



**National
Foreign
Assessment
Center**

Secret

Grenada: Two Years After the Coup

An Intelligence Assessment

State Dept. review completed

Secret

*PA 81-10185
May 1981*

Copy 237

Page Denied



**National
Foreign
Assessment
Center**

Secret

Grenada: Two Years After the Coup



25X1

An Intelligence Assessment

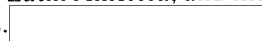
*Information available as of 28 April 1981
has been used in the preparation of this report.*

The author of this paper is John Gannon, Office of
Current Operations. Comments and queries are
welcome and should be addressed to the Chief,
Latin America Division, Office of Political Analysis,



25X1

This paper has been coordinated with the Office of
Economic Research, the National Intelligence
Officer for Latin America, and the Directorate of
Operations.

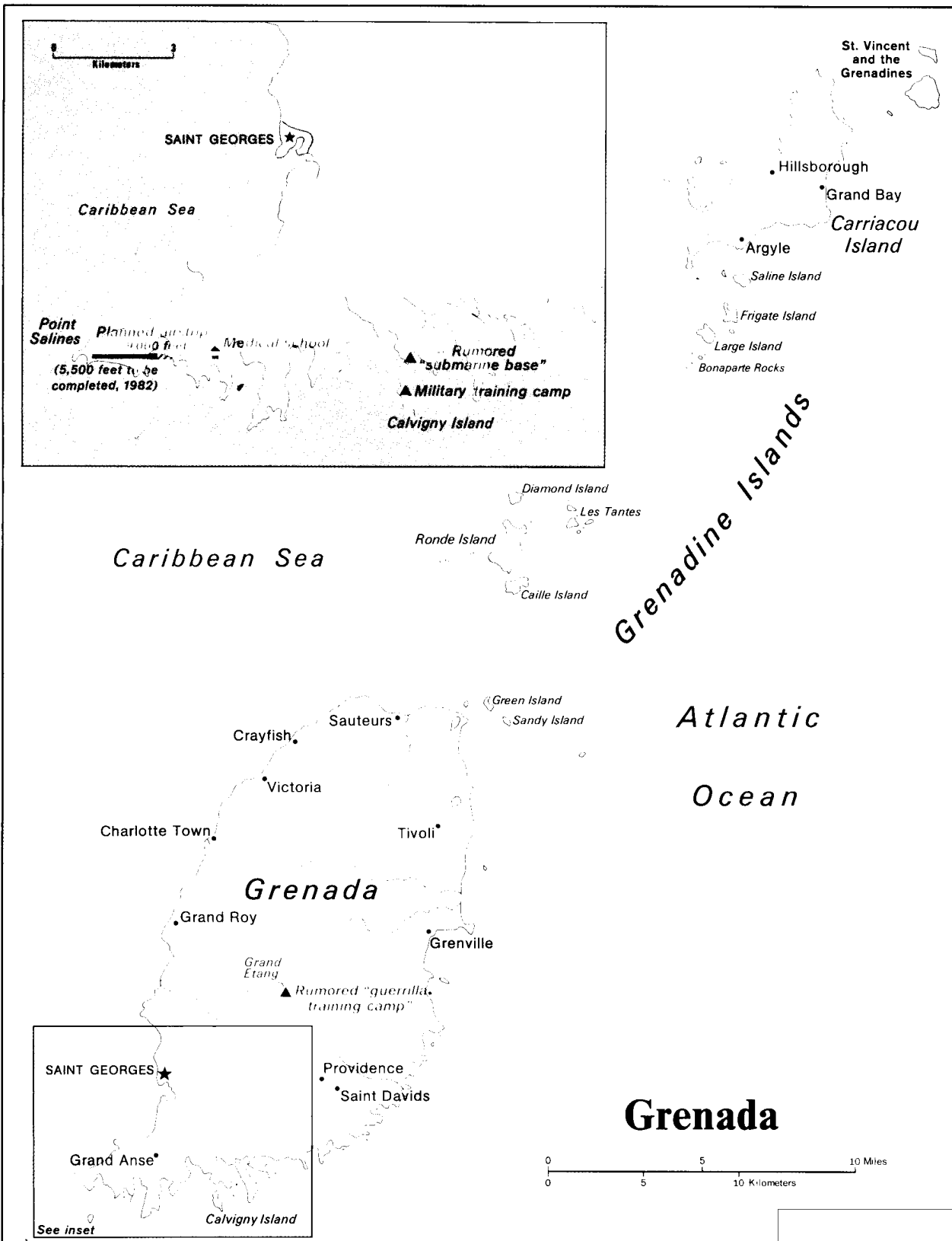


25X1

Secret

*PA 81-10185
May 1981*

Secret



629650 5-81

25X1

Secret

ii

Secret

**Grenada:
Two Years After the Coup**

25X1

Key Judgments

Since seizing power in Grenada two years ago, Prime Minister Maurice Bishop has entrenched his leftist-oriented regime and made Cuba his closest ally, but domestic and foreign criticism has tempered his government's radical tendencies.

The People's Revolutionary Government (PRG) now seems sufficiently entrenched to weather a difficult year ahead, but economic and political trends are increasingly unfavorable. If Bishop refuses to restore constitutional freedoms, there is at least an outside chance that his growing domestic opposition—perhaps with private support from other eastern Caribbean islands—will coalesce and overthrow him.

25X1

Cuba has provided Bishop's government with about \$50 million worth of technical and military assistance; the USSR has offered only token aid valued at slightly over \$1 million.

<input type="text"/>	<input type="text"/>
----------------------	----------------------

Bishop is openly promoting reconciliation with the new US administration, which he fears is moving beyond earlier diplomatic coolness to a more aggressive strategy that would cut off Western economic aid to Grenada. Nonetheless, the Prime Minister apparently is not prepared to ease his anti-US rhetoric or modify his friendship with Cuba for the sake of better relations with the United States.

25X1

Most Caribbean leaders advocate continued US participation in a regional effort to press the PRG to hold elections and to ease what they see as its fanatical devotion to the Castro regime. They would be less enthusiastic about a US-led effort to cut off Western aid to the island and probably would strongly oppose direct intervention by any foreign government to oust Bishop by force.

<input type="text"/>

25X1

Secret

**Grenada:
Two Years After the Coup**

25X1

The Route to Revolution

Long before Grenada became independent from the United Kingdom in 1974, trends pointed to increasing political and economic instability in this tiny ministate characterized by endemic poverty, chronic population pressures, and severely limited resources for development. The island—containing only 110,000 people in a land area twice the size of the District of Columbia—is among the poorest countries of the eastern Caribbean; annual per capita income is about \$600.

Politically, Grenada has stood apart from its democratic neighbors since the early 1970s, when then Prime Minister Gairy began to crack down on middle class opposition to his corrupt government. Educated only through elementary school, Gairy launched his political career in the early 1950s as a black labor hero whose powerful rural following guaranteed his dominance of the island's formerly white-controlled legislature for most of the period following World War II. In office, however, he gradually lost touch with his political roots and with the country's growing economic problems. He increasingly used force and intimidation against his opponents and maintained tight though inefficient control of government affairs. His unenlightened rule and unsavory reputation conditioned the local middle class as well as political moderates elsewhere in the region to condone the first unconstitutional overthrow of a leader in the English-speaking Caribbean.

The New Jewel Movement. Maurice Bishop, 36, a London-trained lawyer and member of Grenada's lighter skinned elite, entered politics a decade ago as a rebellious black nationalist. He formed the New Jewel Movement (Joint Endeavor for Welfare, Education, and Liberation) in March 1973 by merging several youth-based leftist groups that had been organized during black power protests three years earlier. Its top leaders were young, middle class, well-educated Grenadians—strongly nationalist exceptions to the heavy emigration of professional and technically skilled youth. The Movement's principal power base



Ousted Prime Minister Eric Gairy

25X1

25X1

25X1

was the island's increasingly disaffected young people, who had been particularly hard hit by rising unemployment that has exceeded 30 percent of the labor force in recent years.

25X1

Economic as well as political discontent played into Bishop's hands. In the 1960s, GDP had grown steadily at about 4 percent annually, led by the buoyant tourism sector and increasing agricultural exports (principally nutmeg and its byproduct mace, cocoa, and bananas). In the 1970s, however, growth slowed because of political turmoil, because sharply rising oil and other import costs absorbed a growing share of export earnings, and because budgetary support from the UK dried up.

25X1

Secret

Although its own orientation was leftist, the New Jewel Movement (NJM) tried hard to consolidate opposition to Gairy among groups across the political spectrum. Bishop and his colleagues, by skillfully exploiting the country's serious political and economic problems, gradually emerged as the most dynamic political force on the island. In 1976, the Movement joined with two conservative groups in an alliance that won 48.3 percent of the vote in a hard-fought election—which the NJM alleges Gairy stole by fraud—and Bishop was elevated to leader of the opposition. [redacted]

By early 1979, however, the United People's Party and the Grenada National Party, the conservative members of Bishop's three-party coalition, had all but deserted their alliance with the New Jewel Movement because of its increasing militancy. This shift apparently came easily to Bishop, who had a long record of violent confrontation with Gairy. He was beaten by police during a demonstration in November 1973 and was arrested three times in 1974 on politically related charges, including conspiracy to assassinate Gairy. In January 1974, the police killed Bishop's father, a prominent middle class businessman, apparently without provocation during another demonstration. Early in 1978, police forcibly broke up several opposition activities, and that September two of the Movement's supporters were arrested in the United States on gunrunning charges that eventually led US Treasury investigators on a trail to Bishop himself. [redacted]

That investigation appears to have been the immediate catalyst for the coup in March 1979, which occurred hours after the arrival in Grenada of two investigators from the US Customs and the Bureau of Alcohol, Tobacco, and Firearms. Although Bishop's partisans have since alleged that they acted to prevent the police from killing NJM officials on Gairy's orders, they probably were impelled by fear that the gunrunning investigation was about to sideline the Movement's leadership. With arrests imminent and Gairy off the island, Bishop's "revolutionary army"—54 mostly adolescent youths armed with rifles and submachine-guns—stormed the barracks of the 320-man defense force on 13 March. Gairy's demoralized and poorly equipped army surrendered within an hour. Far from a popular revolution, the takeover ended in a carnival-like atmosphere that demonstrated the weakness of Gairy's government. [redacted]

The People's Revolutionary Government

The People's Revolutionary Government (PRG), a nominal coalition strongly dominated by Bishop's leftist entourage, has done little to alter the structure of the island's mixed economy. It has retained some prominent moderates, preserved channels of communication with the private sector, and received high marks at least for its early fiscal administration and economic planning. On the other hand, it has been widely denounced by Caribbean leaders for its suspension of democratic freedoms and for its alliance with Communist states—policies that are seriously undermining the PRG's development objectives. [redacted]

The PRG, installed three days after Gairy's ouster, includes nine members of the New Jewel Movement, two representatives of the conservative Grenada National Party, and three respected moderates from the business and professional communities. The moderates, who are much older than their leftist colleagues, have had a strong hand in both the Ministry of Health and the Ministry of Tourism, but only marginal influence elsewhere. The most powerful member of the PRG after Bishop is 36-year-old Bernard Coard, a graduate of Brandeis University, whose Marxist ideological sympathies so far have not interfered with his exceptional performance as Finance Minister. Despite his inexperience and his devotion to Cuba, Coard has demonstrated a sophisticated grasp of international economics as well as a penchant for hard work. [redacted]

Economic Goals. The PRG's principal economic objectives have been to impose tight fiscal management and to promote development, with a focus on agriculture and tourism. Bishop has succeeded on the first count. Under Coard's stewardship, expenditures have been centralized and controlled, tax collection has improved, government corruption has been virtually eliminated, and longstanding debts to regional institutions have been substantially reduced. [redacted]

Coard, who secured modest International Monetary Fund standby loans for Grenada in 1979 and again in 1980, used the Fund's expertise to establish a budget division in the Ministry of Finance that helped Grenada achieve a small budgetary surplus in 1979 for the first time in five years. The World Bank has

25X1

25X1

25X1

25X1

25X1

25X1

Secret

Secret

**Prominent Leaders of the
People's Revolutionary Government
of Grenada**

25X1

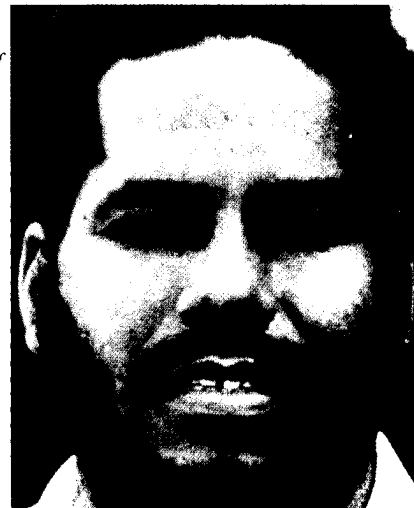
25X1

*Maurice Bishop, 36,
Prime Minister*



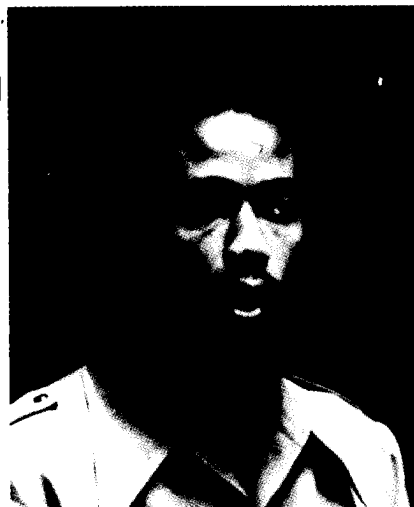
Caribbean Life and Times ©

*Bernard Coard, 36,
Deputy Prime Minister and Minister of
Finance, Trade and
Industry*



25X1

*Selwyn Strachan, 34,
Minister of Commu-
nications and Works
and Labor*



*Kendrick Radix, 39,
Minister of Legal Af-
fairs*



25X1

Secret

Secret

commended the PRG's basic management of public investment. The Caribbean Development Bank—which has allotted to the PRG some funds contributed by the United States—also has credited Grenada with efficient use of loans earmarked for development projects. [redacted]

The government, moreover, has made an ambitious start on a long-term development program. It has built new feeder roads to open up arable lands, created new food and cash-crop farms, expanded the processing of fish and citrus products, and inaugurated training programs to boost the efficiency of agricultural workers and fishermen. The Cuban-assisted construction of the airport at Point Salines is the most visible manifestation of the PRG's commitment to the expansion of tourism. Grenada's present airport, too small to accommodate large passenger jets and lacking night-landing facilities, now forces most tourists to arrive via Barbados. The airport accounts for over a third of the 1981-82 capital budget—an excessive commitment according to Western lending institutions—with the balance funding 189 other projects. [redacted]

The PRG also has established Community Education Councils to supervise both the maintenance and administration of local schools and has beefed up teacher-training programs across the island. A school-repair program launched in 1980 attracted several thousand young volunteers, who apparently have improved physical conditions at many rural schools. In addition, Bishop has inaugurated a national literacy program to reduce Grenada's functional illiteracy rate of 40 percent and to improve the academic skills of the majority of the population, who would not qualify for graduation from elementary school. [redacted]

Problems Ahead. Despite its real administrative gains and its rational development objectives, the PRG is headed for trouble. Encouraged by the improved budgetary position and increased availability of external resources, the government has more than doubled the amount of public sector investment for 1981-84 in the expectation that revenues will be increased substantially because of a resurgence of domestic and foreign investment and by a boom in tourism after the completion of the new airport. The PRG expects a growth rate of up to 6 percent annually by the end of the period—an optimistic projection even for better times. [redacted]

Events over the past year, however, indicate that the PRG's venturesome economic course was charted with little regard for the disruptive impact of its political actions, which have been denounced by democrats inside and outside Grenada. Soon after the coup Bishop promised an election and an early "return to constitutionality," but instead he began to entrench the New Jewel Movement and to isolate traditional opposition groups. He suspended the constitution only 12 days after the coup, but never called a proposed constituent assembly to prepare a new constitution. Assisted by Cuba, he quickly built up a 1,500-member People's Revolutionary Army to consolidate his power. By the end of 1979, he had shut down Grenada's independent newspaper *The Torchlight*; imposed "people's laws" in place of the constitution; jailed 70 to 115 political prisoners; and dropped all pretense about holding an election. As a result, confidence in the government among organized groups—such as unions, civil servants, the private sector, and the island's small farmers—is low, and the potential for costly political upheaval is high. [redacted]

The masses of young Grenadians who strongly backed Bishop's takeover early in 1979 have seen their unrealistic expectations for economic betterment dashed. In April 1980, for example, the PRG foiled an attempt by several formerly loyal members of the New Jewel Movement to take over and "colonize" a large estate. The Prime Minister's crackdown on these and other young extremists led to isolated terrorist activities that culminated in June 1980 in a bomb blast that nearly cost Bishop his life. That incident was one of a half dozen antigovernment "conspiracies" dramatically exposed by the PRG in the year preceding the introduction of a stiff antiterrorist law last October. [redacted]

Bishop's undemocratic behavior at home and his grandstanding for Cuba have also rankled private sector leaders, whose cooperation he has needed more than ever after heavy rains in 1979 and a hurricane in 1980 damaged roads, bridges, and crops. The combination of weather-induced setbacks to agriculture, stagnant private investment, and sluggish performance in the tourism sector slowed economic growth to about 2 percent for Bishop's first year in office—a marked drop from 5.3 percent growth under Gairy in 1978.

25X1

25X1

25X1

25X1

25X1

25X1

Secret

Secret

25X1

25X1

Growth declined another percentage point in 1980 and is picking up only slowly this year. [redacted]

The PRG's political stock has been further weakened by its strident attacks on Western democracy. The New Jewel Movement has long argued that political experimentation is essential because the Westminster model is irrelevant to the character and needs of Caribbean societies. Local moderates as well as leaders of other nearby English-speaking countries have come to accept an increasing manipulation of democratic practices in the region, but none would subscribe to this wholesale denunciation of the parliamentary system. Perceived as arrogance on Bishop's part, this has contributed heavily to the PRG's alienation from the traditional political elite of the eastern Caribbean. [redacted]

Domestic Balance Sheet

Bishop's government, despite its inexperience, is the most development-oriented Grenadian administration in memory. Yet, after two years, the "revolution" is souring in the face of both traditional and PRG-inspired obstacles to economic development. [redacted]

25X1

The government continues to be troubled by an increasingly younger population, half of which is under the age of 16. It still is waging an uphill battle to expand tourism to ease the island's historical dependence on a few export crops that cannot provide a decent livelihood for the people. It has had only marginal success in dealing with high unemployment—the creation of 1,000 new jobs in 1979 made little impact in a country that in the same year produced 1,400 new entrants to the labor force. Like Gairy before him, moreover, Bishop is losing the battle against inflation, which has exceeded 20 percent annually since 1978, and against Grenada's costly dependence on imported oil and manufactures. [redacted]

Bishop's plight is deepening because of his reliance on radical politics among a traditionally conservative West Indian people. The Marxist rhetoric that rallied disaffected youth in the early days after the coup has had the opposite effect among the productive sectors of Grenadian society that must be mobilized to sustain economic recovery. Government-sponsored work projects and an oversized People's Revolutionary

Army are not long-term solutions. The Army, moreover, has experienced significant defections in the past year, presumably because of low pay and even lower morale in its youthful ranks. [redacted]

The PRG's attempt to introduce Marxist ideology into Grenada's mostly denominational schools—only 15 of 61 elementary schools and three of 14 secondary schools are government-controlled—has encountered public protests and has driven off at least 400 qualified teachers in a country that has produced only about 25 new certified teachers in three years. The Catholic Church, the dominant influence in education and an early ally of the PRG, has since become a critic of the government. The Chamber of Commerce, spokesman for Grenada's 200 businesses and also one of the original defenders of the PRG, has recently blamed the government's political posturing for the country's economic slowdown. The three unions representing Grenada's civil servants, who were often a thorn in Gairy's side, in early March launched a strike that closed the island's airport, disrupted government offices, and forced many schools to close. [redacted]

Nevertheless, Bishop is still in control, and Grenada's opposition parties are virtually dormant after rough treatment in the streets by PRG partisans in the first year after the coup. The ragtag Army, moreover, appears basically loyal and is probably equal to any local challenge to Bishop's rule—at least for the near term. Opposition sentiment is crystallizing, however, and organized pressure groups are poised to try extracting concessions from the government. [redacted]

Foreign Policy

The PRG has broken dramatically with Grenada's strongly pro-Western tradition in the formulation and implementation of a "nonaligned" foreign policy. In a broad sense, the nationalistic policy conforms with a regional trend toward nonalignment—the establishment of relations with governments of wide-ranging ideological orientation and a decrease in the historical dependence on the West for trade and aid. In Grenada's case, however, the policy gives disproportionate influence to Communist nations and opens the way for exploitation by both Cuba and the Soviet Union. [redacted]

25X1

25X1

Secret

25X1

Secret

The PRG's virtual blitz to broaden its diplomatic links has produced some modest economic benefits but no patrons for a socialist revolution. Since the coup, the PRG has established formal relations with over 40 nations, including many Western states, the Soviet Union, most of Eastern Europe, and a majority of the radical Arab states. Bishop's government has been especially active in Cuban-backed forums promoting international socialism. [redacted]

In search of aid, Grenadian leaders have traveled to the Soviet Union and the Middle East, where they have signed several agreements for economic and technical cooperation. From the Arab countries, Grenada has received grants and loans worth about \$14 million, large enough to cement good relations but not to stabilize the island's slackening economy. From the Soviet bloc, the PRG has extracted pledges of project-related assistance but no hard currency. In sum, no foreign assistance is on the horizon that would fill the widening gap between what the Grenadians have been led to expect from Bishop's regime and what Grenada's economy can deliver. [redacted]

The Cuban Connection

The Cubans quickly recognized that the Gairy regime was unpopular with other West Indian governments and judged that its overthrow would not be strongly denounced. Havana had cultivated close relations with Grenada's current leadership since the early 1970s.

After the coup, the Cubans waited a month before formally recognizing the PRG on 14 April 1979—21 days after the United States and the United Kingdom, and 19 days after Jamaica and Guyana. Once government-to-government relations were established, Havana poured in arms and materiel to entrench Bishop's regime. Cuba reportedly helped train and equip Grenada's Army with small arms, including rifles,

revolvers, light machineguns, some heavy machineguns, and four anti-aircraft guns. By 1980 about 300 Cubans were resident in Grenada: at least six military advisers, 15 medical personnel, 12 economic advisers, roughly 20 other technical personnel, and an estimated 250 construction workers on the airport project at Point Salines. The number of Cubans on the island since then has been fairly constant. [redacted]

25X1

Grenada now is the principal foreign base for the expansion of Cuban influence in the Caribbean, an alliance that will endure as long as the New Jewel Movement remains the dominant force in the government. Nevertheless, both countries have become concerned that their special relationship is increasing their isolation in the region. [redacted]

25X1

25X1

Cuba has not dictated Grenadian Government policy, but it has been more influential than any other nation. Although the PRG enthusiastically invited Havana to participate in its internal affairs, it probably would have adopted the same stridently nationalist policies even if the Cubans had not responded. Cuban Ambassador Julian Torres Rizo, the only foreign emissary resident on the island besides the Venezuelan Ambassador is a powerful influence on Bishop and his entourage. He carries decisive weight in the implementation of Cuban-assisted development projects and is a principal adviser in matters of foreign policy. [redacted]

25X1

25X1

The appointment of Torres Rizo demonstrates Havana's determination to play its Grenada card for maximum advantage in a chronically unstable area of the Caribbean. [redacted]

25X1

[redacted] Torres Rizo came to Grenada after a long stint at United Nations headquarters, where he served as liaison with pro-Castro groups in North America. In 1969 he helped organize the Venceremos Brigade that transported US youths on cane-cutting expeditions to Cuba over the next decade. [redacted]

25X1

25X1

Torres Rizo's aggressive cultivation of Grenadian interest groups spanning the political spectrum, as well as his private remarks, indicate that Cuba wants to exploit the island as a fully accepted member of the

25X1

Secret

25X1

Caribbean community, not as a fortress separate from its neighbors. Havana is sensitive to the potential for rapid political shifts on other eastern Caribbean islands that could prove favorable to the Castro regime; Dominica and Saint Lucia are prime candidates. The Cuban strategy under Torres Rizo, therefore, has been to encourage Grenada to find a course that would preserve its credentials among West Indian states; retain and even broaden the PRG's access to Western sources of aid; and keep the island open to Cuban and Soviet influence. [redacted]

Controversial Aid and Activities

Although Cuban aid to Grenada—now estimated by the PRG to have surpassed \$50 million—has covered a wide spectrum, it is increasingly identified with two controversial projects: the installation of new radio and television facilities, and the construction of the airport at Point Salines. [redacted]

In late February, excavation was begun at a new site for Radio Free Grenada, now the only transmitting facility on the island. Thanks to Cuban assistance, a new 75-kilowatt transmitter and a medium-wave tower eventually will allow transmission of radio and television programs to neighboring islands. The project, which also has engaged two Soviet technicians on loan from Cuba, is worrisome to moderates in the region because it is potentially an instrument of Cuban and Soviet propaganda. The Cubans and Soviets probably boosted the project to counter the recent installation of Voice of America broadcasting facilities to the north in Antigua. [redacted]

The airport, however, is at the center of the controversy over Cuba because it is consuming resources and assuming a scale disproportionate to Grenada's needs. Havana is providing about \$10 million worth of manpower and material—about 22 percent of the estimated \$45 million cost of the three-year project—to level and pave what eventually will be a 9,000-foot runway and to assist in the construction of buildings for the combined terminal-resort complex. Venezuela is providing at least \$500,000 for labor costs and has offered further assistance for the regular supply of diesel fuel, asphalt, and gasoline. The recent Arab loans also are likely to help finance the venture. In

addition, Bishop has approached the European Economic Community for aid to complete the project. He also has asked a private Canadian firm for technical and some material aid, but the Canadians have been cool toward what they see as a highly risky investment. [redacted]

25X1

The target date for completing the first 5,500-foot segment of runway this fall appears to be slipping. The Cuban Ambassador to Grenada now estimates that it may not open for limited service until January 1982. Although workers are engaged in construction activity around the clock, problems have been encountered in obtaining new funding for the terminal building and auxiliary electronic equipment and in locating dredging machinery and sufficient asphalt to surface the initial portion of the airstrip. [redacted]

25X1

The airport project has been criticized by Bishop's detractors as a sinister scheme intended primarily to provide Cuba with an intermediary facility for flights supporting its military activities in Africa. Havana will certainly use the new airport in preference to less hospitable fields in Barbados and Guyana. In January, moreover, Cubana Airlines began a weekly direct flight to Grenada. The airport project, however, originated with Gairy's government as the keystone in the expansion of Grenadian tourism and, even without Cuban help, Bishop could have vigorously pursued the ambitious project to end Grenada's dependence on Barbados as a tourist gateway. [redacted]

25X1

The most persuasive criticism of the airport project is that it is expending vast resources on the questionable assumption that tourist arrivals will increase substantially after its completion. This view apparently is held by the Western lending institutions that are otherwise helping the PRG. PRG hopes are riding high on an expected bonanza in tourism, and the Cubans have joined the gamble, but Bishop's growing reputation abroad virtually ensures that no such boom will occur under his government. [redacted]

25X1

The most serious threat posed by Cuba's presence in Grenada concerns the potential use of the island as a secret Communist military base against the United

Secret

25X1

States or as a staging area for insurgency against other Caribbean countries. [redacted]

In July 1979, for example, the Deputy Prime Minister of Saint Lucia sent a dozen youths to Grenada for "bodyguard training," but this has been acknowledged openly. [redacted] Guyanese radicals and a few Surinamese Army personnel have received military training in Grenada. Yet the extent of Havana's commitment to Grenada-based training is uncertain [redacted]

[redacted] Moreover, many of the various training programs for Grenadians are being administered in Cuba, where over 130 youths have traveled in the past two years for instruction in security, medical, and technical subjects [redacted]

The Soviet Union

Moscow trails far behind Havana's influence on the PRG; it apparently is content to let the Cubans take the lead in a region considered a US sphere of influence. Bishop moved quickly to establish diplomatic relations in September 1979, hoping in vain that the USSR would establish a resident mission as it had in Cuba, Jamaica, and Guyana. The Soviets applauded Grenada's leftward drift and welcomed Bishop's espousal of Soviet causes in international forums, but they have done little to satisfy the expectations of Grenadan leaders. In addition to \$1.1 million in agricultural and construction equipment and the modest technical assistance for the new radio and television transmitter, the Soviets so far have offered Grenada only a dozen scholarships to military schools in the USSR. [redacted]

Bishop has done his utmost to cultivate Soviet favor, especially by supporting the Soviet invasion of Afghanistan at the United Nations. In so doing, the PRG has incurred the displeasure of regional powers and of major Western nations that could substantially influence Grenada's development—all for trifling economic benefits so far. [redacted]

Nevertheless, the PRG will not make a sharp departure from its current pro-Soviet policy, although some moderation is possible if economic relations with the USSR do not soon bring significant gains for Grenada. West Indian leftists generally have not shrunk from criticizing the USSR, either as an "imperialist" or a "racist" world power. The strong ideological orientation of Bishop's government, moreover, centers on loyalty to Cuba rather than to the Soviet Union. Both Jamaica and Guyana have demonstrated that close ties with Cuba need not depend on blind allegiance to Moscow. [redacted]

Grenada-US Relations

The PRG's policy toward the United States has ranged from open hostility to limited cooperation. Initial friendly overtures toward Washington were made at a time when the government was also planning to accept large-scale Cuban assistance. When the US Ambassador in April 1979 expressed displeasure over the prospect of increased Cuban influence on the island, Bishop bitterly attacked the United States—the first of many charges of US interference in Grenada's internal affairs. Since then Bishop's actions have demonstrated a strong conflict between his ideological impulse to attack Washington and his practical fear of US retaliation. For the past year, however, the PRG has been groping for a formula that would allow reconciliation with the United States while still holding the line on its relationship with Cuba. [redacted]

The political thinking of Bishop and his colleagues has been influenced as much by the "black power" and antiwar sentiments cultivated during their years at North American and British universities as by their more recent contact with Cuba. They have widespread family and political contacts with West Indian communities in North America, where the New Jewel Movement drew its primary financial support. They understand and admire many aspects of US society and culture. They have been friendly toward US citizens owning property in Grenada and have cooperated with administrators of the Saint George's University Medical School, an offshore facility run by and for US citizens, about 700 of whom are now enrolled. [redacted]

25X1

25X1

25X1

25X1

25X1

25X1

25X1

25X1

25X1

Secret

25X1

Secret

25X1

The PRG's hostility toward the US Government, which it professes to distinguish from the American people, is based on a perception of "US imperialism"—embodied in powerful multinationals and the CIA—as historically and inherently opposed to revolutionary change. Moreover, Bishop appears honestly to believe that the CIA has attempted to oust him by supporting his political rivals or by promoting violent opposition to his government. The Prime Minister has exaggerated and exploited anti-PRG terrorism to his political advantage, but the strain of a growing paranoia may have forced his hospitalization in the past few months.

Grenada and Its Neighbors

The most serious setback to Grenada's "revolution" has been alienation from its traditionally friendly Caribbean neighbors. Of the 18 English-speaking Caribbean countries, only three—Jamaica, Guyana, and Saint Lucia—demonstrated strong enthusiasm for the PRG at the beginning, and their support has slackened greatly since. Most of the six small English-speaking islands, which for 11 years had cooperated with Grenada in the West Indies Associated States, saw the unconstitutional takeover by the PRG as a dangerous precedent. Last year, the newly independent states—Saint Lucia, Dominica, and Saint Vincent—formed a new regional organization called the Organization of Eastern Caribbean States, in which Grenada has membership but little influence.

The PRG apparently overestimated the appeal of what looked like a rising tide of leftist sentiment in the region. By July 1979 constitutional changes of power in Saint Lucia, Dominica, Saint Kitts-Nevis, and the Netherlands Antilles seemed to favor the left. Three of the governments—Grenada, Saint Lucia, and Dominica—that month signed the "Saint George's Declaration," a unity pact widely touted but soon forgotten.

The leftist tide quickly receded, however, as conservative West Indian traditions reasserted themselves dramatically in successive elections. By November 1980 moderate leaders had won 13 victories in as many contests. The defeat of Michael Manley in Jamaica—the greatest blow to the Caribbean left in a decade—deepened the PRG's isolation, leaving it with only Cuba and Nicaragua as strong allies.

As early as the end of 1979, the regionally influential leaders of Trinidad and Barbados had begun openly to criticize the PRG. The late Prime Minister Eric Williams demonstrated strong Trinidadian disapproval of Bishop's political behavior by refusing to open personal letters from the Grenadian leader. Barbadian Prime Minister Tom Adams openly accused Bishop of subverting democracy and abusing human rights.

At this juncture, Grenada probably is more threatened by the hostility of its neighbors than it threatens any one of them. Strong cultural traditions and familial contacts still bind the islands. An estimated 40,000 Grenadians reside in Trinidad, for example, and many prominent Grenadians are closely linked with the political elites of other West Indian islands. The deteriorating relations with his neighbors, therefore, are aggravating Bishop's domestic political problems since the widespread animosity toward him may encourage efforts to replace him with a moderate successor.

Prospects

Events in Grenada over the next year will evolve out of the tension between the pro-Cuban orientation of the PRG and the conservative traditions of the eastern Caribbean societies. In the face of growing political and economic problems, both Bishop and his Cuban advisers probably will hold to a damage-limiting strategy aimed at retaining Western financial assistance and avoiding further isolation of Grenada in the region.

Politically, the PRG would prefer to continue to limit constitutional freedoms at home, but the status quo will become increasingly unacceptable to influential interest groups in Grenada and to leaders of the Caribbean Economic Community (CARICOM). Some members of CARICOM already are discussing the possibility of expelling Grenada from the 12-member regional organization later this year.

The possibility exists that Bishop may attempt some accommodation on the constitutional question to prevent further isolation of his government. Since late 1979 he has suggested that the PRG would appoint a commission of prestigious West Indian jurists to draft

Secret

25X1
25X1

25X1

Secret

a new constitution, and more recently he has hinted that the government is considering an election. Yet no assurance exists that the PRG would observe the spirit of a new constitution, permit the full reactivation of opposition parties, or otherwise allow conditions for a fair election. [redacted]

Although we do not expect major economic dislocations in the next year—growth of 2 or 3 percent is possible barring bad weather—we anticipate continued political fallout from a sluggish economic performance. Disenchantment will spread among organized labor, the business community, small farmers, and especially among the restless youth majority that first flocked to the PRG's banner. If Bishop continues to ignore legitimate opposition as well as regional concerns about constitutional freedoms, at least an outside chance exists that his more action-prone enemies—perhaps assisted privately from neighboring islands—will coalesce to oust the PRG over the next year or two. [redacted]

US Policy

For the United States, Grenada under the PRG will continue to be a problem. We have no convincing evidence that the island is being used to establish Communist military bases against the United States or to export insurgency to other islands—although this situation could change. Yet Grenada continues to back Cuba and to attack the United States in international forums, as was demonstrated most recently by the PRG's attack on US policy toward El Salvador. This pro-Cuban perspective will remain a constant in PRG policy no matter what other concessions Bishop might make in the direction of political moderation. [redacted]

Washington is in a good position to influence regional policy toward the PRG but probably cannot assume the leadership role. Even among the more conservative countries such as Trinidad and the Dominican Republic, a strong opposition to Communism is paralleled by an equally outspoken commitment to nonintervention in foreign affairs. Despite their uneasiness about Grenadian radicals and their Cuban allies, most moderate leaders believe that Bishop is on the defensive and that a cooperative, gradualist effort among pro-Western governments offers the best hope for returning democracy to Grenada. [redacted]

25X1

25X1

25X1

25X1

Secret

Secret

Approved For Release 2008/07/29 : CIA-RDP03T02547R000100170001-3

Secret

Approved For Release 2008/07/29 : CIA-RDP03T02547R000100170001-3