

SUBJECT

C. Master

CONFIDENTIAL



10 DOWNING STREET

From the Private Secretary

26 October, 1983.

Tonga

The King of Tonga visited No.10 today for talks followed by lunch.

The Prime Minister held a tete-a-tete conversation with the King, with no notetakers present, from 1215 until about 1230.

The meeting was then joined by Baron Vaea, Mr. Tupou, Lady Young and Mr. Coleman.

The Prime Minister explained that during her tete-a-tete conversation she had described to the King the British attitude towards the US intervention in Grenada. We felt that intervention in an independent country could only be justified in very exceptional circumstances, but President Reagan had been met with a request from several Caribbean countries to restore democracy in Grenada. The Americans and the Caribbean countries concerned saw the issue from a perspective different to our own. Now that the intervention had occurred, our hope was that democracy would quickly be restored and that it would endure.

The Prime Minister had also explained to the King during her tete-a-tete conversation that our talks with the Chinese with regard to Hong Kong were now proceeding more satisfactorily.

The conversation then turned to the economic situation in Tonga. The King explained that there was now a considerable amount of light industry. In the last few months industrial exports had exceeded agricultural exports. In response to a question from the Prime Minister, he said that the policy of guaranteeing every citizen of Tonga a certain amount of land was proving more difficult to implement with a growing population. Nevertheless, some 30% of the population worked overseas. In response to a further question from the Prime Minister, the King confirmed that the damage caused by the 1982 hurricane was still taking its toll. In particular, it would take time to replace the trees that had been harmed.

The King said that when he had visited Hong Kong recently he had discovered a number of industrialists who were considering moving

CONFIDENTIAL

/ some

22

some of their interests to Tonga. Quartz watches were now being assembled in Tonga, using parts imported from Europe. Another new industry was the manufacture of small excavators for the German and Swiss markets.

During his visit to the continent, he was due to see a Swiss factory which was producing a chemical which could be injected into sand and turn it in a very short time into a rock-like substance on which aircraft could land. The product had already been used with some success in Saudi Arabia.

The company concerned was called Stabisoil. The Prime Minister expressed considerable interest in this product, and said that we would ourselves investigate its effectiveness.

The conversation ended at 1300.

I am copying this letter to Callum McCarthy (Department of Trade and Industry) and Richard Mottram (Ministry of Defence).

Peter Ricketts, Esq.,
Foreign and Commonwealth Office.