



## 10 DOWNING STREET

From the Principal Private Secretary

7 October 1981

Dear Bowen,

CALL ON THE PRIME MINISTER BY MR. ROBERT MUGABE

Mr. Robert Mugabe, the Prime Minister of Zimbabwe, called upon the Prime Minister for forty minutes in her suite at the Hilton Hotel, Melbourne, at 1425 yesterday, 6 October 1981.

The Prime Minister asked after the situation generally in Zimbabwe. Mr. Mugabe said that the most important task of his Government was to achieve peace and stability, and he thought that they were succeeding in this. The task of integrating the Army and the cadres should be completed by the end of 1981, but retraining would need to continue after that. It would take time for the old loyalties to fade away and for the Zimbabwe Army to develop a single allegiance to the government in power. But progress was already being made in this direction and the different elements of the Army were working well together. He was very grateful for the help being given by the British Army instructors in Zimbabwe. All this was satisfactory. It was the economy that caused him most worry. His Government was pressing on with its most urgent programmes such as the reconstruction of roads, schools and hospitals which had been destroyed or had fallen into disrepair in the period leading up to independence, but they were hampered by the weaknesses in the country's transport system. Half of their railway locomotives were in a state of disrepair, and South Africa had withdrawn 25 locomotives which they had loaned to Mr. Smith's government. There was a severe shortage of technical experts, and they had asked India and Canada for the loan of some personnel. They were financing the purchase of 25 locomotives from Brazil with a Kuwaiti loan, and these should start arriving next month. There were another 35 engines on order in the United States and Canada. The lack of equipment was, he hoped, a temporary handicap. It was, however, being compounded by the tactics of the South Africans. Zimbabwe had to use South African ports and whereas the rail journey from Zimbabwe to Durban had taken 10-14 days before independence, it was now taking 24 days. The South Africans said that the delay was due to the increased volume of traffic, but he believed that the go-slow tactics of the South Africans were intended to damage the economy of Zimbabwe. The South Africans were doing precisely the same to traffic from Botswana, Lesotho and Swaziland.

/ Mr. Mugabe

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Mr. Mugabe went on to say that the mining industry remained very important to the health of Zimbabwe's economy. This was why the Government had established a central marketing authority for minerals. In this way the Government would know what was being produced, what it was being sold for and where it was going. He wanted to emphasise that this was not nationalisation and went no further than had the establishment of central marketing authorities for cotton, grain and other agricultural products. He hoped that the mining companies would be represented on the marketing authority. None the less, the multinational companies operating in Zimbabwe had greeted this development with anxiety and suspicion, though there was no cause for them to worry.

Mr. Mugabe said that he was also facing a measure of discontent in the Civil Service. When Zimbabwe had come to independence, he had found that there were no Africans in the higher ranks of the public service, and he had therefore had to bring some on quickly. Fortunately many of the senior white civil servants had reached retirement age, and it had therefore been possible to advance a number of Africans without making anybody else redundant. But he had had to freeze promotion for white civil servants temporarily, and this had offended them. But he had assured them that once a number of Africans had been brought on, the traditional system of promotion on merit would be resumed.

His Government had also had to take action recently against the quite large number of people who were evading exchange controls when they emigrated to South Africa. They did this by taking not only their own furniture but also furniture which was bought from other people and then resold in South Africa. Regulations had now been issued which required emigrants to place the proceeds from any assets they realised before leaving in banks in Zimbabwe, whence they would be remitted to the owners in due course. These measures had initially caused some resentment but he thought they were now seen as necessary in order to deal with a growing abuse.

In response to a question by the Prime Minister, Mr. Mugabe said that farmers in Zimbabwe, both large scale and peasant, were doing well, and the most recent harvests had been good. The country was, for example, now producing more maize than it consumed, and the balance was being exported to a number of other African countries. It was true to say the farmers were the happiest segment of the white community. African farmers were also making a good return and were, at least for the time being, content. There was, however, a major problem over land, and this was one reason why he had asked to see the Prime Minister. The British Government had given Zimbabwe on independence a grant of £20 million for land resettlement. This money was not being employed to buy farms from the whites which were being fully used but to purchase land that was either under-utilised or not being used at all. The land which was acquired in this way was then distributed to African farmers. Over the next year he hoped to settle 150,000 families, and each one of these needed at least



12 hectares for arable purposes and sufficient grazing land for up to 10 animals. There was plenty of land available: the constraint was lack of funds. The shortage of money was made even more acute by the fact that the development of land had to be accompanied by the provision of schools, roads, health facilities and so on. The £20 million given by the British Government would not go far, and he hoped that when it was exhausted, he would be able to raise with us the question of a further grant.

Mr. Mugabe said that a further issue which he would like to mention to the Prime Minister was that of Zimbabwe students in the United Kingdom. The £5 million which the British Government had given Zimbabwe for the education of those students in the United Kingdom would go much further if Zimbabwe could be exempted from the new requirement that overseas students should pay their fees in full. He wondered whether Zimbabwe could be treated as a special case during the period of adjustment through which her economy was going.

In response to a question by the Prime Minister, Mr. Mugabe said that Mr. Nkomo was on the whole now being very helpful. Immediately after independence relations had not been at all easy. The Soviet Union had continued to give ZAPU weapons and the ZAPU military commanders had tried to overthrow the Government. This was why there had been fighting in Bulawayo. But Mr. Nkomo had always been realistic and had not supported his military colleagues. He was still not a happy man, and to maintain his credibility with his supporters, he had to attack the Government from time to time. But generally there were no serious problems with him.

The Prime Minister said that she was glad to learn that on the whole Zimbabwe was making good progress. She would see whether anything could be done to help on the question of further aid for land resettlement and on fees for Zimbabwe students in the United Kingdom.

The Prime Minister would be grateful for the advice of the Foreign and Commonwealth Secretary on these two points.

I am sending copies of this letter to Peter Shaw (Department of Education and Science) and David Wright (Cabinet Office).

Yours sincerely,

Alma Whitmore.

Brian Fall, Esq.,  
Foreign and Commonwealth Office.