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GOVERNMENT

This month was notable for the intensification of legislative work in Parliament during which the pro-government majority and the opposition displayed the will and ability to co-operate. The Constitutional Commission still failed to resolve existing divisions on the issue of state power, which gave grounds for informal but widespread talk of the possible postponing of the next parliamentary elections due this October. The passage of oil pipelines from Azerbaijan to Black or Mediterranean Seas through Georgia was beginning to look like a realistic possibility.

PARLIAMENT resumed its sessions on February 7. The circumstances under which MP Tengiz Kitovani was arrested on January 13 during his unsuccessful attempt to launch an armed march to Abkhazia, as well as legal grounds for keeping him in custody ever since, were discussed during the first session. Prosecutor General Jamlet Babilashvili defended the legality of the government's actions. The opposition parties questioned the validity of his arguments in relation to Mr. Kitovani's parliamentary immunity. Head of State Shevardnadze qualified Mr. Kitovani's crusade as an attempt to unleash a civil war in Georgia. However, most of the opposition parties were not particularly supportive of Mr. Kitovani, and did not insist on continuing debates on the case.

Mr. Shevardnadze criticized Parliament's record of law-making activities (according to a report of the majority coalition, 97 legal acts had been passed by Parliament during two and half years of its existence, 80% of them having been worked out in Financial-

Budgetary and Juridical Commissions), and said 51 bills were ready for consideration, 38 were in work, and 10 needed amendments. The opposition met Mr. Shevardnadze's appeal to intensify the legislative work with understanding.

On February 7, 8 and 9 sessions, bills "*On Auditing Activities*," "*On Transit and Import of Waste*", "*On Bills of Exchange and Checks*", "*On Ad Hoc Parliamentary Commissions*", "*On Private Detective and Guard Services*", and "*On Public Service*" were passed. On February 8, Parliament approved guidelines for the health-care reform, which provided a transition to paid medical services and promotion of the system of health insurance. On February 21, 22, 23, and 24 Parliament passed amendments to the forests code, the bill "*On Automotive Transport*", and a package of bills submitted by the Health Care Commission. The bills "*On Alternative Service*" submitted by Defense Ministry, and "*On the Election of Local Governmental Bodies*" were voted down.

Among other legal acts, a resolution was adopted qualifying certain types of metals and scrap as "strategic goods" and prohibiting their exports. A decision to join the European Energy Charter was ratified.

ECONOMIC POLICY. In his radio-address of February 6, Mr. Shevardnadze stated that in the January budget revenues came 55% short of the planned level. Among the causes, he mentioned arrears of bakeries, utilities bills unpaid by both the population and businesses, deregulation in banking system, disorders in light industry, delays in regional payments to the budget, and imperfection of the taxation system. At the same time, he stressed the government's commitment to

economic reforms saying that the deficit did not lead to a new emission. On February 8, the Head of State issued a decree "On Measures of State Agencies to Enforce the Policy of Radical Economic Reforms". The Ministry of Finance, National Bank, Customs Department and a number of other state agencies were required to analyze the budget revenues situation every 10 days and submit respective reports. Special commissions established at all levels of central and regional administrations had to define priorities in the course of implementing the anti-crisis program, and submit monthly reports to respective agencies. Heads of regional economic bodies were promoted to the rank of first deputies of regional leaders. The decree also demanded acceleration of privatization in Power, Gas, and Grain departments.

On February 21, the Head of State issued a decree on the establishment of State Commission for the introduction of Georgian national currency - Lari, which is supposed to replace the transitional currency - coupon. The acceleration of arrangements to introduce Lari was reasoned by the relative stability in the financial system reached in the last period. Like the coupon, the Georgian Lari will be printed in France.

The Cabinet passed a resolution "On Measures to Introduce the System of Privatization Checks". The checks were supposed to be distributed between 1 February and 15 April 1995, and valid from 1 April 1995 to 1 July 1996. However, beginning of the distribution failed without any reasonable explanation on behalf of the authorities. BGI agency referred to the Department for State Property and Privatization saying that 1 April was defined as the new date to begin the distribution of privatization checks.

Deputy Prime Minister Temur Basilia and Minister of Economy Lado Papava, reputedly the two most reform-minded figures in the acting Cabinet, spoke during their press conference of February 10 about obstacles on the way of reforms caused by certain conservative ministers. They demanded a profound reorganization of the government, including reductions in the Cabinet's staff. Mr. Papava also said that from the point of view of the World Bank, Georgia would not be able to use the allotted credits. The Head of State, how-

ever, stated that staff reductions do not mean much in themselves.

STATE POWER SYSTEM The Constitutional Commission continued its work on elaborating a final draft based on a number of different proposals. The division of power between parliament and the President continued to be the major dividing issue between the government and the opposition (the latter standing for the parliamentary system). Although the issue was still to be resolved, Secretary General of the CUG Zurab Zhvania, an advocate of strong presidency, proposed during his press-conference on February 11 to hold presidential (but not parliamentary) elections as early as in the coming summer. However, electoral issues caused an unpublicized split within the pro-Shevardnadze party. Head of Tbilisi organization Gia Zhorzholiani proposed creating a coalition with a number of other political organizations, including Jaba Ioseliani's *Elections* - the idea being strongly rejected by Mr. Zhvania and his followers. Chairman of the Party, Mr. Shevardnadze, did not make up his mind on this issue. Early presidential elections could be the solution of the rift within the CUG.

Uncertainties regarding state power and electoral systems led to discussions on the possibility of postponing the elections. No official statements, however, were made.

REGIONS. Russian Ministry of Defense removed commander of the Russian military station N12 deployed in Batumi Gen. Gladyshev from his position. Gen. Gladyshev was believed to be in close relations with the leader of Ajaran Autonomous Republic Aslan Abashidze. In his interview to the "Moscow News" newspaper published on February 12 Mr. Abashidze accused Mr. Igor Giorgadze, the Head of Georgian Security Service, of attempting an assassination of Mr. Abashidze. On February 20 Secretary General of the Citizen's Union Zurab Zhvania held a meeting with Mr. Abashidze in Batumi; on the same day Mr. A. Paghava, the Chairman of the Council of Ministers of Ajara, visited Mr. Shevardnadze saying that certain forces wanted to provoke a conflict between the Ajaran leadership and the Russian military. Georgian Security Service denied Mr. Abashidze's allegations, while Mr. Shevardnadze,

in his radio-interview of February 27, qualified them as "absurd".

Situation was stable in the first half of February in Tskhinvali region. On February 20, Ossetian irregulars assaulted the Georgian village of Eredvi. Thanks to the interference of the Russian peace-keeping forces the incident was stopped.

Mikheil Chkuaseli, leader of the Youth Organization of the Citizens' Union of Georgia formerly related to the Green party, was appointed personal representative of the Head of State in the region of Guria. He was the second leader of these organization to become a regional "governor". This way the regional level of administration, though not based on any constitutional provisions, was gradually developing. On February 2 Prosecutor's Office also announced creation of its regional branch in the province of Kvemo Kartli.

THE ARMY. On February 4-6, Deputy Prime Minister Avtandil Margiani and Defense Minister Vardiko Nadibaidze inspected Georgian military units deployed in western Georgia. The inspectors pointed out certain progress in training and discipline, though at the same time singled out such problems as poor level of equipment, the lack of skilled personnel, high rate of desertion.. On February 14, Defense Minister Nadibaidze visited the Georgian helicopter unit based in Telavi.

On February 17, Russian troops conducted a simulation exercise "City Warfare" near Tbilisi, with participation of Georgian officers. The exercise was supposed to take into consideration lessons of the latest battles in the Chechen capital Grozny.

FOREIGN RELATIONS

VISITS TO GREAT BRITAIN AND BRUSSELS AND OIL PIPELINE ISSUE. During February 14-17, Head of State Shevardnadze paid a visit to London. He was received by Queen Elisabeth II, held meetings with Prime Minister John Major, other British politicians and business representatives. A Declaration "*On Friendship and Co-operation*", an agreement "*On Mutual Protection of Investments*", and an agreement on opening of Embassies in Tbilisi and London were signed. It was decided that the British

government would allocate Georgia 1,2 million Pounds for promoting the movement to market economy and democracy. During Mr. Shevardnadze's meeting with the representatives of "British Petroleum" Shevardnadze the possibility of passing the oil pipeline from Azerbaijan to Turkey through the Georgian territory was discussed.

On February 9, the delegation of an international consortium created to extract Azeri oil, visited Mr. Shevardnadze to suggest the transportation of oil through Georgian territory. On February 10, the US Ambassador to Georgia Kent Brown informed Mr. Shevardnadze of American projects for transporting oil from Central Asia to Europe through the territory of Georgia. On February 13, the companies "Bryan & Rut" (USA) and "Ramko" (UK) submitted to Prime-Minister Otar Patsatsia projects on transit of the Azeri oil through Georgia to Europe. Creation of the "Caucasian Transport Corridor" was the main topic of the meeting between Mr. Temel Ishkit, the Turkish Deputy Foreign Minister, and Mr. Otar Patsatsia on February 27. However, the position of the Georgian government in regard to this issue was still undefined, which, according to undisclosed government sources, was mainly caused by alleged pressure from Russia, which is trying to push forward its own project of transporting the oil from Azerbaijan and Central Asia to Europe through its port of Novorossisk.

CIS AND RUSSIA. The Memorandum "*On Maintaining Peace and Stability in the CIS countries*" was signed during the CIS summit on February 9-10 in Almaty (Kazakhstan). The memorandum committed the signatory countries to refrain from the support of separatism on each other's territories. Head of State Shevardnadze held two one-on-one meetings with President Yeltsin of Russia, as well as some other CIS leaders. After the summit Mr. Shevardnadze quoted a statement of the Russian delegation that the settlement of the conflicts in Abkhazia and South Ossetia had probably reached their final stage. The summit commissioned CIS councils of foreign and defense ministries to work out additional measures for solving these problems.

The participants turned down proposal of Russia on the joint guard of the external frontiers of the CIS. The Georgian delegation

stated that the approval of the document would only be possible after regaining Georgian control over the break-away territories of Abkhazia and South Ossetia.

The summit approved the draft agreement submitted by Georgia "*On Creating Unified Air Combat System within the CIS*". The second draft "*On the Collective Security*", also proposed by the Georgian delegation, was turned down. According to Mr. Patsatsia, the Georgian Prime-Minister, the Almaty summit had not led to any significant progress in economic co-operation, save for the agreements on railway transportation tariff policy, on mutual settlement of accounts, and the agreement on the basic principles of unified Custom's Regulations.

Mr. Shota Kviraya, Georgian Minister of Internal Affairs, participated in the meeting of the respective ministers of the CIS states in Minsk on February 14-19. The ways of further integration of the CIS countries' law enforcement bodies were considered. MP Jaba Ioseliani negotiated with Mr. Sergei Shoygu, the Russian Minister for Emergency Situations, on the terms of integration of the Georgian Rescue Corps into the unified CIS rescue service.

BGI agency reported on February 7 that Russian Defense Ministry unilaterally ascribed to Russian military units deployed in Vaziani (near Tbilisi), and Batumi (Ajara) the status of Russian military bases in Georgia. No reaction of Georgian officials followed. On February 4, Russian Embassy in Georgia sent a protest note to the Georgian Foreign Ministry demanding the arrest and punishment of those responsible for the explosions near the headquarters of Russian troops in Tbilisi.

According to BGI agency, at the meeting of Russian, Georgian and Kazakhstani delegations in Moscow on February 6, it was decided that Kazakhstan would supply Georgia with one billion cubic meters of natural gas.

INTERNATIONAL ORGANIZATIONS. On February 17, on his way back from the United Kingdom, Head of State Shevardnadze visited Brussels and held meetings with EC President, Mr. Jacques Santer and other EC officials. The negotiations were mainly centered on allocating Georgia new credits to help build-up its economy, espe-

cially the energy sector, as well as providing humanitarian aid.

On February 6-8, the NATO military delegation headed by General Anjello Arena visited Georgia, with the aim to specify the forms of co-operation. It was stated that on the Georgian side, a commission headed by Mr. Irakli Menagharishvili, the Deputy Prime Minister, had been working over the Georgian version of co-operation project which had to be sent to NATO for further consideration. The prospects of training Georgian officers in the NATO countries were discussed.

RELATIONS WITH OTHER COUNTRIES. On February 8-9, the USAID delegation headed by the co-ordinator of the program of humanitarian assistance for the CIS states Thomas Symons was on a visit in Georgia. The delegation studied the course of economic reform in Georgia, and the distribution of the American aid. Mr. Symons held a meeting with Mr. Shevardnadze and the leadership of the Georgian Cabinet. In 1995, American humanitarian aid for Georgia totals \$97 million.

On February 10, the US Ambassador to Georgia Kent Brown passed to Head of State Shevardnadze an official invitation of the US government.

On February 12, Mr. Nadibaidze received Danish Defense Minister Hans Haekkerup. The Danish guest was interested in military building in Georgia, and visited UN peace-keepers in Western Georgia.

On February 8, Mr. Bernard Dupain, the French Military Attaché to Georgia, met Mr. Vardiko Nadibaidze, Georgian Defense Minister.

IN AND AROUND ABKHAZIA

POLITICAL MOVES AND NEGOTIATIONS. On February 7, the 9th round of Geneva negotiations on the Abkhazian problem started under the auspices of the UN and the mediation of Russia. The Abkhaz side made some concessions as concerned its political status, namely, it considered the possibility of being in part of the same federate state with Georgia; however, its claim to have its own army and separate currency made this concession rather symbolic. However, as concerned the issue of the repatriation of refugees,

the Abkhaz part was not willing to compromise; namely, it strictly rejected to include any mention of a specific timetable of the repatriation in any documents. Due to this, the final communiqué was not signed by the negotiating parties, but only by Mr. Eduard Brunner, the personal envoy of the UN Secretary General Ambassador. Mr. Fedorov, the Russian representative, stated that Russia "would not allow the politization of the repatriation issue, which the Abkhaz side strove for".

In February, regular quadripartite meetings with participation of Georgian and Abkhaz representatives, Russian peace-keepers and UN military observers resumed in Gali and Zugdidi. At the meetings held on February 2, 14, and 22, the issues of communication, energy supplies, and the criminal situation were considered. The Abkhaz side protested the alleged penetration of Georgian guerrillas in Gali district, while the Georgians asked the peace-keeping forces to neutralize them if they happened to exist. The Commander of the Russian peace-keepers declared that so far nobody had authorized the peace-keepers to accomplish a policing function, but pointed out that according to a new, prolonged mandate, the Russian peace-keeping forces could take some "emergency decisions". The demand of the Georgian side for the withdrawal of the Abkhaz heavy armoured equipment from the safety zone, and establish a joint Russian-Georgian patrol in Gali district, was turned down. Having stressed the ineffectiveness of the Russian peace-keepers in the conflict zone, the Head of the UNIMIC Georgian mission General Huidegaard was pessimistic in his assessment of the results of quadripartite meetings. During the meeting with Head of Georgian State Committee for Human Rights and Interethnic Relations, Mr. Sandro Kavsadze and the Chief of the UNHCR Mission, Mr. Geldolph Everts stated that it was time for Russia to define its attitude towards the repatriation of refugees.

On February 15 in Moscow, Georgian-Abkhaz negotiations at an experts level was resumed. Mr. Irakli Machavariani, the Head of the Georgian delegation and the Deputy Head of Mr. Shevardnadze's Staff, communicated that although the parties reached general agreement on basing the Georgian-Abkhaz relations on the federative principle, it was still too early to claim success. Mr. Zurab

Erkvania, the Chairman of the Tbilisi-based Cabinet of Abkhaz Autonomous Republic, stated that the negotiations had led nowhere, since the Abkhaz approach in reality implied the establishment of confederate state within Georgia. which was strictly opposed by Georgian officials.

On February 24, the Georgian Parliament formally restored the authorities of the Supreme Soviet of the Abkhaz Autonomous Republic elected in 1991. This way Parliament reversed its own, admittedly faulty decision of March 10, 1994 when the same body was formally dissolved thus undermining legitimacy of its faction loyal to the central (Tbilisi) government, without any real effect for its separatist part. The latest decision gave to the unionist faction legal grounds to assemble in Tbilisi, and declare itself the only legitimate and authorized representative of Abkhazia's population at any level of negotiations concerning Abkhazia. The restored body was headed by Tamaz Nadareishvili, the former Deputy Chairman of the Supreme Soviet (with Vladislav Ardzinba as the chairman). 30 members of the Supreme Soviet (out of 66) were counted to be members of the restored body, but it pointed out it represented the "real majority" of voters (the Abkhaz Supreme Soviet had been elected along an ethnic quota system, in which 17% of ethnic Abkhaz population had more seats than 46% of ethnic Georgians). In the beginning of February, Mr. Nadareishvili visited Moscow, and held meetings with Sergei Yushenkov, the Chairman of Russian Duma Defense Commission, Andrey Nikolayev, Commander-in-Chief of Russian Frontier Troops General, and other high-ranking Russian officials. Mr. Nadareishvili assessed the visit as giving hope, and stressed Russia's crucial role in the resolution of the conflict.

PEACE-KEEPING. The Russian peace-keeping forces in the conflict zone stopped a march of the unit of Georgian Ministry of Internal Affairs (about 3,000 soldiers) to Svaneti region out of Abkhazia, which was aimed at raiding criminal groups operating in the region.

According to "Iberia" agency, due to financial problems, the Zugdidi and Gali offices of the UN and UNHCR suspended their work and were likely to cease it altogether.

INCIDENTS. According to BGI agency, Abkhaz separatists continued to mine the Enguri river banks. Four soldiers of the Russian peace-keeping units exploded on a mine on the bank of the Enguri river. One of them died of severe wounds.

In Gali district, the Abkhaz militia continued to terrorize the Georgian population. Cases of the kidnapping of Georgians for ransom became more frequent. According to "Iberia" agency, during February 7-14, 200 Abkhaz militants with heavy armoured equipment were detected in the previously demilitarized zone near the village of Lata, guarded by Russian peace-keepers.

After the Russian authorities established a stricter border regime on the Psou river, the supply of the Abkhazia region with food and other products deteriorated. Mr. Otar Patsatsia, the Georgian Prime-Minister, stated that all attempts of the Georgian government to provide Abkhazian population with food were impeded by the separatist authorities.

On February 7, Abkhaz authorities released the last four Georgian sailors from the fishing ship "Egrisi" detained since September 19 of 1994, but refused to return the ship itself. According to Paata Zakareishvili, the Head of Prisoner's Exchange Committee a number of Georgians still have been imprisoned by the Abkhaz separatists.

REFUGEES STATISTICS. The "Iberia" agency was told in the Russian Federal Migration Service that 540,00 refugees from Abkhazia resided in the CIS countries. According to Tbilisi-based Council of Ministers of the Autonomous Republic of Abkhazia, at present 35,000 ethnic Georgians lived in Abkhazia.

SOCIETY, HUMAN RIGHTS

THE FOLLOWERS OF THE FORMER PRESIDENT. Public Prosecutor demanded death-penalty for Petre Gelbakhiani and Irakli Dokvadze, two alleged executioners of the terrorist explosion in summer 1992, aimed at killing the leader of the *Mkhedrioni* Jaba Ioseliani (the explosion missed its target but killed five innocent by-standers). Other supporters of the ousted president Gamsakhurdia involved in the so-called "Domukhovski-Gelbakhiani Case" and charged with

participation in terrorist and subversive activities faced various terms in prison. The court is due to announce its verdict in March. A public committee established for saving the lives of the defendants demanded a re-investigation of the case. On February 7, representatives of the Georgian independent media addressed the Head of State, International Human Rights organizations, and the world media with a request to do their utmost to prevent the death Verdict. The impartiality of the court was questioned by a number of Georgian and international human rights organizations, which alleged torture and other human rights violations against the defendants in the course of the investigation and court proceedings.

During his press-conference on February 17, Anzor Baluashvili, the Deputy Prosecutor General, denied any allegations of physical and psychological pressure on defendants involved in the "Domukhovski-Gelbakhiani Case", as well as other followers of the late president. Mr. Baluashvili presented a written statement of Loti Kobalia, the imprisoned commander of pro-Gamsakhurdia militia, containing demands to hold a meeting with Mr. Shevardnadze to pass him confidential information important for the state

On February 2, in Tbilisi the police prevented a rally planned by the pro-Gamsakhurdia Round Table - Free Georgia organization in protest of events in Chechnya. According to the "Iberia" agency, later the police detained Tamaz Kikacheishvili, one of the leaders of the Round Table, Klara Shurman, member of the Georgian Helsinki Union, Eteri Mgaloblishvili, a member of the St Ilya Society, and Nodar Jalaghonia, a poet.

International organization Human Rights Watch awarded Giorgi Khoshtaria, ex-foreign minister in Gamsakhurdia's government, and later human rights activist, a special price (\$2,000) for his distinguished record of protection of political prisoners' rights.

On February 15, Head of State Committee for Human Rights and Interethnic Relations Sandro Kavsadze sharply reacted to the publication of "Tavisupali Sakartvelo", a pro-Gamsakhurdia newspaper, accusing Mr. Giorgi Chanturia, the recently assassinated leader of the National-Democratic Party, of criminal actions. Mr. Kavsadze stressed the

inadmissibility of this kind of publications and demanded an investigation on the case.

MEDIA. On February 9, the Free Press Association, the Federation of Georgian Journalists, and the Society of Georgian Journalists issued an appeal to the Head of State, the Georgian Parliament, other official bodies and foreign representations in Georgia depicting how the municipal authorities hindered the distribution of free press in Tbilisi. A demand to put an end to the prosecution of private newsprint traders was also put forward.

On February 15, the first issue of a Russian-language weekly newspaper "Rech", (Speech) was published. The newspaper was established by the Russian cultural and educational society in Georgia.

PENAL CODE. State Committee for Human Rights and Interethnic Relations came out against a draft amendment in the Georgian penal code offered by the Parliamentary Juridical Commission, which implied the death penalty for illegal import and trading of drugs on the territory of Georgia.

OTHER POLITICAL AND PUBLIC ORGANIZATIONS. MP Tengiz Sigua, one of the leaders of the abolished National-Liberation Front (NLF) and former prime-minister, told the "Iberia" agency that on February 7, in Tbilisi some 100 participants of the Abkhaz war tried to organize a rally demanding the release of the Mr. Tengiz Kitovani, NLF leader, MP, from custody (he is charged with setting up an illegal armed group). The arrangement was prevented by the police. According to Mr. Sigua, Mr. Kitovani's health condition was satisfactory, but he was still deprived of the right to meet anyone, including the media.

In a statement issued by the Rescue Corps, spread by the "Kontakt" agency, Georgian media was accused of attempts to discredit the Rescue Corps by identifying it with the allegedly dissolved *Mkhedrioni* paramilitary group, and describing it one of the sources of the grave criminal situation in the country.

In an effort to help resolve Georgian-Ossetian conflict, a public organization Georgian Women for Peace visited the Tskhinvali region (South Ossetia), held meetings with local population, participated in the meetings of mixed peace-keeping commissions, and

addressed both sides with an appeal to abstain from bloodshed.

A number of public women's organizations, as well as some trade unions supported an appeal of Social-Democratic women to renew the celebration of 8 March, regarded as women's international day in the former soviet bloc.

A religious-public society, Saba was established in Tbilisi with the aim of promoting the rapprochement of orthodox and catholic religions in Georgia, regarding that to be one of the ways to put Georgia closer to the West.

SOCIAL ISSUES. On February 20, depositors who lost their money after a chain of bankruptcies and escapes among banks and financial trust companies, organized a protest rally in front of the Parliament building, demanding the authorities to be more effective in helping them getting their money back. They established a society for the protection of depositors' rights, and conducted a series of negotiations with government officials which, however, did not lead anywhere.

EDUCATION AND CULTURE. A number of private commercial universities and colleges face abolition in the event of failure to meet requirements of a Special State Commission established on February 13 to conduct re-certification of more than 200 private educational institutions operating in Georgia. At the same time, the government decided to increase the stipends for post-graduate students of Tbilisi State University.

"The National Library of Georgia is in a catastrophic condition", told its director Akaki Dzidziguri to the BGI agency. More than 16 million books stored were not protected from dampness, rodents and other harmful factors.

HEALTH-CARE. According to the Georgian AIDS center, 18 persons affected by AIDS registered in Georgia by February. BGI agency, however, was told by a source in the Center that the unofficial estimate was about 500.

CRIME. ACCIDENTS

In the police round-up conducted in several districts of eastern Georgia, more than 40 illegal oil terminals were revealed and de-

stroyed. Another round-up in Tbilisi led to arrests of many suspects wanted by the police, confiscation of drugs, weapons and huge amount of metal prepared for illegal export. The smuggling of metal scrap, which was frequently obtained by the way of destroying important equipment, communication lines, etc. had reached threatening scales in Georgia. The "7 Dghe" newspaper alleged involvement of high-ranking officials in the illegal business.

According to press-service of the Prosecutor's Office, the police detained 20 carriages loaded with fragmented T-54 tanks at Gori railway station. The tanks belonged to the Gori training center of the Georgian Defense Ministry, and were supposedly prepared for being sold abroad as scrap iron.

Representatives of law-enforcement bodies said during their meeting on February 13, that poorly qualified and corrupt staff of the Georgian penitentiary institutions, who had to work under severe conditions, helped penetration of drugs and other prohibited articles into the Georgian prisons and facilitated escapes of felons. Recently the Prosecutor's Office had finished the investigation on the employees of one of the cells, who on July 19 of 1994 helped a group of prisoners to escape and provided them with guns.

During his meeting with the employees of traffic police on February 17, Mr. Jemal Mikeladze, Deputy Minister of Internal Affairs, said that law enforcement bodies still failed to put an end to robbery and racketeering on Georgian roads. According to Georgian Ministry of Internal Affairs, narcotics smuggling in the Tskhinvali region (South Ossetia) had reached a dangerous scale and had spilled over to neighboring regions of the country.

An examination conducted in the Georgian Custom's Department on February 4, revealed 17 drug-addicts among the employees. 19 more people were disqualified on other grounds.

On February 21, as a result of the accident at Tbilisi thermal power station, it's 4th, 5th, and 6th units were put out of action, having caused black-outs in most of regions of Georgia.

According to the Georgian Fire Department, 36 fire accidents leading to huge material losses were registered in Tbilisi be-

tween February 13-20. According to BGI agency, this was caused in part by frequent refusal of fire brigades to carry out their duties due to their extremely low wages. On February 8, one of the Batumi schools was burnt down.

PUBLIC OPINION

In a poll conducted by the Caucasian Institute for Peace, Democracy and Development among 600 residents of Tbilisi in the end of February, only 7.5% of those polled said they liked those political forces which supported the acting government; 10.8% preferred those who criticized the government but cooperated with it, 22.6% - those who demanded the government's resignation, 42.1% did not like anybody, and 16.9% had no opinion. If the parliamentary elections took place on the next day after the polling, 32.2% would not take part, while 43.3% of those who would like to participate were undecided whom to vote for. 12% of the willing participants expressed their intention to vote for the National-Democratic Party, 11.8% -for the (pro-Shevardnadze) Citizen's Union, 10.1% - the Round Table-Free Georgia (the followers of the late president Gamsakhurdia, who plan to boycott the elections, but were included in the list to measure their political basis), 4.6% - United Communist Party, 3.8% - Union of Georgian Traditionalists, 3.4% - United Republican Party.

At the end of February, "7 Dghe" newspaper polled 400 residents of Tbilisi on their attitudes towards the war in Chechnya. 22,3% of those polled agreed that the hostilities in Chechnya represented "Russia's struggle for it's territorial integrity", 40,5% viewed it as "the Chechens' struggle for independence", 35,5% considered it as a "Russian aggression against Chechnya", 5,3% accepted a qualification of a "Russian response to the Chechen separatism", with 5,3% without opinion.

24,8% of those polled believed that the Chechen war marked the beginning of the disintegration of Russia, 15,5% agreed this war would cause a profound political and economic crisis in Russia., 7,8% assumed that the Chechen war would substantially hamper relations between Russia and the West. 23,3% believed that Russia would succeed in the settlement of the Chechen conflict by force, and

thus strengthen its stand in the Caucasian region. Only 12,5% thought Russia would succeed in the resolution of the Chechen conflict.

According to the BGI agency, the latest polls showed that among the problems worrying the Georgian society, the problem of crime moved from the first to the third place. The concerns related to the break-away region of Abkhazia, and grave social situation had become the leading ones.

THE ECONOMY

FINANCIAL SURVEY. An exchange rate of the Georgian coupon on the Inter-bank Exchange was maintained at the level of 1,300,000 for 1 US dollar during February. This was in part made possible through interventions of the National Bank, which in this followed the guidelines of the IMF. The rate on smaller exchanges (used by the population) was about 1,400,000 coupons for 1 US dollar. Domination of the Russian rouble on the market continued.

By February 1, the population's savings in banks totalled 4,153 billion coupons (\$3,2 million).

The rules for licensing the securities were adopted by the Ministry of Finance. The securities-emitting companies were obliged to have a charter fund amounting to \$5,000 (or coupons in valid exchange rate).

According to different sources, the introduction of national currency - Lari, despite being postponed several times, was very likely to occur in the second half of 1995.

LIVING STANDARDS AND CONSUMER BASKET. According to the information collected in 51 districts of Georgia (this excluded those out of control for the Georgian government) by the State Committee for Social-Economic Information, the number of extremely impoverished people in Georgia had totalled 406,000 by February 1. 268,000 (66%) among them were unemployed pensioners, 24,000 (5,9%) - mothers in large households, and 9,000 single mothers.

The consumer basket for 1 person cost an equivalent of \$34,5 (against \$37,1 in January). This included 70% of the expenses for the food. In February 1995, the total volume of the population's income increased by 30% against August 1993. While in August 1993,

the income of impoverished part of the population had only been covering 15% of the price of the consumer basket, by February 1995 this figure reached 20%. Rationed bread prices were stable at 280,000 coupons (22 cents) for 1 kg. According to Deputy Prime Minister Temur Basilia, eventual levelling of state and commercial bread prices probably will not lead to their further rise.

ENERGY AND TRANSPORT During the month, gasoline prices in a dollar equivalent dropped, reaching 25-30 cent for 1 liter of gasoline. Kerosene prices were higher than those for gasoline, which might be explained by sharply increased demand due to the stoppage of gas supplies.

The subway remained the most accessible vehicle for Tbilisi residents. Buses ran for commercial prices which on the average exceeded equivalent of 25 cents; thus, an average official wage only provided for 8 rides. Power shortages came close to paralyzing the railway traffic, with some routes being suspended because of the Chechen war.

MANUFACTURING. Since the beginning of 1995, 431 industrial enterprises in Georgia were at a standstill. Total volume of output of consumer goods in January had totalled 6,856 trillion coupons in valid prices. 78,2% of this consisted of food products, 14,5% - industrial goods, 7,3% - alcoholic beverages. Total volume of industrial production was 32,8 trillion coupons (\$25 million). Out of 100 most important kinds of products, the output was increased in comparison with January 1994 in 19 types cases, decreased in 30 cases, and 51 kinds had not been manufactured at all. In comparison with January 1994, total volume of production dropped by 40,3%; in particular, electric power production dropped by 45%, that of steel - by 16,4%

AGRICULTURE. According to official statistics, 185 tons of meat, and 215 tones of milk were produced in January 1995, which was respectively 40% and 25% less than in the same month last year. However, this information is estimated as incomplete, since a number of regions failed to provide data in time, and real figures had supposedly been hidden in many cases, since many producers preferred to sell their goods off the record. According to incomplete data, there were 36,4 thousands of

meat cattle and 519,2 thousands of poultry by the February 1995.

PRIVATIZATION. According to official data, about 3,000 units had been privatized by February. The registration of citizens for distribution of privatization checks was underway. The face value of privatization cheques will be announced at the date of their issue, and will oscillate in accordance with market situation. Minister of State Property and Privatization Avtandil Silagadze assumed an average price of privatization check would be about \$30. According to preliminary data, those eligible for receiving privatization checks amount to 5.4 million.

FOREIGN ECONOMIC RELATIONS. During February 11-20, the Georgian official delegation headed by Deputy Prime Minister Temur Basilia negotiated in Washington DC with representatives of the World Bank. Having returned from the trip, Mr. Basilia stated that the World Bank would allocate \$75 million in rehabilitation credit, instead of the previously planned \$60 million, under quite preferential terms. At the same time, the World Bank required from the Georgian government a program of strategic cooperation. According to the BGI agency, the World Bank expressed its discontent with keeping control packages of shares of privatized units by the Ministries.

During their meeting with Head of State Shevardnadze on February 9, representa-

tives of the World Bank health service branch stated that work on a project to reform Georgian health care system was underway. The project would be financed by a \$20 million grant from the Japanese government.

During his meeting in the European Bank for Reconstruction and Development in London on February 15, Mr. Shevardnadze was assured that the EBRD would continue its work on programs related to reconstruction of Tbilisi airport, and the development of power engineering in Georgia.

On February 13, delegation of the Georgian National Bank participated in a meeting devoted to setting up a trade and development bank of Black-Sea countries held in Thessaloniki (Greece).

During a visit of the delegation of Georgian Committee for Foreign Economic Relations to Germany on February 2-3, the plan for development of Georgian agricultural sector implying allocation of 10 million DM was specified. An agreement on allocating of 20 million DM for the reconstruction of Tbilisi power station was achieved.

On February 10, Mr. Vladimer Kereselidze, the Georgian Minister of Industry, signed a protocol on preliminary intentions with the delegation of industrial branch of Iran Defense Ministry, which was interested in cooperation with Batumi shipyards.

The bulletin is chiefly based on the Georgian media reports and the information provided by Iberia, BGI and Kontakt agencies. We have also made use of some other sources at our disposal. We extend special thanks to the State Committee of Social-Economic Information of Georgia and the Press-Center of the Ministry of Internal Affairs of Georgia for granting us essential materials. We thank the Soros Foundation for granting the equipment necessary for issuing this bulletin.

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