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GOVERNMENT

MP Tengiz Kitovani, the leader of the coup against then President of Georgia Zviad Gamsakhurdia in December 1991, and later one of the major adversaries of the Georgian Head of State Eduard Shevardnadze, was arrested while he was leading hundreds of volunteers to western Georgia with an ultimate aim to regain break-away region of Abkhazia by force. This, together with parliamentary approval of previously voted down draft state budget, manifested strengthening of Shevardnadze's stand. A new act of terrorism was directed against former Georgian minister of defense and his former deputy.

PARLIAMENT. During the special Parliamentary session on January 11, the draft budget (which almost did not differ from the previous version voted down on December 28) was approved with 122 votes in favor, 62-against, and 11 refrained. The change was determined by the fact that this time Head of State Shevardnadze succeeded in bringing all his supporters to the parliament session. Opposition thus failed to force the Cabinet out of office though outvoting the budget. Spokesperson of the National-Democratic Party Irina Sarishvili-Chanturia, who appeared in parliament for the first time after the December terrorist act in which her husband Gia Chanturia was killed and she wounded, was the most open about this motive in rejecting the draft. She claimed that during her confidential meeting with the Head of State on December 1, Mr. Shevardnadze had promised to consider Cabinet changes after gas supplies would be resumed, but later failed to carry out the promise. Mrs. Sarishvili-Chanturia's speech was full of extremely sharp allegations against Vice-Premier Avtandil Margiani, Head of Security Service Igor Giorgadze, Defense Minister Vardiko Nadibaidze and "Mkhedrioni" leader MP Jaba Ioseliani. They were accused of involvement in illegal anti-state activities, and/or links with Russian secret services. In the event the Cabinet were forced to resign, the opposition stood for creation of the coalition government. Mr. Shevardnadze rejected the idea outright, but at the same time pointed out that representatives of several parties participated in the Cabinet anyway.

Parliament was supposed to resume its regular sessions in the beginning of February.

THE OPPOSITION. On January 4, Ministry of Justice and Supreme Court abolished National-Liberation Front (NLF), a political organization which had been created the previous fall by MPs Tengiz Kitovani and Tengiz Sigua, leaders of an anti-Gamsakhurdia coup in December 1992 and former Defense Minister and Prime Minister respectively. A number of statements of the NLF leaders on their apparent intention to restore Georgian jurisdiction over Abkhazia by military force, without authorization from the government, became the ground for the decision of the Ministry of Justice.

On January 14, however, the NLF organized a march of some 700 poorly armed volunteers to western Georgia. They were planning to camp in the town of Senaki, and after undergoing military training to try to enter Abkhazia. Presumably, Mr. Kitovani hoped to attract refugees from Abkhazia dissatisfied with Mr. Shevardnadze's policy. Mr. Kitovani also claimed that his initiative had been approved by the Russians; someone named Fustyn, a journalist from the Krasnodar region of Russia, took part in the march claiming to be a personal envoy of President Yeltsin. Nobody hampered some 15 buses to start from Tbilisi, but later the members of an emergent militia were stopped in portions by the State Security Service units. 5 people were wounded in the clashes. Tengiz Kitovani, another leader of the NLF Irakli Surguladze, as well as Mr. Fustyn were detained. According to the law, Mr. Kitovani's parliamentary immunity was not valid since he was caught in action. He faces 10 years in prison on charges of creating an illegal armed group, and organization of mass public disorder. Besides that Mr. Kitovani was also accused of illegally selling two SU-25 jets to Azerbaijan, in the period when he occupied the office of Defense Minister. Mr. Sigua, who had also departed from Tbilisi to take part in the march, was not found in any of the buses, thus avoiding the arrest. Prosecutor's office distributed the information incriminating him participation in illegally issuing of credits in 1992, when he occupied the office of Vice-Premier.

On January 21 while meeting the leadership of the law-enforcement bodies, the Head of State qualified Mr. Kitovani's arrest as a significant measure taken against Mafia. He stated that under no conditions would he allow Mr. Kitovani's release.

United Republican Party in its statement did not support the actions of the NLF, but stressed that government shared political responsibility for the event due to its ineffective Abkhazian policy. Other opposition parties questioned the legality of Mr. Kitovani's detainment. On January 20, at the initiative of leader of the National-Independence Party Irakli Tsereteli, representatives of the opposition parties met demanding to convene a special Parliamentary session in order to consider Mr. Kitovani's case. However, the number of the MPs present was not enough for the validity of their demand.

ECONOMIC POLICY. On January 6, the Head of State issued decrees concerning the improvement of technical equipment and financial position of the Custom's Department employees, presumably to prevent financial abuses within this body. Part of the Customs incomes will be paid to the employees. New restrictions were introduced allowing no more than \$500 to be taken abroad by private citizens.

On January 13, the Cabinet passed a resolution "On Budget Payments from Currency Exchanges", and "On Fixed Rate of Budget Payments from Selling of Bread and Flour".

On January 13, the Cabinet approved the arrangements to begin the distribution of privatization vouchers. The Ministry of State Property Management promised to begin the distribution since February 1.

The Cabinet decided to increase wages 1.5 times. Minimal wages thus reached 1.5 mln Georgian coupons. The institutions were charged for seeking the means to reduce the budget expenditures in 25% by cutting the personnel staff in 30%.

SECURING THE STABILITY During meeting the January 21 meeting of representatives of the law-enforcement bodies it was pointed out that a new division for fight against terrorism, drug smuggling and economic subversion had been established within the Security Service. The similar body was created in the Prosecutor's office. Head of State Shevardnadze stressed the necessity to enforce compulsory drug tests among State employees.

On January 22, the Head of State issued a decree making the Taxation Inspection Department the only body authorized to inspect state and commercial units. This, however, does not exclude involvement of other bodies in the event there is consent of local authorities.

On January 24, Mr. Shevardnadze met the staff of Tbilisi police department. He agreed that the recently enacted law which allowed keeping (but not bearing) arms had to be revised.

THE STRUCTURAL AND PERSONNEL CHANGES. On January 17, Petre Mamradze was appointed chief of staff of the Head of State instead of Vazha Lortkipanidze. He had been elected to parliament on the Green Party ticket, and later moved to pro-Shevardnadze Citizen's Union of Georgia (CUG); he was secretary and head of National Security Subcommittee in the Parliament Foreign Affairs Commission, at the same time working as head of information-analytical branch of the UN mission to Georgia.

Nugzar Sajaya came to supervise defense, security, and law enforcement bodies in the Head of State Staff. He headed similar department in the Central Committee of the Georgian Communist Party. Tbilisi Vice-Mayor Kote Kapanadze was appointed to head newly established division for promotion relations with foreign business.

On January 22, the Head of State issued a decree on extending the authorities of his regional representatives. Kutaisi Mayor Temur Shashiashvili became authorized representative in Imereti region. As Mr. Shevardnadze said in his January 23 radio address, this was his way of establishing new system of regional administration.

Anatoly Ivashenko was appointed deputy minister of internal affairs and simultaneously the Georgian representative within the analogous Russian structures.

THE ARMED FORCES. On January 20, the Cabinet held a special meeting to discuss problems of the army. It was pointed out that the planned figures of call-up for 1994 had been met by 69%. The Cabinet took an obligation to take care for army mobilization funds.

On January 15, the Head of State issued a decree on fight against desertion in the Georgian army. Those who will abandon their armed units without authorization will face the prosecution. On January 27, Special Coordinating Commission of the Cabinet passed a resolution to renew military classes in schools.

Certification Commission of the Ministry of Defense decided to separate of Air Combat units from Air Forces. General Giorgi Kvesitadze was appointed Commander of the new unit, with Mikhail Chumachenko being appointed Deputy Commander.

THE REGIONS. Ajara: The Head of State promoted leader of Ajaran Autonomous Republic Aslan Abashidze to the military rank of Mayor General.

On January 9, Mr. Abashidze personally supervised the police operation to release hostages captured by the terrorists. The latter demanded release of their relatives -- Asanidze brothers, former high ranking Ajaran officials, who are imprisoned on charges of conspiracy with the aim to assassinate Mr. Abashidze. The operation was successful.

Tskhinvali region (South Ossetia) During the month, the trilateral contacts between representatives of Russian, Georgian and Ossetian peacemaking units in the conflict zone were underway. According to the official statement issued on January 22, the situation remained to be under control. The resumption of joint guarding of the zone was expected.

According to the information of "Iberia" agency spread on January 26, Chairman of State Nikhas (parliament) of self-proclaimed South-Ossetian Republic Chibirov said he was prepared to conclude an interstate agreement with Georgia. On January 18, Chairman of the

South-Ossetian Council of Ministers Gabaraev addressed Head of Georgian Cabinet Otar Patsatsia with a letter claiming 34 billion Russian rubles for restoration of units destroyed during Georgian-Ossetian hostilities in 1990-1992. State Nikhas established the commission on the national anthem of South Ossetia.

Vadim Gabaraev was appointed Tskhinvali Mayor.

Possible status of the break-away region was discussed on January 26, within the State Commission on Conflict Regulations under the supervision of MP Jaba Ioseliani. (See more in the Public Opinion section).

FOREIGN RELATIONS

SUMMITS. President Leonid Kuchma of Ukraine visited Tbilisi on January 9-10. The two heads of states signed the Declaration "On Shared Approach to International Issues and Prospects for Development of Cooperation". In this document, the sides defined the CIS as an interstate but not supranational formation. Other documents signed included agreements on Pension Funds, Free Trade, Interbank Accounts, Manufacturing Cooperation. Building a so-called Europe-Asian transport corridor was discussed in connection with the Ukrainian concern related to receiving oil from Azerbaijan. The Ukrainian side suggested assistance in printing bank notes of the Georgian currency, expressed its willingness to supply Georgia with electric power and buying Georgian wine products and fruits. President Kuchma stated the readiness of Ukraine to send observers to the zone of Georgian-Abkhazian conflict (so far, no CIS members besides Russia had manifested any desire to participate in the peacekeeping process in Georgia).

On January 19, the Georgian Head of State paid a one day visit to Bulgaria. Mr. Shevardnadze held meetings with President Zh. Zhelev and other Bulgarian officials. 14 documents were signed, among them the Treaty on Friendship and Cooperation, agreements on air navigation, maritime trade transport, international automobile Transport, investments security, etc. During his press-conference Mr. Shevardnadze criticized the Western Europe for its ambiguous approach to Chechnya crisis, and hence territorial integrity of Russia. Mr. Shevardnadze considered dissolution of the latter to be a "global catastrophe".

RUSSIA AND THE CIS COUNTRIES. Top Georgian officials continued to reiterate their support towards Russian military intervention in Chechnya, having in mind possible implications for settlement of the Abkhazian problem. MP Jaba Ioseliani said that if only "Mkhedrioni" still existed, he would lead it to fight in Chechnya against Dudaev's forces. On January 21, meeting the leadership of the law enforcement bodies, Mr. Shevardnadze requested special measures to be taken to prevent trespassing the Georgian border by Chechen rebels. According to BGI agency, additional guarding posts were established.

Former Chief of Staff of the Head of State Vazha Lortkipanidze, considered to be one of the most influential figures in the Georgian politics, was appointed Georgia's new Ambassador to Russia. He will also represent Georgia in all charter bodies of the CIS. Former Ambassador, Valerian Advadze will represent Georgia in the CIS economic committee which is still in the course of being established.

During the January 11 meeting of commanders-in-chief of frontier troops of the CIS countries, as well as the meeting of CIS Foreign Ministers held on January 25-26 in Moscow, the draft document on joint guarding of the CIS external borders was discussed. The Georgian approach seemed controversial. BGI agency reported on January 16, that the Georgian delegation joined a preliminary agreement. In the January 26 interview to the BGI, Georgian Ambassador to Russia Vazha Lortkipanidze did not directly answer the question whether the Georgian delegation signed the agreement on CIS frontiers or not. On January

30, Georgian Foreign Minister criticized the idea of joint protection of borders, regarding that as a subject of bilateral relations.

Defense Minister General Vardiko Nadibaidze seemed rather hopeful about close cooperation with Russia. On January 5, during his meeting with Swiss and German representatives, he stated that Georgia would get from Russia armored combat equipment after an agreement on deploying Russian military bases in Georgia would be signed. According to the BGI agency, Mr. Nadibaidze turned down the suggestion of the Ukrainian delegation to sell to Georgia the latest models of armaments, saying Georgia would get them from Russia free of charge.

INTERNATIONAL ORGANIZATIONS. On January 4, Head of State Shevardnadze received European Council representative, Head of Foreign Policy Commission of Swiss Parliament Ernst Mülleman. The questions discussed comprised the status of EC guest for Georgia, opening of Swiss diplomatic representation in the Transcaucasia probably located in Tbilisi, Swiss aid for Georgia in the fields of energy and reforming law-enforcement bodies.

OTHER COUNTRIES. Three Georgian officers had already been trained in Germany and eight more were expected. According to BGI agency, training of 17 Georgian officers in German Bundeswehr units free of charge is planned.

On January 31 Head of State Shevardnadze met US Ambassador to Georgia Kent Brown. Possible Georgian participation in an American project of transporting oil from the Central Asia to Europe was discussed. Ambassador Brown also passed to Mr. Shevardnadze an invitation to visit the USA. On January 21 the USA military experts visited Georgia to inspect Russian troops deployed here in connection with the agreement on conventional armaments in Europe

During January 3-6, at the invitation of Iran Mejlis, Speaker of Georgian Parliament Vakhtang Gogvadze and other Georgian officials paid a visit to the Islamic Republic of Iran. The issues of mutual interest were discussed...

IN AND AROUND ABKHAZIA

PEACEKEEPING. It seems that the peacekeeping operation continues to be suspended further on. On January 12, the UN Security Council prolonged the mandate of 136 UN military observers in the zone of the Georgian-Abkhazian conflict till May 15. On January 18, the Russian Federal Assembly prolonged the mandate of Russian peacekeeping forces in the zone of conflict until the same date. "Iberia" agency reported, that planned change of personnel was underway within the Russian peacekeeping units.

According to "Contact" agency, leader of Abkhaz separatists Vladislav Ardzinba expressed his satisfaction with the activity of Russian peacekeepers, while on the Georgian side discontent was shown due to the failure of the latter to provide security for the repatriation of refugees.

NEGOTIATIONS. POLITICAL STATEMENTS. On January 4, during the meeting in Zugdidi with Georgian officials the Head of Zugdidi-based UN mission Laslo Sabo and the Head of UN military observers in the conflict zone Gen. Huidegaard said that the situation was under control and refugees' repatriation, unilaterally halted by Abkhaz side in December, would be resumed. In his turn, Mr. Ardzinba told to the UNHCR representative Tore Borsen that the repatriation will not take place until Abkhazia's independence is recognized.

On January 6, Deputy Chairman of Russian Federal Assembly Ramazan Abdulatipov visited Abkhazia to check the evidence on the existence there of training camps for volunteers fighting against Russian troops in Chechnya. He held meetings with Abkhaz

leader Ardzinba and Commander of the Russian peacekeepers Gen. Yakushev. The idea of permanent presence of Russian peacemakers in Abkhazia was discussed. After his visit Mr. Abdulatipov denied the presence of the training camps and asked Russian leadership to relieve the strict regimen on the "Russian-Abkhazian border" motivating his standpoint by severe economic situation in the region. While Secretary of Russian Security Council Oleg Lobov qualified an Abkhazian military unit as one of the most effective within Duadaev's troops .

During January 24-28 the delegation of CIS Inter-parliamentary Assembly and the peacemaking group of Russian Federal Assembly (headed by Deputy Chairman of the Duma CIS Affairs Commission Vadim Gustov) visited Georgia (including Abkhazian region), and held a series of meetings. The Georgian side expressed its discontent with the lack of efficiency of Russian peacekeepers in the conflict zone. Mr. Gustov retorted by saying that the situation for Georgia might worsen if it continued to be that assertive to Russia. The result of the visit was hinted at by the pessimistic estimate given by Head of State Shevardnadze in his traditional radio address on January 30 where he expressed doubt in the willingness of Ardzinba to negotiate and that of Russian peacekeepers to provide security in the region. Vice-Speaker of Parliament Vakhtang Rcheulishvili was as well restrained in his mentioning of the issue.

When coming out with a statement in the UN Security Council, Secretary General Boutros Boutros-Ghali pointed out no progress at Georgian-Abkhazian negotiations for the last year, and the failure of defining the mutually acceptable status for Abkhazia as well. In the face of the latest events in Russia and Chechnya, the continuation of negotiation process was regarded as the only acceptable decision. UN Secretary General assessed as failure the repatriation of as many as 300 refugees out of 300,000 those who were forcefully displaced.

At the meeting of UN Secretary General with his personal representative in Georgia Ambassador Eduard Brunner on January 23 it was decided to renew the Georgian-Abkhaz negotiations under the auspices of UN.

International conference held in the Hague at the initiative of two American NGO-s - "The Conflict Managing Group" and "The Council of International Researches and Sharing", and also Dutch "International Foundation for Interethnic Relations", became the meeting place of the self-proclaimed as independent but yet unrecognized republics (Tatarstan, Pridnestrovye, Gagauzia, Crimea, Abkhazia), internationally regarded as the constituent parts of respectively Russia, Ukraine, Moldova, and Georgia, and the governmental officials of the latter. According to evidence by Georgian delegation members, no other self-proclaimed state unit besides Abkhazia put under question the territorial integrity of the countries they formally belong to.

THE REFUGEES At the Enguri bridge Georgian and Abkhaz sides exchanged the captives 5 Georgian sailors (out of 9 captured) for 5 Abkhaz soldiers (2 others of them being ethnic Chechenians refused to be exchanged in order to avoid possible involvement in Chechen war). Deputy Chairman of Russian Federal Assembly Ramazan Abdulatipov acting as a mediator in this bargain, promised to assist in releasing as well the remaining Georgians.

On January 23 a group of refugees started a protest rally by the Enguri bridge, demanding the acceleration of repatriation process.

After the decision of the UN High Commissioner for Refugees, offices of HCR based in Zugdidi, Sukhumi and Gali had been united into one to be based in Gali, with 6 person staff instead of earlier 14. Tore Borsen was appointed to be the head of the new office.

According to BGI agency Abkhaz side presented to the UN Refugees Commissariat the data on repatriation of 60,000 Georgians to Gali district. However this information was later turned down by Georgian TV.

On January 4 in Tbilisi the session of Georgian faction of Abkhaz Autonomous Republic's Supreme Soviet (though the entire Soviet as an institution was abolished by Georgian Parliament in March 1994) was held., with participation of 16 deputies. The presidium consisting in 7 persons was elected. Tamaz Nadareishvili was elected as chairman with moving from previously occupied post of vice-premier of Georgian Cabinet.

VIOLATIONS OF AGREEMENTS. According to Iberia" agency report January 9 in Feodosia (Crimea, Ukraine) Ukrainian police detained the ship "MODUL" which allegedly belonged to Jordan and was loaded by weaponry designated for Abkhaz separatists (BGI-agency). As stated by Ex-Defense Minister MP Tengiz Kitovani the planned unloading of the ship in one of the Abkhaz sea-port became possible due to secret agreement with Russian patrol.

According to BGI agency, on January 11 the explosion of electric transmitting line caused the black-out in Sukhumi. The Abkhaz authorities accused Georgian guerrillas of this subversive act., and issued an ultimatum to Georgian side demanding the immediate repair of electric line, threatening otherwise by halting the supply to Georgia of electricity from the Enguri power station. Georgians gave in and repaired the line.

The above mentioned action organized by T. Kitovani on January 13 though failed, provided nevertheless the ground for Ardzinba in Sukhumi to address President Valeri Kokov of Kabardinian Republic and the pro-Abkhazian Confederation of Caucasian Nations with request of military assistance, also concentrating in Gali and Ochamchira regions more than 1000 soldiers and heavy armored military equipment against expected Georgian invasion.

Since events in Chechnya Russian authorities established stricter regulations along Georgian-Russian frontier demarked by the Psow river that caused delays in transportation of food and fuel to Abkhazia. This in its turn increased the frequency of assaults of Abkhaz armed groups against Georgians still living in Abkhazia.

According to "Contact" agency on January 17-18, in Shesheleti village Abkhaz separatists killed Georgian inhabitants Givi Akirtava and Guram Sakhelia, while three women had been raped; According to "Iberia" agency a Georgian woman and her 12 year daughter were raped by a group of armed Abkhazians in Sukhumi. However, the Abkhaz law-enforcement bodies did not do anything to prevent such activities, if not participate; e.g., according to "Iberia" agency on January 22, 60 Abkhaz soldiers raided Georgian villages Otobaya, and Tagiloni.

Even the Russian peacekeepers in conflict zone were not able to halt the hostilities on the part of separatists.. On January 22 , according to "Contact" agency one of Russian serviceman from peacekeeping troops was killed at the post. It is worth mentioning that the leadership of peacekeeping forces attempted to hide the fact. Finally, the leadership of Abkhazians warned international peacekeepers in conflict zone that they could not take responsibility for their security..

SOCIETY. HUMAN RIGHTS

On January 4, Vice-Speaker of Georgian Parliament Rusudan Beridze and Head of State Committee on Human Rights and Interethnic relations Sandro Kavsadze visited prisoners in one of Tbilisi prisons. They listened to demands and requests of the captives and promised terms reductions to those whose past crimes did not represent extreme danger for the society.

On January 30 Mr. Kavsadze visited in custody Tengiz Kitovani and Irakli Surguladze, leaders of the failed attempt to organize a march to Abkhazia (see the government section above). After a long conversation, Mr. Kavsadze noted that the condition of health of the both captives was normal.

A much talked of trial of 16 supporters of the late president Gamsakhurdia (so-called "Domukhovski-Gelbakhiani Case") has come close to its end. The State-Prosecutor demanded death penalty for two defendants: Irakli Dokvadze and Petre Gelbakhiani, defining them as direct executors of the terrorist act in June 1992, when a failed attempt to murder leader of Mkhedrioni Jaba Ioseliani left peaceful bystanders dead. For others, prison terms from 8 to 15 years were requested. The court had yet to pass its sentence. The Georgian Association for Human Rights appealed to the Head of State asking to release from custody one of the defendants, Khvicha Jokhadze, who is sick with tuberculosis. The Staff of the Head of State replied that the term of Mr. Jokhadze's imprisonment had been shortened by half anyway.

"Resonance" newspaper reported that Mr. Shevardnadze visited imprisoned commander of pro-Gamsakhurdia militia Loti Kobalia, who had been on hunger strike demanding meeting with the Head of State. Georgian Prosecutor's office denied this information.

MPs from the opposition Merab Kostava Society Vazha Adamia and David Kupreishvili were subpoenaed by the Prosecutor's Office to witness on Loti Kobalia's case, but did not show up. They were warned of possible legal action in case of further resistance to the prosecutor's demands.

On January 4, followers of the late president Gamsakhurdia marched in commemoration of the 3-rd anniversary of a pro-Gamsakhurdia rally brutally dispersed on January 4, 1992, when the fighting to depose the then president was still underway in Tbilisi.

On January 18 the organization of repressed persons was established, with the purpose to redress the deviations against them at the time of the Communist regime in Georgia.

On January 11, paramilitary organization Mkhedrioni turned Georgian Rescue Corps, held a meeting in Tbilisi Opera Theater in commemoration of its 5th anniversary. The meeting adopted a resolution demanding to stop allegations against Mkhedrioni, which some politicians considered to be a sort of Mafia. Mkhedrioni's leader Jaba Ioseliani said all Mkhedrioni veterans claimed were positions of deputy managers in businesses.

The meeting of Helsinki Citizens' Assembly was held in Tbilisi, with participation of Georgian, Azeri and Armenian representatives as well as those of the central office of the organization. The participants were unanimous in their conclusion that in order to prevent armed conflicts, anti-war mentality should be promoted in their societies. The presentation of a new magazine of Georgian branch of Helsinki Citizens' Assembly "War or Peace" was held.

Natural gas supplies for the population were cut down again in the first half of the month, having sharply aggravated the energy situation in general. On January 25 dwellers of Didube District of Tbilisi blocked the traffic in protest of the absence of the electricity in their houses for 20 days.

"Iberia" agency reported that during 1994 more than 1,500 enlisted men took unauthorized leave from their military units. This figure was 15% lower than in 1993.

On January 13 the drivers of private buses in Tbilisi went on strike demanding to stop what they regarded as excessive taxation by different municipal bodies. As a result of negotiations with municipal authorities the strike was stopped.

According to the BGI agency, a new Georgian foreign passport which respective bodies began to issue recently did not meet international standards, thus creating problems abroad for their owners.

On January 4 presentation of the book "Ossetia and Ossetians" was held, in Tskhinvali (capital of self-proclaimed South Ossetian Republic) Art School. The circulation of the book edited and published in St. Petersburg totals 30,000.

On January 13 the ecological police discussed at its meeting urgent measures to stop mass cutting down of trees in Georgia which resulted from the acute energy crisis.

The State Commission on Georgian Literary Language chaired by the Head of State renewed its activities. It is supposed to establish norms and regulations of the Georgian literary language.

New 600 kW transmitter helped Georgian radio widen its broadcasting range so that it now comprised adjacent areas in Turkey and Iran.

CRIME. ACCIDENTS

On January 25, three masked gunmen shot former Georgian Defense Minister Giorgi Karkarashvili and his former deputy Paata Datuashvili when they walked out of the dormitory of Academy of General Staff in Moscow. Mr. Datuashvili died immediately, Mr. Karkarashvili survived, but was severely wounded. The two generals were studying in the Russian Academy of General Staff since last September. There had earlier been several failed attempts to assassinate Mr. Karkarashvili. The most popular explanation of the crime was that it was ordered by those interested in elimination of key witnesses of the Abkhaz war, as well as those of the coup of December 1991.

Two high-ranking officials of Georgian Customs Department, its Deputy Head Avtandil Tvaliashvili and Head of Transport Division Vazha Tsertsvadze were detained on charges of large-scale financial abuses. Financial damage caused by their alleged activities was estimated at hundred thousands of dollars.

Head of communications division of the Ministry of Internal Affairs Nugzar Topchishvili was arrested on charges of distributing counterfeit US dollar bills. Large amount of counterfeit \$100 bank notes was confiscated.

The Prosecutor's Office accused high-ranking employees of the Georgian National Bank of financial abuses when giving out huge credits, particularly to private and state companies involved in foreign economic activities. The losses for the state are estimated at \$4 million.

According to the data of the Ministry of Internal Affairs, some 100,000 weapons were owned by the Georgian population.

Following frequent escapes of the prisoners from the places of custody head of respective police unit Zaur Dolidze was dismissed. Special measures were taken to enforce prison guards.

On January 28 a large-scale police round-up was conducted in Tbilisi and some other districts of Georgia. According to the Ministry of Internal Affairs sources, 109 suspects were detained, among them 34 drug-addicts. 207 units of different kinds of weapons were confiscated. Minister of Internal Affairs General Shota Kviraya (who resumed his duties after successful treatment abroad) said round-ups like this would be carried out twice a month.

On January 26 and 30 two powerful explosions took place in Tbilisi near the Headquarters of the Group of Russian Troops in Transcaucasia (GRTT) and the Staff of

Russian Frontier Troops respectively. The explosions causes damage to the buildings but no casualties. No one was arrested. In its statement, the Press-Center of the GRTT put the blame on those forces who aim to undermine Russian-Georgian relations.

On January 16 local TV-station in Ozurgeti (western Georgia) was robbed for the fourth time, with TV-sets and computers stolen. The robbers succeeded in hiding.

On January 16 and 22, accidents at Tbilisi Power Station caused black-outs in the capital and other districts of Georgia. The units 9 and 10 of the power station were damaged severely. The repairs will take about 3-4 months. The Prosecutors' Office suspected a subversive act and started an investigation.

PUBLIC OPINION

Experts of the "Georgian Times" newspaper regarded Eduard Shevardnadze and leader of Mkhedrioni Jaba Ioseliani the two most influential Georgian politicians in January. They were followed by: one of the leaders of National-Democratic Party MP Irina Sarishvili-Chanturia, Head of State Security Service Igor Giorgadze, Minister of Internal Affairs Shota Kviraya, leader of Abkhaz separatists Vladislav Ardzinba, Chairman of Ajaran Supreme Council Aslan Abashidze, Kutaisi Mayor Temur Shashiashvili, Kathalikos-Patriarch of Georgia Ilya II, Head of Controls Chamber Rezo Shavishvili.

The State Committee for Human Rights and Interethnic Relations in cooperation with the Center for Social Management and Information polled 500 respondents in Tbilisi and Gori in November in order to study their attitude towards possible ways of settlement of the Georgian-Ossetian conflict. The conflict broke out in 1989 and was suspended in 1992. Gori region is adjacent to the conflict zone.

52,7% of those polled said the process of conflict regulation has failed. 29,7% considered that no mediation is needed in the conflict and it can be successfully resolved by Georgians and Ossetians themselves, while 22,65% considered mediation of the trilateral Georgian-Russian-Ossetian Commission, as well as International organizations to be necessary; 27,14% failed to give a definite answer.

THE ECONOMY

The new fiscal policy of government caused relative strengthening of Georgian coupon exchange rate, which during the month had been frozen at the level of 1 USD -1,300,000 coupons. The elevation of coupon exchange rate towards a Russian ruble (1 ruble - 300 coupons) was also observed , though the ruble continued to dominate an internal Georgian market.

The price of the average food basket reached \$26.02, against \$26.22 in December and \$24.14 in November. In January .prices per kilo of main food products were as follows: bread - \$0,21., cheese - \$2.40, beef - \$1.4, butter - \$3, sugar - \$0.70. As for the fuel prices that of gasoline had decreased again and totaled less than 30 cents for 1 liter, the price of kerosene became - 40 cents for 1 liter. The consumer basket for 1 person made up to \$37.1, minimal state salary totaled-1,500,000 Georgian coupons (\$1,15), i.e. minimal prices of consumer and food baskets overceded the minimal salary in 32 and 25 times respectively. The minimal monthly salary was hardly large enough to buy as much as 9 kg of rationed and subsidized bread.

OFFICIAL STATISTICS FOR 1994

In 1994 GDP of Georgia decreased by 30%. Economic decline in Georgia brought her down stronger than other CIS countries, and for example the decline rate was 2 times larger than in Russia. Particularly sharp reduction took place in energy supply. During 1994 about 6.8 billion kwth electrical energy was produced, which is 68,8% of 1993 production level.

Despite large nominal increase in salaries (in state sector the wages increased 44 times during 1994 as compared to 1993), the prices of consumer goods increased much more, and the purchasing power of wages dropped by 22%.

Official estimate of GDP for 1994 gave the same value as for 1993. However the private sector continued to develop. The turnover in this sector reached 100 trillion coupons, this making actually 80% of total turnover. In 1994 the production of consumer goods decreased by 51,9% in comparison with 1993. In agricultural sector about 80% of production was provided by the private sector while.

The exports in 1994 totaled 250 million USD (against 550 mln USD in 1993), The imports totaled 500 mln. USD (against 897 mln USD in 1993). The tax collection during 1994 totaled 37.4 trillion coupons, i.e. about \$ 30 mln. The largest input came from the income tax (26,3%), VAT (22.8%), and the taxes from international trade (13,3%).

By January 1, 1995 total savings of population in banks totaled 3,635 billion coupons (\$2.8 mln). Among this sum the deposits totaled 3,104 billion coupons; stocks and bonds - 142 billion coupons (by exchange rate 1 USD=1,280,000 coupons).

By the end of 1994 the total housing space of Georgia made to 931504000 sq. meters, (the per capita area dropped to 17,2 sq. meters compared to 18,8 sq. m. in 1990). During 1994 not even one new unit (including schools) was added to the social sphere.

In 1994 the prices in coupons for passenger transportation had increased more than 90 times in comparison with 1993. The prices of all kinds of tele-communication services had also increased some 400 times, in comparison with 1993.

PRIVATIZATION By January only 2160 units out of list of 7738 objects to be privatized as approved by the Cabinet of Ministers, or 27,9% of their total number were privatized in reality. Out of 1046 manufacturing enterprises of Georgia assigned to be reorganized as joint-stock companies, 45,9% were already reorganized by January 1. Among the privatized units, only 42% were operating, and out of the companies transformed in joint-stock units only 65,2% were put into operation.

FOREIGN ECONOMIC RELATIONS. According to the World Food Programme - Caucasian Office, the total shipments of products to Georgia from foreign countries totaled in 1994: wheat - 696911 m/t, wheat flour - 95305 m/t, sugar - 6939 m/t, rye - 10,000 m/t, rice - 3887 m/t, dry milk - 2061 m/t, butter - 1560m/t.

APPENDIX

Budget of the Republic of Georgia for 1995

Total revenues 243,716,144.0 million coupons

Total expenditures 243,716,144.0 million coupons

In US dollars equivalent - 190,403,237.5

(given the exchange rate of \$1=1,280,000 million coupons

Revenues from aid, state loans and grants of other countries and international organizations - 130500000 mil coupons or 54% of total revenues

Structure of Revenues	In mln coupons	Share of total	In US dollars
Revenues from taxes:			
VAT	45,000,000	18.46%	35,156,250
Excise	24,091,300	9.88%	18,821,328
Custom tax	22,500,000	9.23%	17,578,125
Fuel tax	1,800,000	0.74%	1,406,250
Land rent	16,324,844	6.70%	12,753,784
Total revenues from taxes	109,716,144	45.02%	85,715,738
Non tax Revenues	1,900,000	0.78%	1,484,375
Other revenues:			
International loans, grants, aid	130,500,000	53.55%	101,953,125
Sales revenues from:			
US and EU wheat	49,600,000	20.35%	38,750,000
Holland and French grants	5,100,000	2.09%	3,984,375
WB loan	72,000,000	29.54%	56,250,000
Russian loan	3,000,000	1.23%	2,343,750
Revenues from regions	1,600,000	0.66%	1,250,000
Total other revenues	132,100,000	54.20%	103,203,125

Structure of Expenditures

Financing of the Economy	18,613,647	7.64%	14,541,912
Financing of social programs and culture			
	90,540,926	37.15%	70,735,098
Including:			
Education	7,831,000	3.21%	6,117,969
Health care	4,468,266	1.83%	3,490,833
Culture	3,396,738	1.39%	2,653,702
Sport	655,854	0.27%	512,386
Social security of the population	72,854,313	29.89%	56,917,432

Protection of the Georgian Treasury	1,342,255	0.55%	1,048,637
Science	3,864,000	1.59%	3,018,750
Government	11,686,752	4.80%	9,130,275
Including:			
Parliament	3,816,780	1.57%	2,981,859
Law enforcement bodies	33,330,000	13.68%	26,039,063
Including:			
Ministry of Internal Affairs	19,746,452	8.10%	15,426,916
State Security Service	5,690,000	2.33%	4,445,313
Defense	38,200,000	15.67%	29,843,750
Including:			
Ministry of Defense	29,982,726	12.30%	23,424,005
Border Guard	8,217,274	3.37%	6,419,745
Payments on state loans	32,183,200	13.21%	25,143,125
Other Expenditures	8,796,498	3.61%	6,872,264
Including:			
Rescue Corps	1,152,100	0.47%	900,078
Aid to Abkhazia	2,000,000	0.82%	1,562,500
Aid to Second World War	3,500,000	1.44%	2,734,375
Regional Budget deficit coverage	4,263,126	1.75%	3,330,567
Reserve Fund of the Head of State	2,230,000	0.91%	1,742,188

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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