

SUBJECT

cc MINISTER



10 DOWNING STREET

From the Private Secretary

11 July 1983

Dear Brian,

Courtesy Call by the Prime Minister of Vanuatu

Father Lini called on the Prime Minister today at 1500 hours. He was accompanied by Mr. Kattan, the Attorney-General, Mr. Vuruburavo, Permanent Secretary in the Department of Foreign Affairs. Mr. Donald was also present.

There was little of substance in the 30 minute discussion. Father Lini began the conversation by congratulating the Prime Minister on the election result and saying that he himself expected to face elections in November, possibly in the first week though the date was not yet fixed. At a later stage in the conversation the Prime Minister said that she hoped that when she next saw Father Lini he would have won a decisive victory.

In response to the Prime Minister's questions, Father Lini said that his Government was trying to consolidate the unification programme in Vanuatu. The country was more at ease now than it had been just after Independence. There was a more peaceful and more certain atmosphere and people felt more confident about the future. Economically, Vanuatu had not done too badly, despite the world recession. Tourism and the tax haven had flourished well. The situation in Santo was still unsatisfactory, largely because people were uncertain as to whether they could still invest in the area. Mr. Jimmy Stevens was still in gaol. The Government were not prepared to release him until compensation had been paid. He did not expect agitation during the Vanuatu elections.

Relations with countries in the area and beyond were satisfactory, but Vanuatu's relations with the United States were rather strained, largely because it was not prepared to let American nuclear powered ships come to Port Vila. The Americans considered this attitude to be unnecessarily unfriendly. But Vanuatu would think it inconsistent if, having objected to French nuclear tests in the Pacific, it had taken any other attitude towards the American ships concerned.

The Prime Minister said that she believed that Vanuatu had established diplomatic relations with Cuba. Father Lini said that this was true. Relations had also been established with China, North and South Korea. But no Cuban Embassy had been established. He thought that the Cubans intended to accredit their Ambassador in Tokyo. He enquired about British relations with Cuba.

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/Mr. Donald

Mr. Donald explained that we had correct relations, but were cautious since Cuba often acted as a surrogate for the Soviet Union. Towards the end of the conversation the Prime Minister said that she hoped that Vanuatu would not become too friendly with Cuba. It was possible to have diplomatic relations at a distance. The distance between Port Vila and Tokyo seemed about right in this case.

Father Lini said that he hoped to attend CHOGM. His Party, when it had entered Government, had decided immediately that Vanuatu should join the Commonwealth. The Opposition had then been against the idea, but were now more in favour.

As regards the economic future, he hoped for steady improvement. He attached most importance to certain agricultural projects, especially cattle farming, though there were difficulties stemming from existing land-ownership practices. Vanuatu might have to diversify more so that it was less dependent on copra and beef. In response to a question from Mr. Donald, Father Lini said that he found British aid helpful. The existence of the Development Division in Fiji made communications much easier. Although Britain was giving proportionally more aid to other countries in the area, Vanuatu was using our money carefully and usefully. He had recently decided to request a British Police Commandant to take over from the Australian Commandant, since the British police force was the most disciplined in the world.

The conversation ended at 1530.

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