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TELEGRAM 028 OF 22 JANUARY

INFO CAPE TOWN, WASHINGTON AND D O T.

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PRIME MINISTER'S STATEMENTS ON NATIONALISATION AND ONE-PARTY STATE

1. I SEE THAT THE BRITISH PRESS HAVE (UNDERSTANDABLY) GIVEN SOME PROMINENCE TO THE STATEMENTS THAT MUGABE MADE AT RALLIES IN SALISBURY LAST WEEKEND ABOUT THE NEED FOR ECONOMIC INDEPENDENCE BEFORE POLITICAL INDEPENDENCE COULD BE FULLY ACHIEVED AND ABOUT THE NEED TO PRESS AHEAD WITH A ONE-PARTY STATE.

2. ACCORDING TO SOME OF THE JOURNALISTS WHO ATTENDED THE FIRST RALLY, MUGABE'S SPEECH (IN SHONA) WAS GENERALLY UNREMARKABLE AND ON NATIONALISATIONS WENT NO FURTHER THAN EXISTING POLICY. UNFORTUNATELY, THE SUNDAY MAIL (HEADLINE, "STATE TO HAND KEY INDUSTRIES TO WORKERS") SENSATIONALISED MUGABE'S REMARKS IN SUCH A WAY AS TO SUGGEST, QUITE WRONGLY, THAT WHOLESALE NATIONALISATIONS WERE IMMINENT. SOME OF THE BRITISH PRESS EVIDENTLY TOOK THEIR CUE FROM THE SUNDAY MAIL. AS ALWAYS WHEN MUGABE SPEAKS TO A RALLY, THERE IS NO PROBLEM PICKING OUT QUOTES TO BACK UP AN ALARMING ANALYSIS BUT WHAT HE SAID NEEDS TO BE READ IN THE LIGHT OF MORE FORMAL DECLARATIONS OF POLICY.

3. MUGABE HAS ALWAYS MADE IT PLAIN THAT HE WANTS (I) GREATER LOCAL PARTICIPATION IN ZIMBABWEAN INDUSTRY AND A GREATER LOCAL SHARE OF DISTRIBUTED PROFITS AND DIVIDENDS (II) STATE PARTICIPATION IN CERTAIN KEY AREAS AS AND WHEN OPPORTUNITIES ARISE - EG BY JOINT VENTURES WITH NEW FOREIGN INVESTORS AND (III) WORKERS' COOPERATIVES AND WORKER SHARE-HOLDINGS WHERE FEASIBLE. DESPITE THE TEMPTATIONS OF RHETORIC, TO WHICH HE IS SUSCEPTIBLE ON SUCH OCCASIONS, HIS SPEECH, CONSIDERED CAREFULLY AS A WHOLE, DID NOT GO BEYOND THESE OFT-STATED PRINCIPLES. HE STATED CATEGORICALLY THAT HE WAS NOT TALKING ABOUT "WHOLESALE NATIONALISATION" AND THAT THE GOVERNMENT WOULD NOT TAKE OVER BUSINESSES "BY FORCE". BUT THE LOCAL PRESS, IN THEIR MISGUIDED IDEOLOGICAL ENTHUSIASM, AND THE PRIVATE SECTOR WITH THEIR TENDENCY TO BELIEVE THE WORST, HAVE BOTH REACTED AS THOUGH HE HAD.

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4. THE 'ONE PARTY STATE' SPEECH THE FOLLOWING DAY SHOULD ALSO BE READ WITH SOME CAUTION. IT WAS ACTUALLY ONLY A SHORT PASSAGE IN A RATHER LONG SPEECH. WE ARE TOLD HE WAS PUT UP TO IT BY THE LOCAL PARTY OFFICIALS WHEN HE ARRIVED - SO IT WAS PRESUMABLY UNPREPARED (AS ITS PROMPT REJECTION BY NKOMO THE FOLLOWING DAY WOULD SUGGEST). THE PASSAGE IN QUESTION WAS TELEVISED. THE AUDIENCE WERE SHOWING NO ENTHUSIASM, INDEED THEY LOOKED DISTINCTLY UNHAPPY (THOUGH THIS MAY HAVE BEEN SHEER BOREDOM - MUGABE'S DELIVERY DOES NOT FIRE THE IMAGINATION AND ONE SUSPECTS INDEED THAT HE IS SOMETIMES DRIVEN TO SPEAK MORE WILDLY THAN HE INTENDS BY THE VERY LACK OF AUDIENCE RESPONSE). HE AND HIS SENIOR MINISTERS HAVE ALWAYS SAID PRIVATELY THAT A ONE-PARTY STATE, HOWEVER DESIRABLE, COULD ONLY BE ACHIEVED WITH THE WHOLEHEARTED AGREEMENT OF NKOMO AND HIS PARTY. AS RALPH HAS REPORTED BY BAG, ZVOBGO WENT OUT OF HIS WAY ON TELEVISION LATER IN THE WEEK TO SAY THAT A ONE PARTY STATE WOULD ONLY BE INTRODUCED BY CONSENT AND INDEED THAT THE INTENTION WOULD NOT BE TO BAN MINOR PARTIES - MERELY TO AMALGAMATE THE TWO MAIN ONES.

5. SOME OF THE UK PAPERS HAVE AT THE SAME TIME REPORTED AN INCREASING OUTFLOW OF WHITES FROM ZIMBABWE. IN FACT, THE NOVEMBER FIGURES (PUBLISHED THIS WEEK) SHOW THE LOWEST MONTHLY TOTAL OF EMIGRANTS SINCE INDEPENDENCE, AND THE THREE-MONTH TOTALS FOR JULY/SEPTEMBER, AUGUST/OCTOBER AND SEPTEMBER/NOVEMBER WERE EACH LOWER THAN LAST YEAR. SO THE CURRENT TREND IS ACTUALLY (RATHER SURPRISINGLY) DOWNWARD - THOUGH IT MAY NOT STAY THAT WAY.

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