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Former head of the Security Service, Igor Giorgadze, was accused of masterminding failed attempt on the life of Head of State Shevardnadze. Abolition of the Rescue Corps, official cover of *Mkhedrioni* militia, and arrest of more than two hundred of its most active members completed the process of consolidation of power in the hands of Mr. Shevardnadze. New currency, Lari, introduced in the end of September, made a successful start as the only legal tender on the territory of Georgia. The International consortium made the decision on using two routes for delivering early oil from Caspian to the Black Sea, one through Russia and second through Georgia.

GOVERNMENT

THE AFTERMATH OF THE AUGUST ASSASSINATION ATTEMPT. On October 1, during the meeting of law-enforcement officials chaired by Head of State Shevardnadze, and the news conference later the same day, Minister of Internal Affairs Shota Kviraya and Prosecutor General Jamlet Babilashvili presented their version of the failed attempt on the life of the Head of State undertaken on August 29. It was alleged that the terrorist act was masterminded by the then chief of the State Security Service (SSS), Lt.-Gen. Igor Giorgadze, with his former deputy Temur Khachishvili (an active member of *Mkhedrioni*) and Giga Gelashvili, former chief of the Rescue Corps (both under arrest since early September), being closely involved. Mr. Giga Gelashvili and Captain Papukashvili of the SSS were alleged of being direct executors of the terrorist act. Assassinations of Gia Gulua, the head of transport police department (April, 1994), Giorgi Chanturia, the chairman of National Democratic Party (December, 1994) and Soliko Khabeishvili, manager of 'For Democracy and Revival' foundation (June 1995), were allegedly organized by the same group.

According to the prosecution, Mr. Shevardnadze's assassination was intended to be the first step of the coup d'état, with the plan to transfer the power to the "Nation Salvation Committee" comprised of "pro-communist and underworld groups" (a direct hint at the United Communist Party and *Mkhedrioni*). No specific names of possible members of the Committee were mentioned. It was also said that the plotters met at the apartment of Mr. Panteleimon Giorgadze, father of the chief of SSS, and presidential candidate of the United Communist Party. He was not directly charged, however, with being involved in the conspiracy. Several hints were made on possible involvement of Jumber Patiashvili, Giorgadze Senior's neighbor and another presidential candidate.

On the same day, the head of state decreed to abolish the Rescue Corps as the organization involved in organized crime. A warrant was issued to arrest Mr. Igor Giorgadze, who together with Colonel Yuri Guliev, the head of SSS operative-intelligence department, and Eduard Naskidashvili, the deputy head of the SSS technical center, had fled to Moscow in September. Gela Papuashvili, the commander of 'Alpha', SSS special unit's, and more than 20 SSS's officers, were arrested on charges of being involved in the planned coup d'état. They admitted (some of them, on TV) to have taken orders from Mr. Giorgadze to arrange the terrorist act. Mr. Shevardnadze entitled the interior

ministry and the acting chief of SSS, Mr. Avtandil Ioseliani to purge security service of disloyal elements. No measures were taken against Mr. Jaba Ioseliani, the head of *Mkhedrioni* and godfather of the Rescue Corps. Arrests of *Mkhedrioni* members continued, especially in the regions.

Mr. Shevardnadze, Mr. Kviraya, and Mr. Babilashvili insinuated that Mr. Giorgadze might have been commissioned by "Russian reactionaries" or "opponents of President Yeltsin". Former head of the intelligence bureau (predecessor of the SSS), Irakli Batiashvili alleged that General Reut, the commander of the group of Russian troops in the Transcaucasus, and Colonel Marusin, the head of its intelligence division, were involved in the terrorist act of August 29, basing his claim on the fact that Igor Giorgadze had fled in General Reut's personal jet, while Mr. Marusin had left Tbilisi shortly before the assassination and never returned.

On October 7, a high-ranking delegation of Georgian law-enforcement bodies visited Moscow to request the extradition of Igor Giorgadze in accordance with previously concluded bilateral agreements. The Russian side denied the knowledge of Mr. Giorgadze's whereabouts, and demanded sufficient evidence of his guilt. Konstantin Zatulin, the chairman of the Russian Duma Commission for the CIS and Compatriots' affairs said that Russia should not extradite Igor Giorgadze. A repeated request of Georgian prosecutor's office on October 27 did not bring any results as well. On October 3, in his interview to the Russian TV Mr. Giorgadze denied his involvement in the assassination attempt, in his turn accusing the head of Georgian state of sanctioning illegal arms exports to Iran and Croatia, persecution of political opponents, misappropriation of foreign credits, and fabricating the results of coming elections by preparing sealed ballot boxes beforehand. Mr. Giorgadze publicly pledged to struggle against Shevardnadze by all accessible political means. On the next day, the head of state's press-service qualified Mr. Giorgadze's allegations as groundless and expressed discontent with his free access to the Russian broadcasting facilities, as well as with the reluctance of Russian authorities to detain him. Mr. Shevardnadze on several occasions expressed his disappointment with Moscow's failure to extradite Mr. Giorgadze, but was extremely careful not to sound anti-Russian; he said "the Georgian people would not understand this", and "he did not believe President Yeltsin knew about the case", adding however that relations with Russia should not be sacrificed to the one man.

On October 17, the emergency congress of the Citizens' Union of Georgia (CUG) appealed to Mr. Shevardnadze not to leave to New York for participation in the 50th anniversary session of the UN due to unfavorable security situation. On October 21, Mr. Shevardnadze declared his decision to stay in Tbilisi because Igor Giorgadze and his local accomplices allied with the UCPG might try to organize another coup. Another interpretation of his decision was an unexpectedly successful pre-election campaign of his major rival in the Presidential race, Jumber Patiashvili.

PARLIAMENT held its last session on September 17, when the text of the new constitution was signed by the head of state and MPs. Besides, the bill 'On Veterans of Armed Forces and Wars' was passed.

ELECTION CAMPAIGN. 46 political parties and 8 electoral blocs registered 54 party lists, that were supposed to compete for 150 Parliament seats in November 5 elections. 75 more seats will go to single-mandate constituencies. In some districts, the number of registered candidates exceeded 50. Mandates of the MPs representing in the acting Parliament Abkhazia and Tskhinvali region (South Ossetia) will be extended since elections cannot be held there. According to the Central Election Commission, Georgian population with suffrage totaled 3,2m.

From October 12, the national TV and radio companies set about the coverage of election campaign by granting each party and presidential nominee equal broadcasting time. The TV and radio companies were denied the right to allocate additional time to the participants, whether paid or free

of charge, or cover the election campaign in any other way. That was why almost no pre-election discussions were broadcasted. These restrictions did not apply to the printed media. The government allocated additional funds of 580,000 Lari (453,000 USD) for pre-election arrangements (mainly improvement of communications, the major technical problem faced by the election commission). Additional police units were alerted in Tbilisi and the regions.

The CEC, for the most part comprised of representatives of different political parties, later abolished the registration of some political parties and 50 candidates for MP's for different violations of the election law. Several well-known candidates, like former prime minister Otar Patsatsia, deputy prime ministers Avtandil Margiani and Tamaz Nadareishvili were excluded for their failure to resign from the offices in the executive power in time (no acting officials of the executive power may run). In many cases, however, including those latter, the Supreme Court annulled the decisions of the CEC, so that no influential parties or candidates were excluded. In the end, 53 party lists were allowed to compete.

Competition between the two major presidential candidates - Eduard Shevardnadze and Jumber Patiashvili - was in the centre of the public attention. Although the polls gave priority to Mr. Shevardnadze, his supporters seemed concerned about seriousness of Mr. Patiashvili's popularity in some regions, especially of eastern Georgia. Mr. Shevardnadze campaign was mostly targeted against Mr. Patiashvili and his alleged alliance with the United Communist Party. On October 6, Mr. Patiashvili demanded from the CEC to curb the allegations of his possible involvement in the anti-state conspiracy, coming from Shevardnadze's team. The head of state's authorized regional envoys ordered local authorities not to give the premises to Jumber Patiashvili for his meeting with the voters. According to the *Droni* newspapers on October 23, after local TV station of Dusheti district broadcasted materials in support of Mr. Patiashvili's candidacy, it was raided by the police, with Mr. Otar Khuluzauri, its head, being delivered to the police department and physically abused.

At his October 4 news conference, another strongly anti-Shevardnadze presidential candidate, Panteleimon Giorgadze from the United Communist Party (UCPG), declared that in case of winning the elections he would abolish the office of the president within three months; in case of failure, however, he intended to transfer his votes to Mr. Patiashvili. On October 5, the UCPG was forced by the local authorities to vacate its premises, allegedly for their failure to pay rent. Mr. Giorgadze responded with a hunger strike, having suspended it three days later after a meeting with the CEC chairman.

The prosecutor's office refused to meet the request of the CEC to release from custody registered candidates for the parliamentary elections: former defense minister, MP Tengiz Kitovani, professor Irakli Surguladze, and Mrs. Dodo Gugeshashvili and Mr. Longi Chelidze, the leaders of the abolished Rescue Corps.

According to the *Droni* newspaper, the recently appointed mayor of the city of Poti, Nugzar Nadaraya explicitly demanded from threatened chiefs of local state agencies and enterprises to dismiss them if they do not support Mr. Shevardnadze and CUG. There were reports on similar measures taken by some other regional administrators.

.On October 30, three members of the CEC protested against what they qualified as a violation of the election law by Head of State Shevardnadze, whose pre-election trips down to Georgian regions were widely televised on the top of his time limit as part of news.

DEFENSE. SECURITY. LAW-ENFORCEMENT. As a result of comprehensive check-up of the Railway Department conducted by the Control Chamber and the Prosecutor's Office during the first half of October, a large scale plunder of state funds was revealed (more than \$17m according

to some government sources). Leadership of the Department was accused of bribery, turning operable vans into scrap with subsequent illegal export, and misappropriation of state-credits. On October 15, Mr. Remi Vashakidze, the head of the Department, was arrested with his three deputies being dismissed. Akaki Chkheidze, officer of the head of state's staff, was appointed the acting head. Mr. Revaz Shavishvili, the head of the Control Chamber, said his agency had revealed gross violations in the Railway Department as early as in 1993, with the head of state not paying attention that time. Several days after the changes in the department, Mr. Shevardnadze said in his radio interview that revenues of the department had increased more than ten times over that short period.

On October 4, Gen. Razhden Bitsadze, the influential chief of military-industrial department of the bureau, was replaced by Pantiko Tordia (formerly the director general of Tbilisi military jet factory No. 31). In order to improve the supply of logistics the bureau was permitted to conduct certain kinds of commercial operations. Mr. Bitsadze was believed to have been in conflict with Defense Minister Vardiko Nadibaidze.

On October 17, Mr. Nadibaidze said at his news conference that the recruiting in the national army would be fully based on call-up. He stated that 49,600 served in the army (this figure was questioned by independent sources). Part of Georgian quotes specified by the CFE treaty (on Conventional Armed Forces in Europe) would be transferred to Russia after the deployment of its military bases in Georgia. This comprises 115 tanks, 160 armoured vehicles, and 170 artillery systems.

On October 31, Head of State Shevardnadze chaired a session of the Defense Ministry Commission which summed up annual results of army building. Certain improvement of material-technical supply, combat readiness, and discipline were pointed out. Military training, the organization of logistics (particularly establishment of military hospital), and staffing of the air forces were described as major problems. 22 military and civil airfields are operating in Georgia, with the national air forces staffed only by 22%. Mr. Shevardnadze said that without Russian assistance Georgia would not be able to create an efficient national army. However, he questioned the possibility of ratification of bilateral agreement on deployment of Russian military bases in Georgia by the new Georgian parliament without Russian help in regaining break-away territories.

On October 27, the commander-in-chief of Georgian frontier troops, General Valeri Chkheidze declared that at present Georgia was unable to provide the protection of its state frontiers independently, thus having no other choice but guarding them jointly with Russian troops. According to Mr. Chkheidze, establishing efficient national frontier infrastructure for guarding the 2,000 km land and 320 km sea borders would take about 10 years, and cost as many as \$150,000.

According to General Gia Toradze, the commander-in-chief of internal troops, measures taken against *Mkhedrioni*-related groups profiting from illegal oil extraction, led to significant reducing of oil plunder (last year, 250 tones of oil had been illegally extracted daily).

RESOLUTIONS AND DECREES OF THE HEAD OF STATE AND THE CABINET. On October 9, the session of the Cabinet chaired by Mr. Shevardnadze decided to continue works at Tkibuli coal mines despite severe conditions caused by poor funding. At the same session, Prime Minister Otar Patsatsia, two of his deputies Avtandil Margiani and Tamaz Nadareishvili, and the minister of trade, Murtaz Zankaliani resigned from their offices in order to participate in coming parliamentary elections. The next day the resignations were approved by Mr. Shevardnadze's decree.

On October 18, the cabinet's session outlined the obstacles created by the Russian Central Bank impeding the implementation of September 15 intergovernmental agreement on transferring to Russia the ruble banknotes accumulated in Georgian banks after the introduction of the new Georgian currency. The same session decided to conduct the population census the next year.

The head of state decreed to create one more state holding company 'Saksamtometalurgia' (Georgian State Metallurgy) in order to provide efficient management of state-owned mining and metallurgical industries.

The head of state decreed to establish a commission to reform the system of local government agencies. Creation of regional co-ordinating groups under the head of state's authorized regional envoys ('governors') was envisaged.

Another decree of the head of state was aimed at full taxation of imported cargoes; the Customs Department was commissioned to start the taxation of imported cargoes at the point of their delivery to the border. Each custom check-point has to obtain the status of a separate legal entity, and the Department had to elaborate respective regulations in a month's time.

The Cabinet session of October 13 decided to raise the schoolteachers' wages, and allocate \$900,000 to provide secondary schools with facilities for the normalization of educational process.

REGIONS. The head of state appointed Oleg Nikoleishvili the head of Gardabani district administration.

On October 6, General Fiodor Reut, the commander of the Group of Russian Troops in Transcaucasus, surveyed Russian military units deployed in Batumi, capital of Ajara, and met with the Ajaran leader, Aslan Abashidze, who stressed the importance of the Russian military presence for the regional stability. On October 29, a local security service detained two armed people allegedly planning an attempt on the life of Aslan Abashidze.

The head of state relegated to the administration of Kazbegi district (North-East Georgia bordering with North Ossetia), regarded as a strategically important location, additional authorities such as the control over the price formation, attracting the investment, transference of 50% of the revenues to the local budget, establishment of frontier trade zone.

According to the Control Chamber, it was investigating the reasons of mass sabotage against circulation of a new currency, Lari in Marneuli, Akhaltsikhe, and Lagodekhi districts mainly populated by ethnic Armenians, Azeris, and Russians, where Russian rouble was still circulating.

On October 30, during his pre-election meeting in Samtskhe-Javakheti region of South Georgia, densely populated by ethnic Armenians, discussions with the local establishment forced Head of State Shevardnadze to promise to consider routing through the region of the railway branch-line to Turkey.

FOREIGN RELATIONS

OIL PIPELINE ISSUE. On October 9, the Azerbaijan Oil International Consortium (AOIC) decided to use two routes, one through Russia and another through Georgia, for transporting early Caspian oil from Azerbaijan to the Black Sea. The already existing Russian pipeline needs relatively small adjustments but runs through war-ridden Chechnya, while the Georgian one, having more stable regions on its route, requires larger investments. It was not decided, to what location in Georgia would the oil be finally delivered: Poti, Batumi and Supsa were considered to be the three candidates.

The decision was considered to be a success for Georgia and a defeat for Russia, with later having had insisted on its exclusive control over the transit route. The Georgian route is also supported by Turkey, which thus gets a chance to have the pipeline built through its territory in order to deliver oil to a Turkish port on the Mediterranean. This caused some frictions in the Russian-Georgian relations. The hard-liners in the Russian State Duma led by Konstantin Zatulin sharply criticized Mr. Shevardnadze for following the US government which allegedly stood behind the

decision. In his TV interview of October 9, Mr. Shevardnadze tried to sweeten the pill for Russia saying that the routing of the oil-pipeline through Georgia was a great benefit for its economy, but not sovereignty. He reiterated that Russia's interests should be taken into account. According to *Segodnya* newspaper, Georgia offered Russia 49% of shares of the pipeline on the Georgian territory, but Russian government claimed 51%.

According to the cabinet's sources, \$100m out of \$260m allocated by AOIC for repair works along the of pipelines' routes were assigned to Georgia. The latter also accounts for Turkish investments. The issue of their allocation seemed to be positively solved on October 31, during the meeting of Mr. Shevardnadze with Turkish participants of AOIC.

On October 21-22, a delegation led by the vice-speaker of parliament, Vakhtang Rcheulishvili met with the leadership of Azeri parliament in Baku to discuss issues related to the oil-pipeline and delivering power from Azerbaijan to the Georgian enterprises.

CIS AFFAIRS. The meeting of CIS foreign ministers in Moscow (October 7-8) failed to reach any agreements on political and economic integration. The proposal of Georgian delegation led by Foreign Minister Alexander Chikvaide to address UN on behalf of CIS countries to impose political and economic sanctions on break-away Abkhazia, will be discussed at the next meeting.

On October 19, at the initiative of Georgian delegation led by Vakhtang Gogvadze, the parliament speaker the regular session of the council of CIS Interparliamentary Assembly in St.-Petersburg, unanimously passed a resolution 'On Condemning Terrorism on the Territories of CIS Countries'.

OTHER INTERNATIONAL CONTACTS. On October 23, in his letter to the UN secretary-general, Boutros Boutros-Ghali Mr. Shevardnadze explained the reasons of his non-participation in the UN anniversary session and stressed the urgent need to reform the UN in order to enable it to response to current challenges more effectively.

On October 5-7, EC commissioner for foreign relations Hans Van Der Broeck discussed with Mr. Shevardnadze and other officials an expected agreement on EC-Georgian partnership and co-operation, on the food assistance to Georgia in the coming winter, and EC contribution to the development of Georgian energy sector, agriculture and transport. The discussions were continued on the level of experts in Brussels on October 9-10. The first deputy foreign minister, Mikheil Ukleba, and the head of EC delegation to Georgia, Ambassador Denis Corboy pointed out that the integration of Georgia into EC structures would not occur in the immediate future.

On October 12-13, Mr. Jakob Kelenherger, the secretary of state of the Swiss confederation, met with Foreign Minister Alexander Chikvaide, and the head of State Committee for Human Rights and Interethnic Relations, Mr. Sandro Kavsadze to discuss some issues of the bilateral relations, and the ways of settling ethnic conflicts in the country. Mr. Kelenherger visited Tskhinvali region.

On October 31, a US government delegation including among others Mr. James Collins, the coordinator of the relations with CIS of the State Department, and Mr. Ashton Carter, the deputy secretary of defense, arrived in Tbilisi for two-days visit.

CONFLICT ZONES

ABKHAZIA. According to different reports, the Russian navy took measures to block shuttling of Abkhazian ships between Sukhumi and the Turkish city of Trabzon under the Russian flag. General Andrey Nikolaev, the commander-in-chief of the Russian frontier troops, officially stated that the illegal navigation would not be allowed. The Abkhaz side qualified the Russian measures

as blockade of Abkhazia. After severing controls on the Russian-Abkhaz border, sea-shuttling became crucial for Abkhazia's communication with the outside world. In protest to the 'blockade', the Abkhaz side refused to negotiate in the next round of Russia-mediated Georgian-Abkhaz negotiations which had been scheduled in Moscow for October 24.

On October 1, Vladislav Ardzinba, the president of the self proclaimed Republic of Abkhazia, in his interview to the Russian *Pravda* newspaper expressed doubts about the possibility of re-establishing Georgian control over Abkhazia with Russian political and military help. On October 7, an official statement of Russian foreign ministry denied the information on the existence of any secret agreement on Georgian regaining Abkhazia through Russian military assistance. On October 3, Mr. Ardzinba decreed a regular call-up for the Abkhaz armed forces, which, according to Russian sources, consist of 12,000 servicemen. Sultan Sosnaliev, the defense minister of Abkhazia, declared that in case of resumption of the hostilities Abkhazia would be able to mobilize some 30,000 servicemen.

On October 4, Valeri Arshba, the Abkhaz vice-president, declared the support of Abkhaz government to prolonging the presence of the Russian (nominally CIS) peace-keepers in the conflict zone (the mandate of peace-keepers expires on December 23, 1995).

On October 16, at the session of the Abkhaz parliament Mr. Ardzinba refused to recognize the Russian-Georgian agreement on the mutual acknowledgment of territorial integrity signed on September 15 by Mr. Shevardnadze and Russian Prime Minister Victor Chernomyrdin. He regarded this document as 'aggravating the situation in Abkhazia'.

Irakli Machavariani, the deputy head of Shevardnadze's staff actively involved in Georgian-Abkhaz negotiations, said at his October 6 news-conference that the resumption of hostilities in Abkhazia 'would mean a declaration of war to Russia'. Boris Pastukhov, the Russian deputy foreign minister and mediator in the conflict, said to the Russian TV on October 18 that the absence of a clause in the new Georgian constitution defining the political status of Abkhazia contributed to the failure of the negotiations. Mr. Pastukhov warned against settling the Abkhaz conflict 'at any price'.

On October 17, Guram Nikolaishvili, the Georgian deputy defense minister, stated that Russian peacekeepers started disarming the Abkhaz irregulars in the 12 km. security zone in the Gali district. This information, however, has not been confirmed by independent sources.

According to Anzor Baluashvili, the deputy prosecutor-general of Georgia, as a result of recently completed investigation of the crimes during the Abkhaz war of 1992-93, 600 persons (including those on the Georgian side) were proven guilty in fueling separatism and genocide of Georgian population in Abkhazia. No names were publicly announced, but according to some reports, Mr. Tengiz Kitovani, now imprisoned former Defense Minister, is among them.

TSKHINVALI REGION/SOUTH OSSETIA. Artur Chilingarov's, the deputy chairman of the Russian State Duma, sent a telegram to Ludvig Chibirov, the leader of self-proclaimed South Ossetian Republic, congratulating him on the occasion of the 5th anniversary of establishing the Republic.

The authorities of North Ossetia (Russia) did not meet Mr. Chibirov's demands to allocate funds to the region in order to stop the outflow of its residents to Russia due to severe living conditions. Mr. Chibirov also appealed to the Russian authorities for political support and large-scale investments to this region to accelerate its political and economic integration with North Ossetia.

Dimitry Medoyev, the South Ossetian foreign minister, made same appeals to the Russian officials who visited the region on October 18-19 (the visit was not coordinated with the Georgian authorities).

On October 29-30, a regular meeting of officials of Georgia, Russia, North Ossetia and the self-proclaimed Republic was held in Vladikavkaz (North Ossetia) under the auspices of OSCE, with participation of the head of OSCE mission to Georgia Dieter Boden. For the first time, the parties agreed to establish four mixed groups in order to work on the future political status of the break-away region.

SOCIETY

HUMAN RIGHTS. Temur Zhorzholiani, the leader of the Monarchist Conservative Party, who was imprisoned in September on charges of drug trafficking and illegal keeping of arms, went on a hunger strike in his cell in protest against the authorities' refusal to allow him to hire a barrister. On October 10, Mr. Zhorzholiani attempted a suicide but survived.

Jaba Ioseliani, the head of *Mkhedrioni* militia, told BGI agency that the arrested members of *Mkhedrioni* had still been deprived of their right to contact their barristers

On October 14 and 29, the police prevented rallies of the followers of the late-president Gamsakhurdia, who wanted to protest against the parliamentary elections regarded by them as illegal. 16 people were arrested, some of them being later sentenced to 10-day imprisonment.

On October 31, Mr. Dominique Duffer, the head of International Committee of Red Cross (ICRC) mission in Tbilisi handed the chairman of the State Committee for Human rights and Inter-ethnic Relations Sandro Kavsadze his protest against the law-enforcement bodies impeding visits of ICRC officers to the prisoners.

CULTURE. SCIENCE. MEDIA. On October 16, the Ministry of Communications decreed to forbid the local private TV companies 'MB' and 'Madneuli' operating in the Bolnisi and Kazreti districts; the prohibition was motivated by the alleged hindrance created by them to broadcasting the programmes of governmental and Russian TV in these areas. The officers of the ministry, together with the police, confiscated the broadcasting equipment of these companies.

On October 11-12, the first scientific conference on the history and problems of the Georgian church, religious literature, and Christian art was held in Tbilisi.

An international conference of architects from Black Sea Economic Cooperation (BSEC) states held in Tbilisi on October 10-12 decided to create a regional organization of BSEC countries' architects.

At a symposium on the history and prospects of Russian - Georgian relations held on October 27 in Tbilisi, the Russian Ambassador to Georgia Vladimir Zemski called for the establishment of a Russian university in Tbilisi.

CRIME. ACCIDENTS. According to the official statistics, during January-September 1995, 3002 criminal offenses, among them 861 grave ones had been registered. During the same period, 5,207 arrest warrants were issued, with 1,423 been arrested by October and 3,784 still wanted.

In another round-up under the code name 'Arsenal-95' held in Tbilisi and several regions on October 5-9, the police confiscated 67 illegally kept sub-machine guns, 85 pistols, 29 trench mortar, 400 kg of explosives and other military equipment, mostly belonging to the abolished Rescue Corps. During October 21-25, a nationwide police sweep under the code name 'Autumn-95' led to the detainment of 268 suspects, exposure of 109 criminal cases, and confiscation of 139 units of weapons and 9 armoured vehicles.

On October 9 in Tbilisi, a car driven by Giorgi Ratishvili, correspondent of the Russian Public TV in Georgia was shot by unidentified gunmen. Mr. Ratishvili told the investigators he had received a telephone message with threat before the assault.

On October 13, unidentified burglars robbed Tbilisi Museum of History and Ethnography. More than 54 exhibits were stolen. The police detained several museum guards on suspicion of complicity in the crime.

The police confiscated \$30,000 in cash and a big amount of jewelries from the study of the arrested head of the Railway Department Remi Vashakidze, two imported cars assigned for the department but appropriated by Mr Vashakidze were also found.

Two fire accidents took place in Tbilisi on October 10-11, in one of the building of the State University, and in the airport under repair, leading to a serious material detriment, but with no casualties. The fire resulted from an explosion (supposedly due to a gas leakage) severely wounded two passengers in one of the Tbilisi subway stations on October 4.

PUBLIC OPINION

According to a poll conducted by the *Akhali Taoba* newspaper in Tbilisi on October 17-19, the candidacy of Eduard Shevardnadze to President was favored by 33% of those polled, with Jumber Patiashvili having 12%, Akaki Bakradze 5.5% and Panteleimon Giorgadze 0.5%. The same poll showed that the National-Democratic Party was supported by 22% of respondents, the Citizens' Union - by 19%, the Union of Traditionalists - by 10.5%, the coalition '21st Century' (followers of Gamsakhurdia) by 10%, and the United Republican Party - by 6.5%.

According to the poll held among 300 respondents in Tbilisi by *Informservice* agency on October 18-19, the rating of popularity of the candidates for presidency looked as follows: Eduard Shevardnadze 61.7%; Jumber Patiashvili-24.9%; Akaki Bakradze-7.4%, Roin Liparteliani-3.3%, Kartlos Garibashvili-2.7%.

A poll held on October 10-16 by the *Sakartvelos Respublika* newspaper among 1,000 respondents in all districts of Tbilisi showed that 52.2% of those polled had not chosen a favorite political party in the coming parliament elections, and 13.2% did not favor any of them. 8.5% supported the Citizens' Union, 7.1%- the National Democratic Party, 2.2% - the United Republican Party, 1.9%- Ilya Tchavtchavadze Society. All other parties had even less.

41.6% of the respondents believed that the new parliament would be able to improve the situation in the country, with 30.1% sceptical and 28.4% without opinion.

ECONOMY

FINANCIAL SURVEY. Since October 2, a new national currency Lari has officially started to operate as the only legal tender in the country. The start was surprisingly successful, with the Russian rouble and US dollar being swiftly ousted from the market. There were some problems in border regions, in particular, Akhalkalaki district on the border with Armenia, with predominantly ethnic Armenian population, and Russian military detachments which refused to use the new Georgian currency. By the end of the month, Lari was accepted there too, but parallel to the rouble.

According to the official data by October 18, as a result of exchange operations the intensive inflow of foreign currency to the National Bank increased its reserve funds by \$30m. Within October, the volume of transactions at Tbilisi Interbank Currency Exchange exceeded \$7.5m. The Information Center for Economic Reforms under the cabinet reported that a number of commercial banks refused to exchange roubles for Lari because of the unacceptable exchange rates fixed by the National Bank. On October 25, the National Bank decreed to suspend from November 1 all operations on exchange of the abolished transitional currency Coupon for Lari. By October 31, the price of 1 USD was equal to 1.24 Lari (against 1.30 at the beginning of the month).

LIVING STANDARDS. The introduction of Lari led to a rise of prices. As compared with September, the prices for food products increased by 27.5%, consumer goods by 35.3%, and public services by 31.2%. The prices for real estate have grown by 15%. The government kept fixed prices on bread (0.20-0.40 USD), and public transport services (0,04-0,20 USD). According to the Ministry for Labour and Social Security, the living wage increased by 10,8% in October. and equaled 98.28 Lari. The cost of the food basket (including 38 food products) increased by 21.08% and equaled 59.09 Lari.

STATE BUDGET. According to the Statistics Department report of October 27, in October 59% of state budget revenue consisted of foreign grants, with only 41% coming from domestic payments. According to the State Committee for Social and Economic Information, the budget revenue in January-September totaled 142.4m. Lari (out of which 92.7 came from domestic payments). This figure exceeds by 11.8m (8,8%) the figure predicted by the IMF, and is seven times larger than the respective indicator in 1994.

LABOR MARKET. At the beginning of October, 60,830 unemployed were registered at Tbilisi Labour Exchange. In order to provide an accurate database, the establishment of regional branches of the Labour Exchange was underway. The council of directors of these branches will meet on annual basis for monitoring the labor market.

PRIVATIZATION. According to the Ministry of State Property, by October 27, the results of 11 check auctions are the following: 14,012,484 out of 36,325,869 shares of 345 joint-stock companies were sold, i.e. 41% of the whole volume which has to go. 8 investment funds participated in the auctions. The average exchange rate was 1 voucher for 40 shares. Some major stock-exchanges started the trade with fixed date contracts on vouchers. During the month 101 deals and 1,326 contracts were concluded. The price of a voucher dropped from 6,2 to 5,6 Lari.

ENERGY. COMMUNICATIONS. The energy department introduced new tariffs for power consumption: 2,5 tetri (2 cents) for 1 KWt for private persons, and 4 tetri for organizations and enterprises.

The arrears of Georgian energy department exceeded 100 m. Only 20% of consumed power had been reimbursed by October 1.

According to the energy department, On October 31, the 8th unit of Tbilisi power plant with rated capacity 150 mWt has been put in operation and will generate 3m kWt electric power a day.

.FOREIGN ECONOMIC RELATIONS. Within January-September, there were registered foreign trade operations with 62 countries against 47 in 1994.

On October 5, a representative of the European Bank for Reconstruction and Development (EBRD) Alexander Savchenko negotiated with Mr. Shevardnadze the establishment of an investment foundation of EBRD in Georgia with a direct credit line.

On October 18, the chief of the energy department 'Sakenergo' David Zubitashvili and a representative of KWF, Frankfurt bank for reconstruction and credits Klaus Glaubitz signed two memorandums providing the allocation of credits of DM 20m for rehabilitation of the Georgian power network and the reconstruction of Tbilisi power station.

On October 25-26, the minister of finances of the Netherlands familiarized himself with the course of economic and monetary reforms in Georgia and assessed them positively. He discussed with local officials the possibilities of the Netherlands' government help to the market reforms in Georgia.

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