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April 16, 1984

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MEMORANDUM FOR MR. ROBERT C. MCFARLANE
THE WHITE HOUSE

Subject: Progress Report on Grenada

Attached is an updated progress report on Grenada.

Charles Hill
Charles Hill
Executive Secretary

Attachment:
As stated.

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GRENADA: PROGRESS REPORT

OBJECTIVES:

Create a climate in which democratic government can be restored and sustained in Grenada.

Withdraw U.S. combat troops as soon as possible, leaving behind sufficient security to enable the new government to restore democratic institutions.

ACTIONS:

To achieve these objectives, the following actions in the political, economic, and security areas have been taken:

I. Political:

A. Assist the interim government to restore the necessary institutions to provide effective public services:

1. Provide assistance for the depolitization and reorganization of the civil service, the educational system, and other public sectors.

-- Depolitization has been largely accomplished in the educational system and in other public sectors, with the exception of some senior government officials who are holdovers from the Bishop regime. These individuals are well known to Grenadian security authorities, but civil service regulations make their removal from office difficult. The government leaders are, therefore, attempting to transfer these individuals to less sensitive positions or otherwise encourage their resignations.

2. Get a functioning judicial system into place.

-- The judiciary is functioning. Its regular January session took place on schedule. Most of the detainees from the October 13-25 government have been or are about to be formally charged with crimes, and trials are tentatively scheduled for June, 1984.

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-- A major problem for the government has been the paucity of resources in the Office of Public Prosecutions. The Embassy and Department have brought this situation to the attention of Canada and other potential donors with the aim of developing an effective prosecution team as soon as possible. Canada has agreed to be helpful. In addition, lawyers from Barbados, Guyana, and possibly Trinidad-Tobago, will be assisting.

3. Help identify the most competent of the disbanded professional police force and arrange for their recruitment into a reconstituted police force.

-- A new police commissioner was named December 5. 50 policemen began training in Barbados in January. 20 returned to Grenada after completing their training in February and the remaining 30 are expected to return in May. Additional policemen will be trained both in Barbados and in Grenada. Since the training pace is too slow, we are devising a new plan to speed it up. The plan calls for providing a 3 month training course for 300 policemen in two tranches of 150 each, with the first course to begin in June. We are checking its legality under Section 660 and will be consulting with Congress as appropriate.

-- 100 of the 300 policemen will receive SSU training as part of the newly devised course.

4. Encourage the government to accept the British and/or Canadian offer to train and advise the police.

-- The British have a full-time police advisor in Grenada who is assisting the GOG's police commissioner in recruiting and training police. An additional U.K. advisor is expected to arrive shortly. The U.K. has already spent 750,000 pounds for training and equipping the police force and plans to furnish another 1 million pounds. We have urged the U.K. to concentrate this additional assistance exclusively on police training and a senior FCO official promised to take this under consideration. The U.K. has also used some of its funds to refurbish police stations around the island.

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-- The Canadians have agreed to furnish a communications network for the police force and to provide management training for supervisory officials. We have asked them to extend additional training assistance.

5. Offer technical assistance to the public works, agricultural, information, health, utilities, and other appropriate ministries to enable them to function more efficiently.

-- AID and Project Hope signed a contract in January under which the latter agreed to provide medical service to Grenadians and to strengthen the Health Ministry. AID projects in the road and agricultural sectors which are currently being designed will also furnish technical assistance to the appropriate GOG Ministries. AID is also working on Grenada macro-economic issues with the Grenadian Ministry of Finance.

-- AID has earmarked funds for this purpose and has conducted an intensive survey of the relevant ministries.

6. Prepare a paper on Grenada along the thematic lines (facts about the repression of the Bishop/Austin dictatorship, cooperation with Cuba, the Soviet bloc, North Korea, Libya; export of subversion and genuinely democratic political group) for public distribution in the U.S. and abroad.

-- Paper was completed and released to the public on December 16.

-- DIA is cataloguing and indexing the captured documents so that they can be placed in a repository at the National Archives for access by scholars and the public.

- B. 1. Assist as possible the government in its efforts to conduct an investigation into the developments which led up to the recent internal crisis and the subsequent overthrow and killing of Bishop and others.

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-- We have arranged for two GOG prosecutors to review the documents as part of their preparation of cases against those accused of committing crimes in connection with the October 19 events.

-- We have also made available to the GOG the results of an investigation by U.S. military intelligence of the October 19 killings.

2. Encourage the government to bring to justice those responsible for any crimes committed during this period, exposing the activities of Bishop, the NJM, and the PRA to their discredit.

-- On February 22, 18 of the 39 detainees were formally charged with murder or conspiracy to commit murder in connection with the October 19 events. Preliminary hearings will begin shortly and the trials are expected to be held this summer.

-- We are helping to obtain funds to defray cost of legal fees and courtroom expenses. We have approached U.K., Canadian, Australian, and New Zealand governments. U.K. and Canadian governments have indicated they might provide limited funding. New Zealand may also be interested.

3. Advise the GOG and the CPF of the importance of handling all detainees with due respect for their human rights.

-- International Committee of the Red Cross representatives have visited Richmond Hill prison periodically and have expressed general satisfaction with prison conditions. The Grenadian government has cooperated with the ICRC and has quickly implemented its recommendations.

4. Provide the necessary advice and support to establish an effective intelligence gathering component of the police force.

-- This function has been carried out by CPF elements pending reconstitution of the Grenadian police. It will be some time before an effective Grenadian capability exists.

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5. Identify persons opposed to restoration of democracy.

-- This objective received high priority immediately after the rescue mission and was effectively carried out. The CPF continues to exercise vigilance in this area and investigates all leads it receives about possible subversive activities.
 6. Recommend adoption of an amnesty program.

-- An amnesty program was carried out in November-December, 1983 which reduced the number of detainees to about 40.
- C. Assist the Government in preparing for free elections.
1. Offer technical expertise and financial assistance to create structures and procedures necessary for a fair and representative electoral process.

-- A supervisor of elections was named in January and with assistance from Barbados, necessary ordinances have been drafted and voter registration has begun. Jamaica provided the cameras for photographing all registrants. Barbados has provided technicians to set up a computerized bank of all registrants. Australia has agreed to provide \$100,000 to help fund the registration; Canada and others are considering whether to provide additional funds. The procedures are in place for the registration program and the actual voting process.
 2. Identify and support democratically oriented Grenadian political parties.

-- Moderate forces are emerging; we are quietly urging them to seek accommodations and form coalitions. Seaga has sent to Grenada a political organizer who is actively engaged in getting the moderate centrist political elements to unify and launch a program. Prime Ministers Compton, Adams, and Charles are also providing advice.

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-- Centrist parties led respectively by Herbert Blaize, Francis Alexis, and George Brizan have tentatively agreed to merge into a new "Team for National Togetherness" (TNT).

3. Ensure the Government is kept informed of political activities of radical or hostile elements wishing to subvert the democratic process.

-- This is being done on a daily basis by the U.S. and the CPF.

II. Economic:

- A. Ensure that the emergency needs of the Grenadian population are met by continuing to disperse the emergency relief food and materials (\$2.2 million authorized).

-- The emergency assistance phase has been completed. The money was disbursed for relief supplies and immediate, critical, rehabilitation of essential services, such as water and electricity.

- B. Develop an economic growth strategy for Grenada based on expanding exports, recovery of the private sector, reduction of unemployment, and encouragement of structural reforms while using regional institutions as appropriate.

-- Work is proceeding rapidly on the Point Salines Airport project. Project documents are expected to be ready for prospective U.S. bidders by April 9. Construction should be underway by the end of June with an official opening scheduled for October 25, 1984. We are providing \$19 million of the estimated \$24 million required to complete the airport. Canada, the EEC, and the UK are providing the remainder.

-- A \$5 million economic stabilization grant was signed with the GOG in January. The counterpart funds are being used to increase credit to the private sector and to provide the GOG's contribution of local currency for other donor's projects, in the areas of road construction, banana and cocoa production and utility system repairs. Another \$5 million grant is being readied.

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-- We reprogrammed a total of \$40 million for Grenada from funds earmarked for Lebanon. These funds when added to monies already allocated total \$57.2 million which we expect to disburse during FY84 and 85. The airport, claims, budget assistance, and regular development projects will be handed from this total. FY 86 programs for Grenada will be funded from the regional Eastern Caribbean aid package and will be monitored by the AID mission in Bridgetown.

-- Congress was officially notified March 30 of our intention to use \$6 million to settle outstanding claims related to combat damage. Unless objections are made by April 14, the settlement process should begin in the next several weeks.

- C. Ensure that other donors participate fully in assisting the economic development of the Eastern Caribbean, using the IBRD-led Consultative Group for Economic Development (Caribbean Group) as the focal point.

-- During the Caribbean Group meeting, held in February, Grenada received pledges of assistance from Canada, the United Kingdom and the EEC. (Canada's package totals about 17 million Canadian dollars.) Other donors, including the Australians, Venezuelans and the Trinidadians, expressed a strong interest in pursuing possible projects with the GOG.

-- Discussions with the IMF are scheduled to resume this month. There continues to be a disagreement on the level of public sector savings that will be realized this year. The Fund has been pressing the GOG to raise taxes, an action that politically would be very difficult, given the already high rate of taxation.

- D. Take steps to revitalize the private sector by identifying areas of joint venture investment and arranging intensified contacts between the private sectors of Grenada and the U.S.

-- A joint White House - OPIC investment mission visited Grenada in January. That visit resulted in six firm investment proposals in the tourism, manufacturing and fishing sectors and a large number of ideas that are still being investigated. The investment mission members held a follow-up meeting

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in Miami, at the beginning of March, with representatives of the Grenadian private and public sectors. During that meeting the GOG was repeatedly told of the importance of making rapid decisions on investment proposals. The GOG is undertaking a review of all of the public enterprises with a view toward possible divestment. That study is scheduled to be completed by the end of May.

-- An investment advisor, furnished as part of an ongoing regional AID project, is now in Grenada. He is assisting the GOG process investor inquiries and establish a Development Corporation.

- E. Ensure that U.S. commercial programs are fully functional for Grenada, such as Eximbank, OPIC, CCC, and CBI benefits.

-- Grenada was designated a beneficiary under the CBI on December 29. A permanent economic-commercial officer is scheduled to arrive at the Embassy later this month to oversee the full range of U.S. commercial programs.

III. Security:

- A. Establish an adequate security presence to substitute for the U.S. combat troops when they depart.

1. Produce analyses of internal and external threats to Grenada.

-- This was done on November 11 and updated on November 29. Another is being coordinated for production by mid April, 1984.

2. Orderly withdrawal schedule for U.S. forces specifying turnover of responsibilities to the CPF.

-- Sec Def memo of December 9, laid out plans to reduce U.S. forces to a level of about 275 to 350. This plan is still relevant.

3. Coordinate with the CPF partners to determine levels of forces required.

-- CPF force levels have remained at about 420, and are adequate to ensure Grenada's security.

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CPF nations, U.S., and Grenada met on January 27, 1984 to discuss future needs. No formal agreements were reached, but consensus developed to maintain force levels at least until after the Grenadian elections.

4. Identify materiel and training assistance to support the CPF.

-- Completed 11/17/83.

5. Take steps necessary to provide immediate funds for equipment and training.

-- A total of \$15 million PKO was made available for the CPF, and home island security forces rotated into CPF service starting in February, 1984. Training and equipping of the latter forces has been completed (except for the Jamaicans who complete training at the end of May) and we are continuing to provide spare parts, petroleum, and transportation to and from Grenada for these units.

-- In addition, a total of \$12 million in FY 84 MAP funds and \$600,000 in IMET has been allocated to Jamaica and the Eastern Caribbean. Proposals for FY 85 funding, now before Congress, includes \$5 million (MAP) for the Eastern Caribbean, \$5 million (MAP) for Jamaica, \$5 million PKO for the CPF, and \$550,000 IMET for the region.

6. Involvement of U.S. military units in reconstruction projects.

-- A number of civil action projects were carried out by U.S. forces before their departure.

7. Assignment of appropriate U.S. personnel to provide an intelligence capability.



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8. Surveillance capability for detection of infiltration by sea/air.

-- The USCG is responsible for this function by sea with two cutters.

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9. Encourage the creation of a Grenadian SSU.

-- The President has signed a determination making Grenada FMS-eligible and SSU training can start as soon as the GOG signs the necessary non-transfer assurances, SSU candidates are identified, and the proper equipment is shipped to Grenada.

10. Analyze potential destabilization threat by Cuba, the Soviet bloc or Guyana from individuals currently in Grenada.

-- Agencies involved will continue to include much analyses in periodic updates of the threat assessment.

- B. Using the RSS as a base, ascertain requirements and provide assistance for the creation of a Caribbean "rapid reaction force" to provide security for the region when the CPF departs. Assist in identifying composition, training, and equipment for the force.

1. Consult with RSS Governments regarding the inclusion of Grenada and the design of its force.

-- We have done this. P.M. Adams believes that Grenada should not be invited to join until an elected government takes office.

2. Assist in identifying the corresponding training and equipment needs for the force.

-- Regional leaders have been discussing this issue and met with Secretary Shultz on February 8. There is no consensus yet among OECS/Barbados leaders on requirements or on means of funding for the force. We have informed them we do not favor the erection of a regional standing military force, but that we will continue to help increase the ability of the RSS to respond rapidly to meet emergencies, by considering improving its lift, intelligence, and communications capabilities.

3. Take steps to provide funds for the equipment and training through reprogramming or special legislation.

-- Once the OECS/Barbados political leadership agrees on the composition and role of the RSS, we

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will determine the extent of our participation in its training and equipping. We are examining priorities for our possible support. Funds will come from available allocations (see III A 5 above) or if necessary from reprogramming.

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