "b" of the Question, I asked why land owners in the area are unable to get title deeds. Is the Assistant Minister aware that the cumulative fees being charged for the collection of the title deeds is very high? Could he consider waiving these charges, so that land owners can pick up their title deeds?

Mr. Mungatana: Mr. Temporary Deputy Speaker, Sir, we charge Kshs250 per hectare for land adjudication and Kshs125 per hectare for title deeds. On special consideration and upon application, where there is good reason given, we can consider waiving these fees. However, in this case, no such request has been made to us by the hon. Member.

Mr. Waithaka: Mr. Temporary Deputy Speaker, Sir, Mr. Mwanzia was concerned that the cumulative fees being charged by the surveyors is extremely high. Is this exercise being undertaken by Government surveyors or private surveyors? How much are the surveyors themselves charging, besides what the land owners pay to the registrar for registration of the conveyance?

Mr. Mungatana: Mr. Temporary Deputy Speaker, Sir, the exercise is being undertaken by Government surveyors. The practice is that the Ministry has to continue collecting revenue. We do not have any other source of revenue except by offering our service and charging a minimal amount for it. The hon. Member will agree with me that if the exercise was to be undertaken by a private surveyor, as compared to a Government surveyor, the difference in the charges would be extremely high. So, all we are saying is that, as a Ministry, we levy some minimal charges so that we can make this service sustainable and available to other people who need it.

Mr. Owino: Mr. Temporary Deputy Speaker, Sir, in the recent past, some title deeds were declared worthless. However, in the past few weeks, some title deeds were issued countrywide in suspicious circumstances. Could the Assistant Minister assure this House and the Kenyan

communities that after the forthcoming referendum on the proposed new Constitution no title deed will be considered worthless?

Mr. Mungatana: Mr. Temporary Deputy Speaker, Sir, I would like to assure the hon. Member that the title deeds we have been issuing lately are proper, having undergone all the due processes of law in our Ministry. Indeed, we have been accelerating the processing of title deeds countrywide. So, the issuance of those title deeds has no connection whatsoever with the forthcoming referendum.

Mr. Mwanzia: Mr. Temporary Deputy Speaker, Sir, I appreciate the Assistant Minister's advice that we should apply for exception or waiver. However, I do not know whether it is the area hon. Member of Parliament who is supposed to apply and the format used.

The Assistant Minister has indicated that the adjudication process in Mumandu and Ngelani locations is not complete. How long is it going to take the Ministry to complete this work and why has it taken so long to be completed?

Mr. Mungatana: Mr. Temporary Deputy Speaker, Sir, the adjudication of the Mumandu section in Kalama Division is almost complete. I would like the hon. Member to be patient. The information we have received from the field is that the exercise in Mumandu is undergoing the final checking and verification, which is the last stage. According to our field officers, by the end of this year, we should have gotten everything in place and registered it.

Mr. Temporary Deputy Speaker, Sir, for the Ngelani adjudication section in Central Division, there are some field queries which have been raised and we are in the process of sorting them out. As the hon. Member is aware, the process of adjudication takes long because a lot of queries arise. People come and file cases with our officers in the field. All these matters must be resolved before a section is registered.

I have said before in this House that we intend to bring a miscellaneous amendment to the Act to allow us to register sections. Currently, the law provides that if you have 1,000 pieces of land, all of which have no queries except one, that one query must be sorted out. Irrespective of how long that case takes, the rest of the other people must wait.

It is our intention in the Ministry, as part of the reforms we want to implement, to bring amendments to that particular section of the Act to allow us to register the 999 land parcels and leave the other person to continue with his case. I am sure that when this happens, we will have minimal delays in registering land.

The Temporary Deputy Speaker (Mr. Khamasi): Hon. Members, we have finished our Question Time but there is only one Question remaining, by the hon. Member for Eldama Ravine. I will allow him to ask the Question before we proceed to the next Order.

Question No.669

REFUND OF SHARES TO MR. NEHEMIAH
SUMUKWO BY ASILI SACCO

Mr. Sirma asked the Minister for Co-operative Development and Marketing:-

- (a) whether he is aware that Asili Co-operative Society has not paid Mr. Nehemiah K. Sumukwo his co-operative shares amounting to Kshs16,200; and,
- (b) when Mr. Sumukwo will be paid his dues since he is no longer a contributor and has retired from Government service.

The Assistant Minister for Co-operative Development and Marketing (Mr. Kenneth): Mr. Temporary Deputy Speaker, Sir, I beg to reply.

(a) I am aware.

(b) Mr. Sumukwo will be paid his dues after he completes and submits his withdrawal application form as required by the society's by-laws.

Mr. Temporary Deputy Speaker, Sir, if the hon. Member would like me to assist this particular gentleman, he may have the form filled and I will ensure that his cheque comes out within a week.

Mr. Sirma: Mr. Temporary Deputy Speaker, Sir, Mr. Sumukwo filled his withdrawal application form in 1996, when he left Government service. He started contributing to the SACCO in 1984. He left the service in 1996. He filled all the necessary forms and he has been waiting for the last nine years.

The Temporary Deputy Speaker (Mr. Khamasi): Order! Order! Mr. Sirma, you are now giving us a lecture. The Assistant Minister has offered to assist. Do you accept the offer, so that this gentleman can be paid within a week?

Mr. Sirma: Mr. Temporary Deputy Speaker, Sir, I want to thank the Assistant Minister for the offer. It is nine years since the forms were filled. But I do not think he needs to fill a second one. It is not in order.

Mr. Kenneth: Mr. Temporary Deputy Speaker, Sir, there are no records to indicate that this particular gentleman did fill any form whatsoever. That is why I think if the hon. Member is willing to assist his constituent, all he has to do is fill in the form and bring the gentleman to me, and I will ensure he is paid. Just say "yes."

The Temporary Deputy Speaker (Mr. Khamasi): Very well! Next Order!

POINT OF ORDER

FATE OF CAPT. NAKITARE'S QUESTION BY PRIVATE NOTICE

Capt. Nakitare: On a point of order, Mr. Temporary Deputy Speaker, Sir. I seek the indulgence of the Chair. Last week, I asked a Question by Private Notice and the Minister was not here to answer it because he was on official duty somewhere else. I was promised by the Chair that my Question would be answered today, but it is not listed. What happens to Questions that are deferred and do not appear on the Order Paper?

The Temporary Deputy Speaker (Mr. Khamasi): Order! The Chair may have ordered that the Question be asked and answered today, but probably, the Clerk's Chambers did not comply. I ask that they re-look at it, and if that is true then the Question will be asked tomorrow.

Capt. Nakitare: Much obliged.

The Temporary Deputy Speaker (Mr. Khamasi): Next Order!

MOTION

ESTABLISHMENT OF PRODUCTION SUPPORT FUND FOR LOCAL PRODUCTS

THAT, in view of the fact that agriculture is the economic backbone of this country and that the agriculture sector is threatened by cheap commodity imports from countries in which agriculture is heavily subsidized; this House urges the Government to urgently curb importation of maize, rice and sugar, and facilitate the

production of these commodities by putting in place production support funds for each of these commodities.

(Prof. Olweny on 19.10.2005)

*(Resumption of Debate interrupted
on 19.10.2005)*

The Temporary Deputy Speaker (Mr. Khamasi): Prof. Olweny, you were moving your Motion. You still have seven minutes to continue.

Proceed!

Prof. Olweny: Thank you, Mr. Temporary Deputy Speaker, Sir. Last week I indicated to this House how in the sugar industry across the world the playing ground is not level. Sugar as a commodity has tariffs imposed on it in the European countries, the United States of America (USA) and all the other major sugar producers of the world. There is a lot of support to the farmers and in some countries there is single-benchmark marketing system. This applies even to other commodities like rice. In Japan there is over 50 per cent import tariff. USA has similar restrictions and support for groundnuts farmers, and so is the wheat and maize. So, on the major commodities across the world, the Government gives a lot of support to the producers and other players that are involved in those various commodities.

Palm oil which is used in the production of vegetable cooking fat and margarine, is imported into this country with a lot of subsidies. That is one thing which has interfered and stopped the production of vegetable oils in this country. We also have the capacity and capability to grow crops that can produce vegetable oils, but because of the importation of palm oil, we cannot produce oil crops.

So, cheaply produced commodities which are imported into this country have interfered with our agriculture. That importation has adversely affected our agricultural sector leading to its near collapse. Of course, this has led to poverty and food insecurity. Two days ago, if you watched what was shown on television sets about food insecurity in Ukambani, you could shed tears. It is sad. All this is because of sabotage of our agricultural sector by the imported cheaply produced commodities from other parts of the world.

The situation is very easy to reverse. It can be reversed by the Government giving more attention and support to the sector. At the same time, the Government should make efforts to block the importation of these cheaply produced commodities. After all, some of those commodities are of sub-standard quality. I believe our locally-produced eggs are much better compared to those imported.

Of course, there is serious trade imbalance between the Sub-saharan Africa and the developed world. The Sub-Sahara Africa is more open as regards trade while the European Union (EU), Japan, Australia and USA have a lot of restrictions in form of tariffs and very stringent rules. So, we cannot export easily to those countries. The coffee, pyrethrum, tea and some horticultural crops that we export to those countries are value added when they reach those countries. They are actually raw commodities when they come from us. We are not even allowed to process some of them. Why do we have to export coffee to Germany for it to be processed and then we buy it again when it has been processed?

Mr. Temporary Deputy Speaker, Sir, because of all these, we have very limited access to the markets in the USA, Canada, Japan, Australia and EU. The whole situation is worsened by the high cost of production in our country. Agricultural production is very expensive. The inputs are very

expensive. So, things are very bad for the African farmer. As a result, our farmers are out of business. We have food insecurity and poverty which has affected every individual in this country, especially women and children. If you go to some of the areas where there is serious food insecurity, like Ukambani, children do not attend school well. At the end of the day, our economy is on its way to collapse. This is a situation which the Government must address and reverse.

Mr. Temporary Deputy Speaker, Sir, with those few remarks, I beg to move and request hon. Nderitu to second.

*(The Temporary Deputy Speaker
(Mr. Khamasi) consulted with the
Clerk-at-the-Table)*

COMMUNICATION FROM THE CHAIR

FATE OF CAPT. NAKITARE'S QUESTION BY PRIVATE NOTICE

The Temporary Deputy Speaker (Khamasi): Before the Member of Parliament for Mwea Constituency seconds this Motion, I had earlier on made a ruling about Capt. Nakitare's Question. The Clerk has just come to me and brought to my attention that his Question will come in this afternoon. It is Question No.2 by Private Notice. So, Capt. Nakitare, you must be around to ask your Question this afternoon.

Mr. Nderitu, you can second the Motion.

(Resumption of Debate on the Motion)

Mr. Nderitu: Mr. Temporary Deputy Speaker, Sir, I rise to second the Motion which urges the Government to try to protect the farmers from imports from the Western world, because they are hurting our people.

Agriculture today, if harnessed properly by all the stakeholders who include Members of Parliament within our areas of jurisdiction, would enable our people have enough to eat and sell out, so as to educate their children.

Mr. Temporary Deputy Sir, we appreciate that in our farming industry we have both small scale and large scale farmers who mainly farm for economic functions. If we look at the trend of events since Independence, from 1966 to 1979 and towards 1980, you will appreciate that farming was doing very well. But when the Structural Adjustment Programme (SAP) was introduced into this country, it hurt our people. The multi-national companies duped this country to come up with the Structural Adjustment Programme where all subsidies to our farmers were put aside. This measure heavily affected the production cost of various cereals and grains in our country.

Mr. Temporary Deputy Sir, I am saying that there are double standards by multi-nationals in the formerly signed treaties, because today, Brazil and other European countries do subsidize their farmers with \$300 billion every year. What are we doing to help farmers in this country? It costs a sugar-cane farmer in Western Province more than Kshs1,000 to produce a bag of sugar. This is what it also costs a farmer in Brazil. The Brazilian farmer is subsidized with 65 per cent of the cost of production. So when that sugar is imported here, it usually costs 65 per cent cheaper than sugar which is produced in our country. This makes it very difficult even for the Kenya Sugar Board to market sugar produced here. If we were to export it, the price would be very high when you include

the transport costs.

Mr. Temporary Deputy Speaker, Sir, the same thing happens to production of rice. It costs about Ksh35 to produce a kilo of Pishori rice in Mwea. It costs more or less the same in Brazil, India, Japan and China. But these countries subsidize their farmers with 75 per cent of the cost of production. So when such rice is imported through Mombasa Port it is much cheaper than our rice. The price of a kilo of Pakistan rice is Kshs22 as opposed to Mwea rice which costs Kshs70. This is because the production of paddy rice costs Kshs35 and when you mill it, the added cost is about Kshs70 per kilo. So, we cannot compare rice production between our country and Pakistan.

It is high time this country sat down and addressed economic problems facing our farmers. Otherwise, our farmers will labour day-in day-out, year-in, year-out without making any progress. The Government should stop importing cereals into this country. I wish I could take law in my hands; I would make sure that this country does not buy any grain at all from outside. It is a shame that we have to buy even tomatoes and onions from South Africa. It is a shame that some eggs in our supermarkets come from as far as India. It is a shame that we have to import oranges from Egypt which is a desert country. What are we supposed to do here? When there is hunger we should not run around looking for yellow maize from the West. We should go to farmers in Eldoret and buy it from them at whatever cost, because that is what they have spent. It beats sense when we give an old lady a 70 kilogramme bag of maize rather than buying rice from a farmer in Kenya. This old lady will only boil the rice and eat it. She will actually need only salt and she will have a meal.

Mr. Temporary Deputy Speaker, the reason why we are bringing this Motion is not to harmer the Government, because we know it has been there for the last three years, but to point out policies which should be formulated within the Ministries involved. It is high time the Ministry of Special Programmes under Mr. Karume understood what is happening in all regions. That way, our farmers will be encouraged to produce sorghum and millet and get market for it. If farmers in Bomet District will be encouraged to grow large quantities of millet and sorghum, I tell you they will do it, if only they are assured that the Government will buy it. This is why the Government should give subsidies to farmers. I do not see why a farmer should spend Kshs1,500 to produce a bag of maize and the Government buys it at Ksh1,200 per bag. That way, we are killing our own people.

Mr. Temporary Deputy Speaker, Sir, I would like to urge the Government to subsidize farmers, because at the moment, the agricultural sector in this country is threatened by cheap imported commodities. It is not that they grow cheap rice but it is cheap because they are subsidized by their Governments. The issue is either the Government subsidizes our farmers or stops buying food from outside because they use taxpayers' money. It is the farmers' money in one way or the other that is used to buy cheap imports.

The Cabinet should come up with a policy that outlaws buying food from outside the country because we can produce it. We should enhance production of cereals. Irrigation should be introduced almost everywhere. Our forests should be protected so that the Government can facilitate production of food. It is a shame that from 1963 to date, this country cannot even produce enough food for its own people. In case a calamity befalls us, what will happen?

Mr. Temporary Deputy Sir, in the 1980s after introduction of liberalization, our own people, some of whom are in this House, became the major importers of foodstuffs. We are the major importers of sugar, maize, rice and even arrow roots. So as to protect our farmers, this importations have to be stopped totally. That is why I am saying that we need somebody to make a decision. This country should not depend on importation. We can, indeed, grow our own food. This will in turn increase employment opportunities for the youth, farmers and their children will live happily. We should stop the influx of people to Nairobi because everybody thinks it is where money is. I know that if agriculture is enhanced, they will have money. It will be like the coffee and tea boom that we

had in late 1970s. If we attain that, this country will be an economic power within this region.

When South Africa blocked the importation of cereals, it became a country to reckon with. Why should Kenya not follow the foot steps of South Africa or Russia? Russia stopped the importation of all commodities, including vehicles, then they came up with their own model of the Volkswagen and small Peugeot cars. Why should we not do the same so that we can grow? We should also stop the double standards. The morals of our leaders and the officers in the Ministry should change, so that we stop cheap imports, including drugs which are substandard.

You would, for example, find expired tomatoes in our supermarkets which are repacked while we grow tomatoes in our country.

Mr. Temporary Deputy Speaker, Sir, let us come back to horticulture. Today, farmers cannot make headway because of interference by importers and brokers. Most of those brokers come from the same Ministry that is supposed to protect farmers.

I would like to support this Motion, and I hope the Government has been listening.

The Temporary Deputy Speaker (Mr. Khamasi): Mr. Nderitu, you are seconding the Motion!

Mr. Nderitu: Mr. Temporary Deputy Speaker, Sir, I beg to second the Motion.

(Question proposed)

Dr. Kibunguchy: Mr. Temporary Deputy Speaker, Sir, I rise to support this Motion for several reasons. First of all, I would like us to focus on agriculture. But, before I do so, let me say that, at the moment, there are two things that are disturbing this country. Wherever you go, poverty and unemployment are two of the greatest problems facing this country.

Mr. Temporary Deputy Speaker, Sir, if you look at agriculture with the knowledge that majority of our people live in rural areas and Kenya is basically an agricultural country, I thought the Government would give all its support and attention. If the agricultural industry is given the support that it requires, we would not be talking about poverty and unemployment. To me, that is an industry that can create all the 500,000 jobs that the NARC Government promised every year. That would happen if the industry was looked after and given the necessary support. We would not be talking about poverty.

One of the two biggest problems with the agricultural industry in this country is liberalisation. When we liberalised the agricultural industry, it was an injection that slowly deflated that industry. Let me give you the example of Lugari District. Most of our agricultural farmers are small-scale. They produce two to ten bags of maize and keep one animal tethered on the side of the farm. How do you expect such a farmer to compete in a liberalised economy? It becomes extremely difficult. Therefore, what eventually happens is that some shrewd middle-men exploit the poor farmers. Right now, as we sit here, it is very sad because maize is being sold at Kshs600 a bag in this country. We have raised that issue with the Minister. We have said that, one of the things the Minister can help farmers in this country with, is to make sure that National Cereals and Produce Board (NCPB) opens its stores very early. In fact, it should be before farmers start harvesting their maize. To me, as a person and a leader, I look at what is happening and say: "Maybe, it is some kind of collusion between some Ministry employees and businessmen." Why is it that we anticipate farmers will harvest their maize at a particular time and the NCPB, which is the major player in cereals industry in this country, has not opened its stores to cushion farmers from middle-men? If I may quote the Bible, those middle-men "reap where they never sowed".

I wish the Minister is listening to this. It is a big issue. If I may repeat what I said last week, it is an issue which may cost the NARC Government the Referendum.

An hon. Member: It has already cost it!

Dr. Kibunguchy: Thank you. Maybe, it has already cost it. That is because many poor people in the countryside do not see the Government taking their welfare at heart. We have some good things that the Government has done. But when we look at the poor farmer--- That is why I support this Motion. The poor farmer has not been given the necessary cushion to operate in a liberalised economy. That is one of the biggest and negative thing that this Government has done for its people. That is to liberalise the agricultural industry before the people have been given the necessary cushion to compete in a liberalised economy.

When we see some goods coming into this country, we know very well that farmers in those countries are heavily subsidised. We know that, as we speak, some dairy farmers in developed countries--- In fact, the subsidies that are given to dairy farmers in those countries are much more than the aid they give to us. How do you expect a peasant farmer from Lugari Constituency to compete with those people who are heavily subsidised?

Mr. Temporary Deputy Speaker, Sir, if it was within my powers, I would say that the agricultural industry in this country must be controlled. I do not think our people have reached a stage where they can compete in a liberalised economy. I think the Government must act as a big-brother to cushion those farmers. If that sector is not controlled, then let us find a way of subsidising our peasant farmers. We can make fertiliser much cheaper to the farmers. We can make oils and fuel cheaper. We can make seeds cheaper. That will be subsidising the farmers. Let the farmer be able to compete in a liberalised economy. Right now, I dread to imagine what will happen when the East African Confederation will be fully operational. It is much cheaper to produce maize in Uganda. I am told they have natural phosphates in their soils. It costs Kshs400 to produce one bag of maize. In Kenya, it costs not less than Kshs800 to produce one bag of maize. What would happen to our farmers if doors were wide open and maize could move freely between Uganda, Kenya and Tanzania? I dread to imagine what would happen. This is the time when the Minister should be able to put in place mechanisms to be able to assist the farmer. In anticipation, this is the time when the Minister must be able to act and then we will know that he is a reformist Minister. However, just relying on the fact that it is a liberalised economy and thus leaving the farmers at their own mercy is not going to work. I request the Minister to re-look into this problem.

Mr. Temporary Deputy Speaker, Sir, we have cried about the sugar industry. In another two years' time, the Common Market for Eastern and Southern Africa (COMESA) market will be wide open. What is going to happen to our sugar-cane farmers? Anybody can import sugar from all parts of the COMESA countries to Kenya. It is going to be a terrible time in this country. I would like the Minister to tell us what mechanisms he has put in place to be able to assist that poor farmer and in the process be able to ensure food security in this country.

At the moment, it is very sad that Kenya, which is an agricultural country can go out there, bowl in hand, begging for food and yet we have neglected our farmer. Egypt uses our waters to irrigate a desert and sell cereals, fruits, and every other food crop to even countries like Kenya. We have abundant rivers in this country. I do not know why we have not put in place mechanisms to move away from rain-fed agriculture to irrigation.

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

Mr. Sambu: Mr. Temporary Deputy Speaker, Sir, thank you for giving me this opportunity to contribute to this important Motion which has clearly stated that the agricultural sector is threatened by cheap imports from countries which subsidise their farmers. Countries that have small-scale or large-scale farms in the Western world go to any extent to help the farmer. Why? This is because if they do not, the farmers will block the streets as we saw in one country and that is a fact. We do not want to make our farmers do that but I think they will one day.

Mr. Temporary Deputy Speaker, Sir, coming from an area where agriculture is the backbone of the economy, I am under intense pressure to ask why we are allowing, for example, importation of maize from South Africa while the National Cereals and Produce Board (NCPB) stores are full of maize. I was in Mosoriot yesterday and its medium-size NCPB store is full of maize from last year's crop and yet when you go to the millers in Eldoret, Nakuru and even here in Nairobi, they are empty. Many of them are owned by foreigners who set up maize mill and wheat flour mills. They borrow money from our banks, default on repayments and then they repatriate all the funds that they earn from these mills. After a few years, the mills are put under receivership. We allow them to import the maize, wheat and sugar. Why? This is why I am saying we will be asking our people to take to the streets not in the sense of throwing stones but in the sense of the December 2007 General Election. Even if this new Referendum is forced through, we will vote out this Government. We shall cry to the farmers that this is not a Government. It is an enemy of the Kenyan farmers.

Capt. Nakitare: On a point of order, Mr. Temporary Deputy Speaker, Sir. Is the hon. Member in order to mislead the House by saying that liberalisation was introduced by the NARC Government and yet it was introduced by the KANU Government?

Mr. Sambu: Mr. Temporary Deputy Speaker, Sir, that is just wasting of time.

The Assistant Minister for Foreign Affairs (Mr. Wetangula): On a point of order, Mr. Temporary Deputy Speaker, Sir. Is the hon. Member in order in making reference to an hon. Member that he is wasting time? Hon. Members do not waste time but they make contributions and interventions.

Mr. Sambu: Mr. Temporary Deputy Speaker, Sir, that is why I wanted through you, that the Clerks-at-the-Table should let hon. Members to contribute for the entire time allocated to them.

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

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

Mr. Temporary Deputy Speaker, Sir, the NARC wave brought in some of us who do not know the sufferings we went through either because they have lived outside the country or they do not see. I am not referring to anybody specifically. So, I saw this store full of maize and yet we are importing maize from South Africa. My heart is saddened and I told them to just persevere. If some of our colleagues were here, they would have known what some of us went through trying to stop this liberalisation which has brought problems. So, it is not about a government. It is about individuals who fight for the rights of their people.

Mr. Temporary Deputy Speaker, Sir, while the maize is rotting now in the fields, the people in the arid areas of Kenya are starving. Why can we not use that money in the Special Programmes docket in the Office of the President to buy that maize? The Minister should issue directives to open NCPB stores and set up a price say Kshs1,400 per sack just like the one of last year, buy the maize and transport it all the way to those areas like Kitui and what-have-you. It is sad that a Government which came to power on that platform cannot do that. I remember some of my colleagues telling farmers that they would be safe but it is sad that we are still in the same hole.

Mr. Temporary Deputy Speaker, Sir, the deficit of sugar is of our own making because the Structural Adjustment Programmes (SAPs) just talk about the shortfall. If today we improved the seed plant, sugar-beet would grow almost anywhere in this Republic where sugar-cane grows, whether it is in the highlands. Through this, we will be able to expand the areas under sugar

production in the lake region and western Kenya, Coast and the highlands because the sugar-beet plant is adjustable and we will be able to produce enough to cover the deficit. We will employ more people, but if we do not listen to advice, what caused the previous regime to be thrown out will happen again. We are not crying about regimes right now; we are crying about our people. Why can we not grow-sugar beet? If I were the extension officer in my area, I would be showing them how to grow sugar-beet. Why can we not revamp the irrigation schemes? After all they are already there. There are many areas that require irrigation schemes to produce rice. There are also mills which are lying idle. I know of a mill I visited in Kisumu when I was in the Public Investments Committee (PIC) which cost many millions of shillings. There is an excess capacity in this country of milling rice and I wonder why we have to import subsidised rice. The Structural Adjustment Programmes (SAPs) cannot force a country to import if it produces enough of its own. We should restart the irrigation schemes. A lot of them can be restarted using simple structures such as dykes. They could make use of gravity thereby controlling floods which have been a menace to our people year in, year out.

When the Kano Irrigation Scheme was in full swing, the Kano plains never suffered any floods. However, we let it collapse and the people of Kano are suffering twofold. First, they harvest nothing from their fields and secondly, when the floods set in their lives are disturbed. They are displaced because the floods sweep away everything.

Mr. Temporary Deputy Speaker, Sir, if we want to create employment for our youth, then we should practise intensive agriculture. We still have allowed importation of powder milk. This is evident although the Government denies that fact. It is always claimed that the powder milk is used as an additive to the production of yoghurt or *maziwa mala*. The genuine milk processor, particularly the African, is really suffering because we have allowed these people who pretend to be investors to import powder milk into this country. These people are not investors; they only come to our country to cash in on situations. When they are busy selling in the shop, their wives are equally busy in the foreign banks in this country repatriating our money. We should stop the importation of powder milk at once.

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

The Assistant Minister for Education, Science and Technology (Dr. Mwiria): Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me this opportunity to contribute in support of this Motion.

Even though we have spoken a great deal about the problems of liberalisation, we need to ask ourselves why this was necessary. It was strongly believed that liberalisation was the best way to expose our farmers to competition. However, they could not live up to the competition given the great support that farmers in other countries, and especially in Europe, get from their respective Governments.

Firstly, importation has been possible even under liberalisation because of corruption. Often, the people who import a lot of foodstuffs, especially maize and beans, are not necessarily the people who feed on them. There have been loopholes that have not been closed up to now and so the habit continued.

Secondly, there is a problem of inefficiency. I am sure that liberalisation came about because of inefficiency in terms of production and labour. For example, if you go to China; with all due respect to our peasant farmers, you will be surprised to see how much effort people put in their farms. Their output is incomparable to that of our own workers here in Kenya. There are problems of inefficiency with regard to input. This has been spoken about a great deal; for example, the lack of proper machinery and so on. There are also inefficiencies related to the sizes of farmland. Although there has been a raging debate on whether we should have a minimum size of land or not,

I think very small pieces of land are not supportive of increased production.

Mr. Temporary Deputy Speaker, Sir, there are problems with regard to how much idle land there is in this country and which would be good for subsistence farming. Why can we not reclaim such land? We could redistribute such land to those who are willing to farm on them or ensure that those who own that land utilise it.

We also have problems related to other opportunities. If you cannot be a farmer and you have to buy staple food, then you need employment. We need to ask ourselves what we have done in terms of expanding industrialisation and other forms of employment so that those who are not peasant farmers have opportunities to actually procure goods and services that they may not be able to produce themselves.

There has been a problem with over-reliance on the same staple food, that is, maize and beans and the same type of livestock products. We forget that there are other possibilities and unless we diversify and stop relying on the very little that we produce under very difficult circumstances, we shall be putting too much strain on the limited staple foods that are available. Examples about West Africa have been cited. The reason why people in West Africa do not suffer from famine the way we do is that they have so much variety in terms of foodstuffs. They not only produce bananas and yams, but also cassavas and whole variety of crops. They have also perfected the production of drought resistant crops and, therefore, it is never a serious problem when they lack a cereal crop to feed on.

If you go to West Africa, guinea fowls, which we eradicated in this country, are now being bred both commercially and domestically. They are good birds to rear. It is not expensive at all and you can breed hundreds of them within a given season. That would be a cheap form of protein for our people. Of course, even if we have to experiment with drought resistant crops such as millet, soya, sorghum and so on, much has to be done by way of changing the attitudes of our people with respect to what kinds of food that they believe they can consume. That can be done through a combination of efforts of various Ministries. The Ministry of Education, Science and Technology can play a very big role in terms of popularizing certain foods in schools. Young people can be very good advocates of these products back at home with their parents and the society at large.

Mr. Temporary Deputy Speaker, Sir, with regard to diversification, it is also important for us to intensify our research effort on foodstuffs as well as on farm inputs. Is it possible for us to come up with some kind of fertiliser so that we do not have to import? We could come up with fertiliser that is much cheaper to produce and, therefore, cheaper for the farmer to buy. Is it possible to utilise much more the capabilities of nuclear science and bio-technology in order to expand production as well as increase resistance of crops to diseases? As we talk about being less concerned about liberalisation, it also means that we have to be prepared as country to sacrifice a little more. We need to tighten our belts. Countries have insisted on tightening their belts when it comes to imports of whatever kind. We should call upon our people to make sacrifices, in terms of buying what is their own, and hope that in the next ten or 20 years, we will compete, and that our products will be of high quality and as affordable as the ones we import. That also calls on citizens, themselves, to realise that they have to make some kind of sacrifices, not only in terms of how much they are willing to procure in terms of giving services, but also in terms of realising that our products may not be able to compete effectively in the short-term and that we may, therefore, have to wait for a little longer.

Also important, would be the need to strengthen our co-operative societies. I am glad that this is already happening, with regard to supporting them with inputs and getting small-scale farmers to work together with credit facilities and marketing information. This should also be considered in terms of subsidising a variety of inputs and other activities that they engage in, in

order to encourage them to compete and produce much more than is currently the case and also prepare them to purchase products that they do not produce.

We need to ask what happened to traditional African storage and drying systems. Where I come from, in Tigania, I used to see big granaries as I grew up. Therefore, when we had surplus in one season, the food would be kept and would be available for the next season and for many years to come, especially during times of famine. I think we need to go back, as Ministry of Agriculture, and as Government, and encourage subsistence farmers to go back to perfect those technics, both in storage and drying.

Finally, it is important to realise that we cannot get very far, unless we work in partnership with other countries and make a case against countries which are subsidised for the negative impact they are causing us, and yet do not allow importation of food from Africa and other Third World countries. As we take up this battle, and deal with the World Food Programme, why can we not insist that any food that is supplied to our schools or as famine relief must be grown locally? This would force organisations to procure food locally, thereby supporting our farmers, inspite of whether or not the price is competitive. If famine relief and food programmes are ways of alleviating poverty, one way of getting people out of poverty is by ensuring that we support them so that they produce foodstuffs themselves, and sell them to make money.

There is also the issue of the World Trade Organisation (WTO), which is a major political debate. As a country, we have a vested interest in ensuring that we partner and support other countries that argue the same in terms of ensuring that we do not continue to be disadvantaged by the more advanced countries that are putting in more resources in subsidising their farmers, and making it impossible for our own farmers who are not as lucky, to survive the international competition. Related to that, I do not think we can complain so much about it if we, as a Government, do not do what we have to do in ensuring that we support our farmers, even if it means subsidising both the farmer and the consumer. Only then, and unless we are ready to make sacrifices, both as a Government and as consumer, will we make little headway in terms of ensuring that our farmers are the greatest beneficiaries of their products and that we become a food-sufficient country.

With those few remarks, I beg to support.

Mr. Chepkitony: Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me this opportunity to contribute to this Motion. This is a very popular Motion because it affects thousands of our farmers. As it has been said previously, agriculture is the backbone of the economy of this country. If we are not careful, it will stop being our economic backbone very soon. The Motion talks of cutting down on the importation of rice, maize and sugar. I want to add wheat as one of the crops which is being threatened by importation. The problem with us is that we are importing maize, sugar, rice and wheat from countries which support or subsidise, in a big way, their farmers. We need to create a level-playing field for our farmers to compete with other countries. We cannot compete because of the subsidies offered in other countries, both developed and developing countries. Most developed countries give support to their farmers in terms of tax waivers for inputs used in agricultural production. Fuel, fertilisers and agricultural chemicals are also not taxed. Taxes are waived for all those products, so that farmers find it cheap to produce. This is what we require in this country. We need to bring down our cost of production so as to discourage importers from importing their commodities here. If we do not do that, we will not be able to compete fairly.

In terms of using irrigation, we should have low tariffs on electricity. The Government should find a way of compelling the Kenya Power and Lighting Company (KPLC) to do this if we have to encourage use of irrigation. If we are serious in terms of agricultural production, we have to help our farmers to access credit facilities. Most of our farmers cannot access capital for farming.

They are also not able to get sufficient loans from the Agricultural Finance Corporation (AFC). Those who want to access loans are unable to do it, owing to the high interest rates. We need to bring down our interest rates so that farmers can access loans easily.

The agricultural sector used to be the greatest employer in Kenya. This sector is now coming down because farmers are discouraged. Wheat, maize, sugar-cane and rice farmers are discouraged because their profit margins are very low and only farm because they own land. They do not farm to improve their standards of living. The profit is very little. If you look at the prices of maize or wheat ten years ago, when the price of diesel was Kshs28 per litre, you will find that it is still the same in the market, yet the cost of inputs has gone up. The prices have more than doubled, yet we are not doing anything about it. Something must be done, in order to encourage farmers to continue doing business. We know that in our country, most of the farming is small-scale, as opposed to the large-scale farming practised in many developed countries which have big farms. Those countries can farm and exploit the economies of scale. We have to look at ways of making our small-scale farming competitive and able to produce and maintain the employment it provides.

Mr. Temporary Deputy Speaker, Sir, I appreciate the efforts being made by the Government in reviving and strengthening farmers organisations such as the AFC, KFA, National Irrigation Board and co-operative societies. If we have farmers organisations functioning properly and supplying the necessary input and marketing support, this will reduce the cost of production. We have to enforce these countervailing duties. We need to look at the WTO agreement and see which countries we can levy countervailing duties for the support they are giving us.

Recently, as I was reading the newspapers, I noted that wheat was being advertised as food relief. You will find that perhaps these weeds had been given as donations and the Government sold them to our millers at a cheaper cost. Since they are being sold to millers at a cheaper cost, this poses unfair competition to our wheat farmers. I understand that from June next year the Government will stop levying duty on imported wheat. I do not think this will be of benefit to the farmers. I think the Government should continue levying taxes on imported commodities like maize, rice, sugar and wheat until we are able to compete. Otherwise, the only other alternative is to reduce taxes.

Some people have argued that there are very few wheat farmers, saying that they are about 10,000. But this is a large number of farmers. They also support the transport sector and other sectors. We need to support all sectors of agricultural production if we are to thrive as a nation.

With those few remarks, I support this Motion.

Mr. Bett: Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me this opportunity. Food is a basic need. I think we need to handle it in a basic manner. The more we handle the issue of food in a complicated manner, the more we sink into problems of food insecurity. We say that agriculture is the wheel that turns the nation yet we are not mindful of that wheel. We do not ask ourselves whether the spokes are still straight or if the wheel is still greased. We still keep on driving the vehicle until we grind to a halt.

Mr. Temporary Deputy Speaker, Sir, we need the promotion of food security. As a country we need to ask ourselves whether we have supported agriculture in order for it to provide us with adequate food for our people. The answer is No. We have simply attended conferences and seminars and prepared documents which are lying in our offices and we are not implementing the recommendations. We need to stop complicating the issue of managing agriculture. Let us manage agriculture as simply as we can for it to serve us.

We expect generation of income from agriculture. We have not tapped that income properly. Maize is supposed to generate income to the farmer and generate even more income for the nation. Today we are not addressing the issue of inputs that go into production of maize. The cost of

production is so high such that farmers are discouraged. The cost of maize is very high. We only give a chance to developed countries to simply dump their excess surplus produce into the World Food Programme (WFP). The WFP in turn gives this food to some countries to sell. A case in mind is when we were told to import wheat from Mauritius which does not grow wheat. That wheat was dumped by a developed country under the pretext of WFP. In the process, our people end up being disadvantaged. Even if we have grown a lot of maize in Rift Valley and other parts of this country, it will not be utilized because we will receive other cereals from countries that are heavily subsidised. We need to encourage our farmers. We need to utilise our land and labour.

Some of these imported products have already been processed. They have used part of that produce in other things yet we are unable to use the same in this country. If we do not look at it critically, unemployment will continue to rise. More than 20 per cent of employment in this country can be derived from agriculture. Unemployment is a source of insecurity. It is a menace in our towns. We need to address those issues so that we can achieve what we have from the resources which are abundant in this country, but we do not utilise them.

Mr. Temporary Deputy Speaker, Sir, 50 per cent of Kenyans today face insecurity in food supply yet the land that we have can be utilised to the full to give us the food that we want. Wheat is a product that can be produced in most parts of western Kenya. We are told under WTO and other trade blocks that we have to import a certain amount of wheat from those countries which we have agreements with. What happens to the wheat that has already been produced by our people? When we allow it to go to waste, this demoralises our farmers and gives them no hope. As a result, they are unable to pay school fees or medical expenses. The living standards of our people will continue to go down as we continue to mismanage our agricultural resources.

Mr. Temporary Deputy Speaker, Sir, international trade favours the developed countries. These developed countries have decided to put their own trade barriers. This is a way of telling developing countries that we cannot produce and sell in their countries, but that they can produce and sell in our countries without question. That is extremely unfair competition. It is unfair trade and we must fight it and democratise the WTO for the benefit of our farmers.

On the issue of sugar there is a lot of land, manpower and water such that we can irrigate land yet we are doing irrigation in a very unorthodox manner. We find ourselves having farms in Kano Plains yet we can use gravitational irrigation. The same applies to Bura and Mwea. Let us be basic in our dealing with the issue of irrigation in order to supply rice and sugar for local consumption and external sales. In selling, we will get additional foreign exchange for local use.

Mr. Temporary Deputy Speaker, Sir, in conclusion, I would like to quote from a writer who said:-

"The Northern governments reserve their most restrictive trade barriers for the world's poorest people."

Trade restrictions in rich countries cost developing nations more than US\$100 billion a year. This is twice as much as the so-called aid they give us. Those countries take more from us through trade restrictions. We need to guard against this by speaking and analyzing situations at the World Trade Organization (WTO) and other trade blocs in the world.

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

Mr. Serut: Thank you, Mr. Temporary Deputy Speaker, Sir. I rise to add my voice to what my colleagues have said about this Motion which is about offering subsidies to our farmers. What has given rise to this Motion is our farmers' produce being unable to compete favourably with the products imported from other countries imported by our businessmen.

The subsidies we are talking about range from fertilizers, diesel and marketing strategy, to the role the National Cereals and Produce Board (NCPB) plays as far as farming is concerned. As

my colleagues have said, farmers in other countries are subsidised heavily. They are subsidised in terms of fertilizers, fuel, infrastructure and against calamities. In this country, when you plant your maize or rice and there is a calamity, you lose all of it and nobody comes to your aid. This has discouraged most farmers.

If Kenya has to continue being a farming country, there must be a proper marketing strategy for our produce. If you visit most supermarkets today, you will find that they are fully stocked with imported commodities. The reason for this is simple. The quantities we find in the supermarkets are far better of than what we produce in this country. For instance, on tea, we take it to the auction in sacks while, other countries take finished products to the auction. You cannot compare the price of a finished product with the price of a raw product which has to be exported in its raw form.

Mr. Temporary Deputy Speaker, Sir, I have also looked at the price of maize. My simple question is: Who decides on the price of maize? We have been told by the Minister for Agriculture that the NCPB comes in as a buyer of the last resort. We have also been told that the market dictates the price of maize. Before the NCPB comes in as a buyer of last resort, does the Board take into account the fact that the farmer who produced the crop will get value for his money or it buys the maize for the sake of keeping it in its stores? I think the NCPB is a Government agent and, therefore, it should have the interest of the Kenyan farmer at heart. Even if the NCPB has to be a purchaser of the last resort, it should set up a price that will make the farmer happy by, at least, giving him or her returns for his or her produce. In a country like Belgium which we visited the other day as a departmental committee, the farmers enter into contract with the Government such that if they lose their crop through calamities, the Government compensates them. There is nothing of the sort in this country.

On sugar production, in other countries, a farmer is given a certain quota to produce. If you do not meet that quota, you can buy the sugar at the market value elsewhere and deliver it. If you do not deliver the sugar, the Government will penalise you. Why can we not do that instead of relying on imported sugar?

I would like to touch on maize which affects my people in Mt. Elgon Constituency. As I speak here today, a bag of maize goes for Kshs450 in Trans-Nzoia and Mount Elgon districts. That maize is not produced in this country, but in Uganda. The price for that maize is low because it is produced in Uganda without fertilizer application. Why can the Minister for Agriculture not put conditions to the effect that before you import any maize to this country, it must be of a certain quality and must have been produced under certain conditions, if we have to compete with a country like Uganda which produces maize cheaply? By doing this, we will not stop Ugandans from exporting their maize to Kenya. We are only saying that before any maize enters this country, it must fulfil certain conditions. This is one way of assisting the Kenyan maize farmer.

Mr. Temporary Deputy Speaker, Sir, on rice, we have enough land in this country to grow the crop. Rice can be grown in Mwea Irrigation Scheme and Nyanza Province. In order for us to compete with other countries, we should irrigate the farmers' fields free of charge. This is part of the subsidies that we require.

Mr. Temporary Deputy Speaker, Sir, there is the issue of the millers who have been importing maize from other countries. Who licenses those millers to import maize into this country? Is it not the Kenya Government which does that? If it is the one, does it put into consideration the maize we produce in this country? Is the Government telling us that it has liberalised the importation of maize and, therefore, the millers have a right to import maize from any country at any cost, mill it and sell it to our supermarkets? I hope the Minister will respond to that.

Another thing that we have to address, as Kenyans, is our consumer habits. As Kenyans, we seem to admire very much, imported food as opposed to the food that is naturally produced in this

country. If you visit a supermarket, you will find that people buy sugar not because of its price but because it is from South Africa or Brazil. If we have to assist the Kenyan farmer, we should, as Kenyans, try to change our attitude towards locally produced products.

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

The Temporary Deputy Speaker (Mr. Poghio): It is now time for the Official Government Responder to respond! You have 20 minutes to contribute!

The Minister for Agriculture (Mr. Kirwa): Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me this opportunity to respond to this Motion.

At the outset, I am happy to record the sentiments of my colleagues as far as the issues of my Ministry are concerned. While I appreciate most of the sentiments, it may be useful for us to go down the road together on the things that we are doing as a Ministry and the things that we ought to be doing so that the information gap between what we are doing and what hon. Members are aware of is reduced as much as possible.

When I took over the Ministry two-and-half years ago, there were a number of challenges which we have tried to address over the period. Principal among the challenges is the issue of reducing the cost of products so as to be able to improve efficiency and productivity for the people of Kenya.

Indeed, Mr. Temporary Deputy Speaker, Sir, for this to be attained, we produced a paper that has now been circulated and is clearly known as the Strategy for Revitalizing Agriculture, whose main components are:

1. To increase productivity and profitability to our farmers so as to make farming a more competitive business both in the region and internationally.
2. To move to the second stage of not being producers of raw materials but also being able to move to the secondary position of agro-processing.

To attain this, we ensured that we incorporate in the restructuring of the Ministry, the Department of Agribusiness, which is geared towards ensuring that all issues of agro-processing, agri-business, international trade and effective linkages between what we are doing as a country and what is happening internationally, is properly harmonized for purposes of ensuring that our farmers make the best out of farming.

Mr. Temporary Deputy Speaker, Sir, while doing all this, we are faced with a number of challenges and principal among them, is the challenge that was engendered by the liberalized market economy more than 11 years ago when the country moved towards liberalization without preparing the farmers with the requisite capacity to take up these challenges. While it is not our job as a Ministry to cry over what has happened, what we have done in the last couple of years is to ensure that we prepare our farmers to face the challenges. We have done this through the empowerment of extension services, and I am happy that, this year, through the intervention of this House, we were able to get a better Budget than what was previously done for purposes of empowering extension service providers in the field. We have also done a systematic approach to issues of field trips and also field days for purposes of empowering our farmers.

Mr. Temporary Deputy Speaker, Sir, the second challenge is the question that has been amplified by my colleague; the question of credit facilitation. The agricultural sector would require close to Kshs54 billion in terms of loans to farmers, yet the capacity that we have through the Agricultural Finance Corporation (AFC) is only Kshs1.5 billion. The Co-operative Bank and other banks provide a certain component, a total of which is not enough for the threshold capacity for this sector to be empowered. It is for this reason that as we look at all these challenges, we need to understand that the problem does not lie with my Ministry. The problem lies with the inability to mobilize various resources for purposes of addressing the Ministry of Agriculture and the

agricultural sector.

Mr. Temporary Deputy Speaker, Sir, one of the ways we have been looking into, is to see how we can improve in post-harvest losses, which comprises close to 30 per cent of the total loss that farmers face immediately after harvest. It is for this reason that I urge my colleagues, hon. Members, to look further afield on how they can assist the farmers of this country, in conjunction with what we are doing as a Ministry, to improve in post-harvest handling.

Mr. Temporary Deputy Speaker, Sir, hon. Members have raised two points about irrigation. Irrigation, through the Ministry of Water and Irrigation, has been empowered with an increased capacity for various irrigation schemes and projects throughout the country. At this point, it is not true to say that we have been doing nothing for the last two and half years in terms of irrigation. We have started various irrigation projects in the country like Ahero in Nyanza and other parts of the country. We have built dykes in Budalang'i and other parts of the country. We are doing that to improve the capacity of our people to produce enough food for themselves and, if there is a surplus, we can export it to the region in terms of trading blocks. As far as irrigation is concerned, we are not only doing irrigation for crop production, but also for livestock in this country.

On the issue of inputs, we appreciate that tax on tractors, associated spare parts, fertilisers and components imported from other parts of the world has been removed. As a Government, there is a limit for intervention in some of those ventures. In the last two years, we have increasingly reduced the price of maize seeds. We reduced it first by 5 per cent and then, last year, by 10 per cent. We will review the price further to ensure that farmers in this country improve their production by using certified seeds.

Mr. Temporary Deputy Speaker, Sir, regarding the issue of imports, I would like to say that duty on imported sugar is pegged at 30 per cent of the total consumption, given the fact that, we only produce 60 per cent. For the last two years, there are certain parameters that are positive as far as sugar production is concerned. First, we have been able to improve the amount of sugar. This year, we registered the highest amount of sugar produced since the inception of the sugar industry. We registered 513,000 metric tonnes against the previous season's production of 450,000 metric tonnes. We have also been able to increase profitability in the sugar sub-sector by 15 per cent. We have been able to improve the area under cane by 20 per cent. Sugar sales have gone up by close to 40 per cent. The cost in terms of efficiency has been improved by 20 per cent. All those are positive indicators that can prepare us to face the market. For purposes of looking at the future instead of worrying about the past or the present, I would urge my colleagues to look at the Common Market for Eastern and Southern African (COMESA) region as the potential market for our sugar, instead of looking at it as a potential threat. I am saying so because if we were to improve efficiency in production, reduce the cost of production, improve the efficiency in marketing the commodity, we should be looking at COMESA as a natural partner.

Secondly, I am saying so because COMESA as a region, is a sugar-deficit area. It, therefore, behoves all of us to look at it in terms of what we can supply to that market, instead of worrying about sugar imports.

Mr. Temporary Deputy Speaker, Sir, on the issue of rice farming in this country, as you are well aware, we only produce 30 per cent of the total volume of rice that we consume as a country. That consumption has been going up over time because of the changing eating habits of our people. I would like to assure my hon. colleagues, particularly, the hon. Member for Mwea Constituency, that through the National Cereals and Produce Board (NCPB), we have been able to buy rice from the farmers. This rice is supplied both in terms of commercial stocks and if the Office of the President requires rice for purposes of famine relief, we are more than willing to provide the said commodity. It is, therefore, not true that we are not keen on ensuring that rice is given and instead

we are giving maize. That is only possible because maize has been available in good quantities. That is why we have been supplying maize through the famine relief programme.

Mr. Temporary Deputy Speaker, Sir, on the issue of rice production, I would like to assure the House and the country at large that production of rice has gone up by 20 per cent for the last one year, thanks to the issue of reviving irrigation schemes in Nyanza Province and other parts of the country, and also good husbandry practices by our people. We need to move towards increasing production of rice because there is enormous land that is yet to be exploited in Nyanza and Western provinces as well as other parts of this country.

Mr. Temporary Deputy Speaker, Sir, on the issue of maize farming, I know there is a Question I am supposed to answer this afternoon from Capt. Nakitare, I would like to lay the facts as follows:-

One, any maize that is imported into this country, if it is coming through the official channels must meet all the parameters pertaining to issues of discolourations, diseases, breakages as well other parameters that the Kenya Plant Health Inspectorate Services (KEPHIS) would want adhered to. It is not true that we are allowing maize or any other commodity that does not meet the set standards to get into this country. What happens is that some of the parameters such as having some coloured grains may be ignored. However, this maize does not come through the official channels. These grains are not captured by the formal market. The KEPHIS has been vigilant and I will still direct them to be more vigilant, given the concerns raised by my colleagues. However, there is a limit to which the Government can police because we are living in liberalised market economies. As long as a commodity meets the parameters that are required---

The Temporary Deputy Speaker (Mr. Poghiso): Mr. Kirwa, are you actually responding to the Question asked by Capt. Nakitare in the process of contributing to this Motion?

The Minister for Agriculture (Mr. Kirwa): Mr. Temporary Deputy Speaker, Sir, it is not the question of anticipation. Some hon. Members like Mr. Sambu and Dr. Kibunguchy raised these particular issues. It is within the purview of my role as the Government Responder to respond to some of those concerns. However, I will deal with Capt. Nakitare's Question in the afternoon.

It is not true that the Government has been sitting as a lame duck while the prices of maize have come down. I am cognisant of the plight of maize farmers because I am one of them. I strongly believe that maize is a very important crop to this country. I also want to urge maize farmers to prepare their crop so that when we open our stores on 1st November, 2005, that maize should have the necessary maturity in terms of moisture content and other parameters.

I also want to urge my colleagues to restrain themselves from making statements that may contribute in exacerbating the situation of reduced prices of maize or any other commodity. When an honourable Member of Parliament makes a statement that the price of maize today is Kshs400 per 90kg bag, that is irresponsible. I come from Trans-Nzoia. I came from there over the weekend, and I know the price is oscillating between Kshs800 and Kshs900 per 90kg bag in the formal market. But if people are selling maize through other routes, it is not factual to say the price of maize is Kshs400. It behoves us as Members of Parliament and also leaders in this country to be factual, focused and effective in saying what it is.

I want to guarantee the farmers of this country that the maize price will be announced on Friday, the 28th by the National Cereals and Produce Board. While I do not want to pre-empt the discussions of the Board, my instructions to the Board are that it should not be less than Kshs1,200 per 90kg bag. All the centres in the North Rift, which supplies 80 per cent of the maize crop in the country, shall be opened from the 1st November this year, which is next week. These are facts. As a Ministry, we have remained focused, because we strongly believe that we have a role to play in ensuring food security in this country.

Mr. Temporary Deputy Speaker, Sir, it is also not true that we are sitting on documents in as far as various policies are concerned. Indeed, it is the calendar of Parliament that dictates the pace at which we shall introduce various reforms to the House, both in terms of laws and policy reforms. We, as a Government, believe strongly that this Parliament has the onerous duty to ensure that it shapes policy. Parliament, therefore, has the discretion to accept, vary or reject any document that we bring here.

Mr. Temporary Deputy Speaker, Sir, in the Ministry, we have more than 20 pieces of legislation, some of which we want to harmonise. But they are subject to the calendar of Parliament. I cannot dictate, as a Minister, the calendar of the House, because there is a limit to which we can pass some of these pieces of legislation within the given time that we have as a House.

Mr. Temporary Deputy Speaker, Sir, in conclusion, while there could be some few areas here and there, I agree with the spirit of the Motion, because it is in keeping with what we ought to do as a Government. Let me just add a caveat that we have to be conscious of the various treaties and protocols we have signed as a country, both internationally and regionally, so that at the end of the day, we are not seen to be back-peddalling the wheel of reforms or negating the gains we have made. We inherited some of these instruments, but this is our baby and we need to carry it to full-term.

With those remarks, I beg to support.

The Temporary Deputy Speaker (Mr. Poghisio): I will now call upon the Mover to reply.

Prof. Olweny: Mr. Temporary Deputy Speaker, Sir, before I make my final comments on this Motion, I beg your indulgence to allow me to donate two minutes each of my time to Capt. Nakitare, hon. G.G. Kariuki and Prof. Mango.

Capt. Nakitare: Mr. Temporary Deputy Speaker, Sir, you have heard what the Minister has said regarding the influx of commodities that have affected our agricultural produce. The question is, why take coal to Newcastle? Why bring maize to Kenya when we are already growing it, and we need to export it? That is the big question. Our country has been infested by insects that are really causing havoc to the farmers. Why should we allow Ugandan maize to be sold in Kenya? The importation of these seeds has affected our market.

The Temporary Deputy Speaker (Mr. Poghisio): Capt. Nakitare, you have asked a question and the Minister is offering to answer you. You simply do not expect him to answer the question now!

Capt. Nakitare: Mr. Temporary Deputy Speaker, Sir, I will ask the question later on. However, I am completely in support of this Motion, so that we can curb the importation of commodities that we can produce in this country. Other countries verify the quality of the seeds that they import. The Kenya Plants Health Inspectorate Services (KEPHIS) stations should be put at our borders to verify the quality and the origin of the seeds that are being imported into Kenya. Our police officers should also try to find out the origin of the produce that are being imported into Kenya. We cannot just go by the wind just because we are a member of the COMESA. We should stabilise our market by first growing maize for food and selling the surplus.

With those few remarks, I support the Motion.

Mr. G.G. Kariuki: Mr. Temporary Deputy Speaker, Sir, I will take two minutes as instructed. I would like to mention a few areas that threaten our agriculture. I am happy the Minister has tried to explain what he found in the Ministry of Agriculture. He found a lot of problems in the Ministry and he was almost unable to control the situation. It has taken the Ministry two-and-a-half years to make important decisions for the people of Kenya.

The Minister is aware that our agricultural sector is threatened by various situations. The first threat is the importation of agricultural produce. This discourages our farmers. Some crooks are

making a lot of money through the importation of agricultural produce. The Minister should be concerned about this area. Poor seeds is another problem. In this country, the quality of our seeds has been eroded. Today, you cannot claim to have certified seeds anywhere. The kind of seeds that you buy, be it maize or wheat, come with a lot of other seeds which are a threat to our production.

The other problem is poor access roads. Even if the farmers produced their maize or wheat, their produce cannot be transported to the market because of poor access roads. As a result of this, their produce are bought at a very low price. The other problem is poor prices. This is as a result of very many factors, for example, importation, poor access roads and poor production.

With those few remarks, I beg to support.

Prof. Mango: Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me an opportunity to support this Motion that has come at the right time.

I would like to mention that last month in the Press, there was an article that quoted that the Ministry of Agriculture had returned money to the Treasury. That is shameful in view of the fact that farmers are suffering. This money should go into production as subsidy to the farmers. This Motion came at the right time. The Ministry of Agriculture together with the Ministry of Water and Irrigation have a responsibility to initiate more irrigation schemes for food production. If we had irrigation in the Lake Region, we could harvest maize three times in a year because of the heat and moisture around the region. However, we are doing nothing about that. We are totally dependent on rainfed agriculture, and as a result we never have enough to eat. Every year we import and our people starve. That should not be the case!

A few years back there was agricultural machinery hire service. I urge the Minister to encourage that in every district so that farmers can have small tractors that they can hire. Even small scale farmers will benefit from such services. If you have 10 acres of land, you cannot work on it by hand. Small tractors would be useful to small scale farmers.

Finally, Mr. Temporary Deputy Speaker, Sir, with regards to sugar cane, while I support the Minister for saying that production has increased, farmers are still suffering because their land remains tied up for 20 months under sugar cane.

With those few remarks, I beg to support.

Prof. Olweny: Thank you, Mr. Temporary Deputy Speaker, Sir. I am impressed by the contributions from my fellow hon. Members and from the Minister. The Minister made a comment that we are living in a liberalised market economy. That is true! However, are those people who came up with the liberalisation rules obeying them? Is the developed world, our development partners, the International Monetary Fund (IMF), the World Trade Organisation (WTO) and the World Bank obeying those rules? This is why the Government has to turn around and help us because the people who came up with these rules are not obeying them. We also have to disobey these rules! The Government has to support the farmers for us to develop. The Government should come up with minimum pricing for most of these important commodities. Those same people who came up with these rules have minimum prices for their commodities. They have insurance schemes for commodities of their farmers. We have such schemes in Mauritius for sugar cane farmers. We also have them in the European Union (EU) and the USA. Why should we not disobey those rules? These people are not obeying their own rules!

We also have to come up with quality standards for these commodities to be imported into our country. They have their standards and we must also have our own. This will help us to keep up with their way of operation. There is no way we are going to solve the problem of unemployment in this country until the Government comes out in full swing to support the agricultural sector. Today, the youth are being misused by the politicians by throwing stones at one another. One politician pays them to throw stones at his opponent and his opponent does the same. Let us improve the

sector so that we can have employment for our youth instead of misusing them. The money that is being used by politicians to pay the youth to cause mayhem should be used to improve the sector. Let us subsidise the purchase of inputs to the farmers. Let us remove the Value Added Tax (VAT) that is imposed on commodities like sugar. Why do we need VAT on such commodities?

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

(Question put and agreed to)

COMPULSORY COMMUNITY SERVICE
FOR UNIVERSITIES/MIDDLE LEVEL
COLLEGES GRADUATES

Mr. J.M. Mutiso: Mr. Temporary Deputy Speaker, Sir, I beg to move:-

THAT, in view of the acute unemployment in the country and aware that basic essential services offered by the Government are being constrained by lack of staff in public institutions; this House resolves that all graduates from middle level colleges and universities be offered compulsory community service for a period of two years on a monthly maintenance allowance of Kshs5,000 in the rural areas and Kshs10,000 in the urban areas.

Mr. Temporary Deputy Speaker, Sir, the problem of unemployment in this country is a long story of wrong policies since Independence, wrong prescriptions by the donor community, the World Bank and the International Monetary Fund, as well as the wrong approach and lack of political will by the NARC Government to address this problem.

To start off, the envisaged compulsory community service will address the unemployment problem which affects about 60 per cent of the Kenyan population who are the youth. In particular, the Motion, specifically, addresses the problem of the educated but unemployed persons. The creation of a compulsory community service scheme will address this economic problem which has been persistent in this country. But because of structural problems, the Government has not been able to overcome it.

Mr. Temporary Deputy Speaker, Sir, compulsory community service schemes have been put in place in different African countries. An example is Tanzania, which is our immediate neighbour. Also countries like the United States of America, the United Kingdom and Canada, just to mention a few, have such schemes in place. Sixty per cent of the Kenyan population, who are mainly the youth, were given great hope by the NARC Government. In fact, the Government, in its manifesto, promises to create 500,000 jobs annually. In fact, the projection was 700,000 but the Government said that it can create 500,000 with 200,000 jobs emanating from the private sector.

The objective of this scheme is to promote productivity among trained and skilled youth. We have our national institutions in the various sectors of the economy. For instance, we have the education sector, where we have the teacher training colleges. These colleges impart skills to students who later join the Government service as primary school teachers. Of equal importance are other colleges, which train qualified persons to teach in secondary schools, as well as our universities.

Mr. Temporary Deputy Speaker, Sir, education is a key sector of our economy and it is needless to say what the state of affairs on the ground is like. For example, we have a shortfall of about 32,000 teachers in primary schools and 12,000 teachers in secondary schools and post secondary school institutions. But the Government has been unable to provide employment to these qualified graduates for a number of years. Recently, I was sitting in the district education board and

we were required to recruit only about 216 teachers to fill up the vacancies of those who have been lost through natural attrition; either retirement or death. Makueni District is one of the largest districts in the country with the highest number of educational institutions. Our projected shortfall is about 1,200 teachers, yet, the Government was only able to provide 216 of them.

Mr. Temporary Deputy Speaker, Sir, health is a very key sector in this country. In fact, we cannot postpone addressing the health problems of our country. Recently - and this actually casts the doubts on the commitment of this Government in trying to address the real issues affecting its own people - in this House we passed the National Social Health Insurance Fund (NSHIF) Bill and His Excellency the President declined to assent to such an important issue, raising concerns of budgetary constraints.

Without actually veering off from the contents of this Motion, we have been told also that in the proposed Wako Constitution, education is going to be free for all. If the Government is not able to provide the capacity to deliver these services, is this promise going to be fulfilled? We have a wide gap in the health sector. We have qualified health nurses, clinical officers and doctors who are just tarmacking in the streets without proper employment. I am not asking the Government to put these people on permanent employment. I am asking it to provide a temporary interlude of engagement of this skilled labour, to provide services to our people who are already suffering.

If you visit the Kenyatta National Hospital (KNH) or any other health institution, for that matter, either in urban or rural areas, we have an acute shortage of staff. Therefore, this scheme will try to ameliorate the problem of serious shortage in our health institutions countrywide. Besides that, it will also inculcate the culture of voluntarism amongst unemployed graduates in the community. This programme will also be able to equip our young graduates with the necessary experience to discharge their function.

Mr. Temporary Deputy Speaker, Sir, let me come back to the initial programme of Government guaranteed employment which the Government was providing up to and until 1992. Through Sessional Paper No.1 of 1992, the policy was changed. Why did this happen? It is because the World Bank and International Monetary Fund (IMF) said that the Government could not continue engaging civil servants in its service because of a bloated wage bill. But I want our policies to address issues of grave concern, concerning our future. That is particularly unfair to the youth, because such issues have been relegated to the external policy formulators who have no knowledge whatsoever, of what happens in our country.

Mr. Temporary Deputy Speaker, Sir, I also listened with a lot of nostalgia when His Excellency the President launched the Economic Recovery Strategy for Wealth and Employment Creation. That is the document which is the driving force of the promises that the Government made in its Manifesto. I beg to differ with that document. It says that the Government will provide an enabling environment to provide employment to thousands of youths who are unemployed and who have the required skills in this country.

The World Bank has put poverty levels in this country at about 56.8 per cent. The World Bank says that we have to reduce that by five points, in order to create a productive environment. They also say that we should increase our Gross Domestic Product (GDP), before we consider any more employment in the public service. We should, first of all, acquire a 7 per cent growth rate. I tend to disagree with some of those theoretical prescriptions and urge this House to adopt a compulsory community service for our people who are educated but unemployed.

Mr. Temporary Deputy Speaker, Sir, prescriptions by donors are not in resonance with our own policies. I would like to thank the Ministry of Finance for the tremendous work they are doing to mobilise local resources to fill-in the budget. If you look at the retrenchment exercise which took place between 1994 and 1997, the thrust of that policy was for the Government to down-size its

personnel, in order to free resources to go to the productive sectors of this economy. That exercise alone cost this country about Kshs4 billion. Up to date, there are unpaid arrears. The projected revenue savings by the Government was about Kshs9 billion to Kshs12 billion annually.

But, on the contrary, despite the revenue increase from Kshs300 billion annually to almost about Kshs500 billion, the savings which were anticipated to come from the staff down-sizing were never achieved at all. Therefore, that community service is a radical departure from the prescribed norms by the World Bank and International Monetary Fund (IMF). It is not about budgetary constraints. Currently, we have about 2 to 3 million unemployed youths, out of which 1.2 million are educated but unemployed.

Therefore, on a rough estimate, what are we asking the Government to do? We are asking the Government to execute a simple policy change and use about Kshs1.8 billion annually to engage those who are educated but unemployed in the core sectors of our economy. Are we going to wait for the economy to grow in order to have these people on board? I am not asking the Government to commit itself on permanent employment in this scheme. I am asking the Government to give a monthly retainer allowance in the health, education and key infrastructural sectors and put our skilled and educated young people on board.

Mr. Temporary Deputy Speaker, Sir, the youth are disillusioned by the Government's attitude to its policy on employment. The compulsory community service will try to address the anxiety of the youth about their future. Besides that, it will also try to provide a cooling off period in which the graduates will have an opportunity to reflect on life in general and their professions.

Mr. Temporary Deputy Speaker, Sir, it is a common eyesore in most of the urban and rural areas to see our youth idling in markets without anything to do. Therefore, I am urging this House to take a bold step today and address the issue of unemployment in this country. We do not need a constitution or external prescriptions to implement this scheme. It is simple economics. We have invested colossal amounts of money educating our teachers, health workers, engineers and technicians in the various fields. Therefore, the beneficiaries of this scheme will be the education sector, that is the P1, diploma and university graduates, and the agricultural sector which is the mainstay of this economy.

Mr. Temporary Deputy Speaker, Sir, I would like to highlight this for the record: The non-performance or non-execution of our national budget is due to constraints of lack of staff. In fact, 20 per cent of the development budget which is committed directly to the Ministries is returned every year to the Treasury because the funds cannot be used. Last year alone, the Treasury received almost Kshs30 billion in development funds which were not spent by the different line Ministries of agriculture, health, roads and public works because their capacities have been weakened to the extent that they are unable to deliver services even when they want to do so. This is a shame on the Government. I remember my own district returned about Kshs80 million project funds to the Treasury due to lack of staff in key sections. Are we going to sit on the fence as a House and watch this Government allocate money and return it to the Treasury? I object to this book budgeting.

Mr. Temporary Deputy Speaker, Sir, as a point of departure, we should now move and have compulsory community service for our youth since they are our future leaders.

I beg to move and call upon my colleague, hon. Dr. Awiti, to second the Motion.

Dr. Awiti: Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me this opportunity to second this very important Motion which my colleague, hon. Mutiso, has moved at the right time.

This Motion has come at an opportune time because Kenya is now over 40 years old and one of the most important resources that Kenya boasts of is manpower. The educated manpower that we have in Kenya is trained in various fields and yet it has been neglected. Educated Kenyans now languish out there without being productive to this country. Many countries that are developed,

compulsorily require people to give community services. Sometimes the services could be in the form of military or community development needs. These countries are the USA, Israel, China, India, Tanzania and Singapore just to mention but a few.

Mr. Temporary Deputy Speaker, Sir, no country can afford to dump these people in the streets having spent colossal amounts of money training them. All developed countries, particularly in South East Asia, have continued to depend on their skilled manpower for the provision of services in the various fields such as Engineering, Agriculture and Education. That is what has placed them where they are today.

It is high time we paid particular attention to the question of the youth in this country. The youth form about 65 per cent of our population and we know that they are energetic. We are talking about youth who are skilled. We need to make them love this country. We also need to train them to be the future leaders of this country. Therefore, we need to come up with a national youth policy that will mould the youth and prepare them for the future Kenya.

Mr. Temporary Deputy Speaker, Sir, as my hon. colleagues have already said, we know that community services in this country are suffering a great deal. If we take the example of education, many primary schools are understaffed. There are so many trained teachers who should be employed, but who are without jobs. When we say that we provide free primary education and yet when our kids go to school there are no teachers to teach them, what are we really trying to show them? Without teachers, these children will not be able to get quality education that is needed by them for future life. It is so important that this matter be addressed adequately. Those teachers who are trained should be employed.

Look at the health sector in this country. Many health centres, dispensaries and district hospitals are understaffed yet we have already trained so many clinical officers and nurses. These people are not engaged and yet they are qualified to give services in our health facilities. We can go on talking and even cover all Ministries. However, I would like to touch on the Ministry of Agriculture. This country has youthful and energetic citizens who can provide labour. They should be given an opportunity to engage in poverty alleviation by engaging in production of various crops that we need in this country. As we had already said, Kenya is consuming what it does not produce. Nearly two-thirds of wheat and two-thirds of the maize and other commodities we consume is from outside, yet we have people who have been trained in agriculture and in veterinary services. These people should be accorded an opportunity for employment so that they can assist and work with farmers for the purpose of producing food, and also cash crops, which we need for export.

The agricultural sector can employ quite a considerable number of people. We know that an economy which is as depressed as ours can only be taken out of its situation by providing employment and income to most Kenyans. We know that in the 19th century, some economists used to say that supply creates its own demand. This has been proved wrong in history. We know that during the depression, after the Second World War, it took a country like the United States of America (USA), the support of community services to revive its economy, which was dying. I remember that the President of the USA at that time, Mr. Franklin Roosevelt, had to request the American Congress to provide him with the budget it needed, to employ over 2 million Americans. It was the people who were employed to build bridges, small roads, primary schools and dispensaries in various parts of America who helped resuscitate the economy. If a big country and economy like America could be revived through community service, what about our small country with its small economy? It is necessary that we use community service.

One of the major problems we have, as a country, is that we are listening to people who come here to tell us what to do. We are listening to the International Monetary Fund (IMF), the World Bank and the World Trade Organisation (WTO). The international bodies are making

recommendations for Kenya. We listen to them without thinking. This is why we tend to forget an important sector and productive group, which is out there languishing in the streets.

We are now almost experiencing desertification in this country. Desertification is taking place, yet we do not plant trees. Kenya is currently importing timber from the Democratic Republic of Congo and therefore, making our building and construction very difficult. This is an area we need to look into by deliberately hiring trained people to help with the planting of trees.

I beg to second.

The Temporary Deputy Speaker (Mr. Poghio): Order, Dr. Awiti. Time is up. This Motion still has one hour and thirty minutes remaining for next time.

(Question proposed)

ADJOURNMENT

The Temporary Deputy Speaker (Mr. Poghio): Hon. Members, it is now time to interrupt the business of the House. This House is, therefore, adjourned until this afternoon, at 2.30 p.m.

The House rose at 12.30 p.m