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1 November 1982

DCI Talking Points

The Short-term Outlook for GrenadaCurrent Situation

With the military situation essentially under control and a prevailing mood of cautious calm, Governor General Sir Paul Scoon--in coordination with US Embassy and Caribbean leaders--is attempting to restore stability and normalcy to Grenada.

- Schools and businesses are opening and commercial life is returning to normal.
- Telecommunications service is expected to be completely restored by Friday.
- St. Georges harbor should re-open today and the regional airlines reportedly may restore flights to Grenada as early as tomorrow.

Reporting from various sources--including observations by US military, intelligence, and diplomatic officials--indicates that Grenadian civilians generally have displayed an attitude of friendly and cooperative acceptance of US forces.

- Although there have been no reports of hostile actions by Grenadians, an air of caution due to the trauma of recent events is present.
- US forces say that civilians continue to report on activities of People's Revolutionary Army (PRA) deserters, and residents have brought in abandoned Grenadian weapons.
- According to a US AID official who visited Grenada over the weekend, representatives of the Grenadian commercial sector were unanimous in their support of American action.

Preparations are underway to form an interim government in Grenada and establish a regional peace keeping force to replace US forces.

- Scoon has reestablished the Grenadian constitution, which was suspended after the 1979 coup by Maurice Bishop.
- The Governor General announced that he is forming a nonpolitical interim administration to prepare for general elections within six months.

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Political maneuvering among the Grenadian opposition--consisting of recently released political detainees and exiles and expatriates--has begun in preparation for the elections.

- Members of the Grenada Democratic Movement (GDM)--who in the past have called for the peaceful restoration of democracy in Grenada--appear to be the main contenders for power, but other individuals and groups may well emerge.

It is unclear what, if any, role supporters of the New Jewel Movement and People's Revolutionary Government will play in an elected government.

- Although former Deputy Prime Minister Bernard Coard, his key radical cohorts and the Revolutionary Military Council leaders may be imprisoned, they could--through underground supporters--pose a potential long-term threat.
- Caribbean leftist leaders reportedly have been in touch with a number of Bishop-appointed diplomats stationed overseas in an effort to salvage the New Jewel Movement and gain recognition for these diplomats as the legitimate representatives of Grenada.
- These NJM supporters will continue to lobby internationally against recognition of the new government.
- The whereabouts of some pro-Bishop former government members is unknown. Some may seek to participate in elections if they are able to draw on Bishop's popular support and establish a power base. They may try to join with Grenadian diplomats abroad to reactivate the party.

Security Situation

The near-term threat of organized guerrilla operations on Grenada is minimal once U.S. forces complete mopping up on the islands.

- Grenada is too small for guerrilla bands to establish secure bases, and resupply by Cuba or another foreign patron would be difficult.

Nonetheless, U.S. forces must remain for the time being to deter banditry and terrorist assassinations, sniping, and bombings by Cubans and die-hard Grenadian ex-soldiers.

- Although we are aware that the loyalty of the military to the government was uncertain, their resistance to US forces indicates that at least some may attempt to foment opposition.

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- Caches of arms and demolitions continue to be discovered, and the situation encourages crimes and settling of personal scores disguised as political acts.
- The existing 300-man Caribbean forces drawn from six neighboring states must be reinforced or replaced by a larger force--probably from the Commonwealth nations--before the U.S. can confidently withdraw.

Longer-term prospects are that a viable insurgency is improbable but not impossible on Grenada.

- An externally-based group, or one carefully established in the island's populated areas, could exploit inevitable political and economic grievances and gain sufficient popular support to survive and expand even on tiny Grenada.
- A coup would seem more likely than a guerrilla campaign.

Economic Challenges

The most immediate economic challenges facing the new government are the restoration of basic services and supplies, and reconstruction activities.

- US AID is working with local agencies to restore and maintain water, cable, sanitation, and radio services. Texaco will soon ship cooking fuel and diesel oil from Trinidad. Food and medical supplies, according to AID, apparently are adequate for one to two weeks consumption.
- The government will need to repair damage to roads, water and electrical systems, and housing mainly caused by neglect during the Bishop regime and to some degree by the fighting. Moreover, because several hotels are located in the Grand Anse area--the scene of heavy military action--we suspect that the government will be faced with the task of repairing some of these buildings.

Grenada will obviously need external financial assistance to accomplish these goals, and both the new government and the private sector are likely to turn to the US. In the worse case, Grenada might need up to \$40 million through 1984 in official aid and trade credits to keep imports at the \$70 million and overcome expected declines in tourism revenues and other capital inflows.

Cuban Intentions

Castro can be expected to offer Cuba as a haven for Grenadian exile groups in order to try to promote their unity and influence their actions.

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- His willingness to continue to make Grenada a major focus of Cuba's foreign policy probably will be heavily influenced by his assessment of the reaction of the Grenadian people to the US intervention.

If Castro's current anti-US propoganda campaign strikes a resonant chord internationally, he may be tempted to risk Cuban-sponsored terrorism against US installations abroad.

Castro is clearly seething over the support of some governments in English-speaking Caribbean for the US invasion, and he will be looking for ways to retaliate against Prime Ministers Seaga, Charles, and Adams.

- Likely steps include denigrating them in the Third World and trying to isolate them in international organizations where Cuba has influence.
- We do not rule^{out} the possibility of Cuban-inspired assasination attempts against one of these leaders, especially if Castro were convinced that Cuban deniability could be maintained.