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Major events and trends in politics, economy and social life

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© The Caucasian Institute for Peace, Democracy and Development  
P. O. Box 4 (158), Tbilisi, 380008, Republic of Georgia  
Tel.: (7-8832) 954723  
Fax: (7-8832) 954497  
E-mail: cipdd@cipdd.ge

### GOVERNMENT

**Parliamentary debates between Eduard Shevardnadze and his opposition did not shake the standing of the Head of State. An acute energy shortage broken out in the middle of the month led to new political tensions.**

On November 8, debates took place between Head of State Eduard Shevardnadze and an opposition MP Temur Zhorzholiani (who previously had gone on a month-long hunger-strike, having changed his initial demand of Mr. Shevardnadze's resignation to that of public debates). During the debates Mr. Zhorzholiani made Mr. Shevardnadze responsible for defeat in the Abkhazian war and the effective separation from Georgia of the regions of Abkhazia and Samachablo (South Ossetia). He also accused Mr. Shevardnadze of power usurpation (having in mind exceeding his authorities) and requested his resignation. By general estimation, the accusations brought by Mr. Zhorzholiani were poorly-reasoned and caused disappointment even among the opposition. Most of the latter avoided participation in the debates, with the exception of the United Republican Party.

Unlike the similar instance in September, Mr. Shevardnadze's and his supporters' reaction was quite calm and they did not use any new arguments to defend the policies of the government. The Head of State said that parties in the opposition had no alternative course, and neither could they force him to resign. Prosecutor-General Jamlet Babilashvili warned those present that many MPs, including Mr. Zhorzholiani, were suspected of being involved in illegal activities and could become subject to prosecution in the future. On November 14, in his traditional Monday radio interview, Mr. Shevardnadze qualified the debates as "useful".

Mr. Shevardnadze's confidence could be strengthened by the events of the previous day. The concentration of armed groups and armored equipment in one suburb of Tbilisi (under probable leadership of opposing ex-defense minister and leader of anti-Gamsakhurdia coup in 1991-92 Tengiz Kitovani), was regarded as a threat of a new coup d'état. However, Mr. Kitovani had turned down allegations of his participation in any kind of anti-state activity. The tensions were relieved by the joint operation of units belonging to State Security Service and the Ministries of Internal Affairs and Defense, which resulted in disarming the opposing units and capturing their military equipment.

Later the same month, the pro-Shevardnadze majority super-faction in parliament was weakened after 7 MPs, for the most part representing Abkhazia and the adjacent region of Megrelia, declared they were breaking away because of their disagreement with the government policy towards Abkhazia. Some of them stated their intention to create a

parliamentary group from the deputies of the region, at the same time rejecting possible allegations of regionalism. This step made parliamentary support of Mr. Shevardnadze's policies quite shaky, although no exact number of MPs who still supported him was available.

On November 14, on the initiative of the organization "Political Club", leaders of three major parties - National-Democratic Party (NDP), Union of Citizens of Georgia and Union of Georgian Traditionalists, more or less loyal to the current government, - met for political consultations. The more strongly oppositional United Republican Party declined on invitation. The participants achieved a preliminary agreement on principal questions concerning economic reform, elections forthcoming in the fall of '95 and the struggle against organized crime. In his interview to BGI agency on November 25, NDP-leader Giorgi Chanturia considered the rapprochement of these parties as a counterbalance against the organization "Elections" established by "Mkhedrioni" leader Jaba Ioseliani whom he regarded as probable boss of the Georgian Mafia. At the same time, he refused to qualify new relations between the three parties as an "alliance"

The strength of "Mkhedrioni" was manifested during the parliamentary by-elections in the Vake-district of Tbilisi, where "Mkhedrioni"-s candidate (who formally ran as independent) Vakhtang Begiashvili visibly outspent all other candidates and defeated the challenger from the pro-Shevardnadze Union of Citizens of Georgia. The turnout was very low.

In an open letter to Head of State Shevardnadze published in "Kavkasioni" newspaper on November 20, NDP leader G. Chanturia called on him to drop his policy of "powers balance" and to abandon the practice of using criminal forces for achieving certain political ends (this could be interpreted as quite a transparent hint against Mr. Ioseliani). He called for change of the "disorganized and incompetent" Cabinet, some of whose members actually represented interests of "another country". He personally criticized Chairman of State Security Service Igor Giorgadze and Minister of Defense Vardiko Nadibaidze who did nothing at all to build a viable army, and misused the available resources. Mr. Shevardnadze did not react.

*The Cabinet* paid lot of attention to winter preparations. On November 2 it assessed the work of the Republican Staff for Energy Supplies (headed by Vice-Premier Zurab Kervalishvili) as inadequate. On November 7, the control group was established under the supervision of Prime-Minister Otar Patsatsia in order to use energy-carriers in a more rational way. The Cabinet passed a resolution limiting working time for budget institutions. Time for TV-broadcasting was limited to 7-9 a.m. and 8-12 p.m. Another commission was established to control bread and cereals supplies.

In mid-November interruption of natural gas supplies from Turkmenistan, and cutting back electric power due to disorders in power-stations caused a severe energy crisis. This also provoked a new phase of political disagreements and put personnel changes on the agenda. The November 22 and 25 plenary sessions of parliament were devoted to taking urgent measures to overcome energy shortages. Both majority and minority MPs sharply criticized those government bodies which had been responsible for this domain. The parties in opposition demanded resignation of the Cabinet. The situation had been fueled by sensational report of the Head of Controls Chamber Rezo Shavishvili on November 24, according to which during 1993 Georgia had been dearly buying power from Azerbaijan and then cheaply reselling part of it to Armenia. Prime Minister Patsatsia described the report as inadequate, while Mr. Shevardnadze in his radio interview called it ill-considered (probably having in mind its negative effect for relations with Armenia). Mr. Shavishvili later insisted it

was correct. On November 28 the Armenian Embassy in Tbilisi issued a protest against Mr. Shavishvili's statement.

The government's economic policy was mainly determined by attempts to follow the recommendations of the IMF in hopes of obtaining more foreign credits. At the same time, in November the Georgian government failed again to carry out one of the key recommendations of IMF - the raising of bread prices.

In another attempt to ensure fulfillment of assignments issued by the Head of State, the Cabinet passed a resolution to create a State Commission on Management Problems.

On November 13 and 21 the Head of State held meetings with newly appointed Chief of Customs Department G. Mamulashvili. Abolition of illegal decisions on exempting some institutions from customs duty was discussed.

*The Army.* Aside from allegations of Mr. Chanturia, Minister of Defense Nadibaidze also became a target of criticism from Vice-Premier Tamaz Nadareishvili, whose mandate included supervising the Ministry of Defense. Mr. Nadareishvili accused Mr. Nadibaidze of wrecking the build-up of the Georgian army, inadequate staff policy and exploiting a state-owned airplane for personal use. Supposedly in an attempt to solve the conflict, on November 9 Mr. Shevardnadze publicized his intention to establish a new position of vice-premier in charge of military affairs.

The Ministry of Defense presented a new structure for the armed forces and a new military doctrine, which must be approved by the Head of State and parliament.

*Legislative activities.* On November 9 Parliament enacted a law *on Motor-Roads*. On November 11, a bill *on Development of Science and Technology* was passed. On November 24, Parliament passed bills on *Private Investigation and Security Services*, and *On the Rules of Issuing Concessions for Foreign Countries and Companies*.

On November 9, former minister of foreign affairs in Gamsakhurdia's government Murman Omanidze, being elected as MP after by-elections in the city of Rustavi in August, assumed his duties.

*Regional issues.* A proposal of the CSCE mission to Georgia on settlement of the problem of South Ossetia/Samachablo was discussed during a conference of political parties and organizations in Tbilisi. On November 13 Mr. Shevardnadze met with delegation from Tskhinvali to discuss the CSCE project. On November 25 another Georgian-Ossetian meeting was held in the capital of North-Ossetian Republic Vladikavkaz (Russia). Problems of the return of refugees to the disputed region as well as to inner regions of Georgia, and those of peacekeeping operations were considered.

## **FOREIGN RELATIONS**

Foreign policy remained predominantly centered on Russia. As before, attempts to solve the Abkhazian issue and obtain financial aid were major motivations in contacts with international organizations. An important visit of the Turkish president occurred. The contacts with the CIS countries were mostly about the resolution of the energy crisis in Georgia.

On November 1, during his visit to Georgia, UN Secretary General Boutros Boutros-Ghali held meetings with Head of State Shevardnadze, Prime-Minister Patsatsia, Minister of Defense Nadibaidze and Minister of Foreign Affairs Chikvaidze. The peaceful settlement of the conflict in Abkhazia and international humanitarian aid for Georgia were the major topics discussed. The Secretary General highly appraised peacekeeping operation in Abkhazia. At

the same time, according to "Kontakt" agency, Minister of Foreign Affairs Chikvaidze did not exclude substitution of Russian peacekeeping forces with the UN troops in the event the current operation failed to bring any visible results.

During his one day visit to Georgia on November 15, President Suleiman Demirel of Turkey discussed the prospects of building a pipeline to deliver Azerbaijani and Central Asian oil to Turkey through Georgia. Other options included delivery of oil to the Russian port of Novorossisk through Russia only, as well as building a pipeline through Azerbaijan and Iran to Turkey. Minister of Foreign Affairs Chikvaidze later pointed out that Georgia could not accept Turkish proposals right away without consultations with Russia. Other issues discussed during the visit were fulfillment of previously concluded bilateral agreements, and apportioning of new Turkish credits to Georgia, also in the form of power supplies.

Russian-Georgian negotiations on military cooperation, and in particular on deployment of Russian military bases on the territory of Georgia were actively discussed. According to the statement of Georgian Minister of Defense Nadibaidze distributed by BGI agency on November 23, Russia might help Georgia to settle the Abkhazian conflict on favorable terms in exchange for Georgian positive attitude to the bases. As "Kontakt" agency reported on November 3, the ministries of defense of the two countries are going to build military ranges in Georgia for joint use.

On November 11, Head of State Shevardnadze and Prime Minister Patsatsia held meeting with the commander-in-chief of Russia's frontier troops, Gen. Nikolayev. Agreements were signed on the joint guarding of the Georgian borders, and on the service of Georgian citizens in Russian frontier troops.

The key issue of military bases, however, was yet to be solved. A planned visit of Russian Prime-Minister Victor Chernomyrdin to Georgia was twice rescheduled for November 4 and 11. According to informed sources in the government, signing of the agreement on the bases was supposed to be the major result of the visit. A new date for the visit was not released.

Being affected by acute energy crisis after natural gas supplies from Turkmenistan were interrupted, Georgia conducted intensive negotiations with Russia, Turkmenistan and Uzbekistan in order to get supplies renewed. According to the initial information, supplies had been interrupted due to an accident on the transit pipeline on the territory of Uzbekistan; but later unpaid Georgian debts both for gas and for transit appeared to be an issue as well. According to BGI agency, Mr. Shevardnadze sent personal letters to presidents Yeltsin of Russia and Niazov of Turkmenistan with requests to help in renewing gas supplies .

On November 21 the Georgian Ambassador to Iran Jemshid Giunashvili passed his credentials to President Rafsajani.

The Ministries of Foreign Affairs of Greece and Georgia exchanged visits of official delegations. Being on a visit in Georgia, Greek Deputy Minister of Foreign Affairs Mr. Naytos reported that Greece was ready to allot Georgia financial aid of \$ 50 million.

## **IN AND AROUND ABKHAZIA**

*Refugees problem.* During November, no progress was reached in the process of return of the Georgian refugees to Abkhazia. According to official data in Georgia, the number of refugees rose to 270,000. Among them, 82,658 were from Gali district alone, were the process of return was supposed to have begun.

According to data released by H. Hollingworth, the head of the branch of UN High Commission of Refugees located in Zugdidi, 8,100 questionnaires had been filled out by the refugees (which accounted for 32,000 persons) by November 15. 300 questionnaires (1,130 persons) were passed to the Abkhaz side. The latter examined 154 and allowed those listed to return. According to "Iberia" agency, by the end of November the number of those who returned to Gali in accordance to the formal procedure totaled 303 people. According to Abkhaz TV, among those who had been allowed to repatriate, only 228 persons did return, while 450 had not availed themselves of the opportunity. The Georgian refugees referred to the absence of guarantees of personal safety, as well as the absence of Georgian schools, closed down by the separatist government, as the primary reasons preventing them from returning.

UNHCR stated that if the Abkhaz side continued to repatriate refugees at such a slow pace, it would have no other option but to interrupt the process altogether. In its turn, the Georgian side expressed its discontent with the unacceptable schedule of repatriation and the decrease of the number of the returnees.

However, the actual process of return seemed to be under way, although paying few attention to the UN-supervised formal procedures. According to the Abkhaz side, 20,000 refugees had returned to the Gali district on their own. Neutral observers estimated the number at about 10-15 thousand. Many of those included in this number, however, might only have visited their houses to check on their belongings, but not to stay.

The increase of the number of Georgian returnees (at least those following the formal procedures) in the nearest future is less likely, since the Abkhaz side turned down the schedule of repatriation prepared by the quadripartite commission, which implied repatriation of 35,000 persons by November 1995. The Abkhaz party reasoned its objection by uncertainty in Georgian-Abkhazian relations and the grave economic situation in Abkhazia.

According to "Iberia" agency, some 35,000 ethnic Abkhazs (out of 90,000 of those who had lived there before the war) had also left Abkhazia for different reasons. According to data from the Abkhazian Statistics Board, some 160,000 currently live in Abkhazia, which is one third of its pre-war population.

During their meeting with the UN Secretary General Boutros Boutros-Ghali, refugee representatives gave negative estimations of the activities of Russian peace-keepers as well as UN observers in the conflict zone for the failure to promote their repatriation. They demanded more vigorous actions on behalf of the UN.

*Negotiations. International players.* During the November 2 quadripartite (Georgian-Abkhaz-Russian-UN) meeting in Zugdidi, the results of demilitarization of the Kodori Valley and the repatriation process were discussed. The next meeting on November 8 broke down because Russian and Abkhaz representatives failed to attend.

Next round of the Geneva negotiations on the settlement of the conflict in Abkhazia under the auspices of the UN and with participation of Russia and CSCE, held on November 15-18, did not lead anywhere because of disagreements concerning the return of refugees and, particularly, defining the political status of Abkhazia. The Abkhaz part insisted on confederate relations with Georgia expressed in the formula of the "union state", while the Georgian side suggested wide autonomy within the state of Georgia. A proposition put forward by the UN, Russia and CSCE, implying building of bilateral relations within the framework of federalism, but at the same time using the formula of the "union state", was declined both by Georgian and Abkhaz parties. Because of the failure of this round of negotiations, the Georgian delegation distributed a memorandum saying that Georgia

reserved the right to appeal to the Security Council with a demand that sanctions against Abkhazia be imposed.

According to BGI agency, leaders of Ukraine and Uzbekistan backed the idea to create CIS peacekeeping forces under aegis of the UN. Otherwise, said President Karimov of Uzbekistan, the peace-keepers could become the third party actually capable of determining the outcome of the conflict in a direction desirable to itself.

As "Kontakt" agency reported, on November 2 Head of Group of UN Observers in the conflict zone General Huidegaard informed the Georgian Deputy Defense Minister General Nikolaishvili that he had obtained data on Russian citizens serving in Abkhazian military units ("Kontakt" agency).

*Georgian and Abkhaz approaches.* Failure of the Geneva talks as well as the lack of progress in the return of refugees strengthened trends in favor of a military solution of the problem in Georgian society. The recently established National-Liberation Front headed by Tengiz Kitovani and Tengiz Sigua became a nucleus of those who supported this option. Former Deputy Minister of Internal Affairs General Roman Gventsadze who became one of the leaders of the organization, declared that its goal was to regain the control over Abkhazia by military means. Reaction of the Head of State Shevardnadze to this trend, however, was strictly negative.

The separatist government on its own turn showed that it was not going to make any compromise. On November 26 the Abkhaz Supreme Soviet adopted a new constitution, proclaiming Abkhazia as an independent state and elected Vladislav Ardzinba its president. Former Foreign Minister Socrat Jinjolia became chairman of the Supreme Soviet.

In his special statement, Georgian leader Shevardnadze condemned this step and called other states to do the same. On November 29, the Russian government officially condemned this move as well, as undermining prospects of a peaceful solution of the problem.

Mr. Ardzinba appealed to the Mitropolitus Patriarch of Russia with a request to subordinate the Tskhum-Abkhazian Orthodox eparchy to the Russian patriarchy.

According to "Iberia" agency, during the first week of November 12 Georgians were killed by separatists and 15 houses were burnt down in the Gali district. As "Kontakt" agency reported, the withdrawal of Abkhaz militia from this region under the pressure of Russian peacekeeping forces helped to relieve the situation. On the other hand, there were reports of Georgians creating guerrilla groups operating in the Gali district.

## **SOCIETY. HUMAN RIGHTS**

An energy crisis broken out in November provoked a number of spontaneous riots, during which the population tried to block traffic in different districts of Tbilisi in an attempt to attract attention of authorities to power shortages in their particular parts of the city. This was mostly due to the failure of city authorities to observe pre-declared schedules according to which power was to be supplied for several hours a day to different districts. Some districts, however, did not receive any power for several days or weeks running. According to some data, schedules of power supplies were observed in a more orderly way in Kutaisi, second largest town of Georgia. Some regions of the country had no power whatsoever. Since the population of Tbilisi was not prepared for the interruption of natural gas supplies, cutting down trees became wide-spread. Shortages of rationed bread was another aspect of the crisis, with people standing in lines for it through the night (although commercial bread was quite available).

On November 12 and 26, black-outs comprised almost the whole country. The reasons of such occurrences given by responsible institutions were extremely controversial.

On November 3, Giorgi Kervalishvili, President of Georgian Association for Human Rights (close to pro-Gamsakhurdia circles), stopped his hunger strike on which he had been since October 16, because of deterioration of his health. He had raised a number of demands, including the release of political prisoners, withdrawal of Russian troops from Georgia, and resignation of Head of State Shevardnadze.

A political party called the Union for the Restoration of Justice "Voice of Nation" founded an award in the name of the ex-president Zviad Gamsakhurdia. Persons with an outstanding record of fight for the restoration of independence and justice in the country will be eligible.

On November 15 the Caucasian House, in cooperation with the Caucasian Institute for Peace, Democracy and Development held a meeting in commemoration of the 50th anniversary of the deportation of Muslim Meskhetians. They used to live in south part of Georgia and were never allowed to return. The deported population is divided between those who regard themselves to be ethnic Turks and ethnic Georgians. Representatives of the latter part united in the organization "Khsna" were present. The participants adopted an appeal to Georgian government and international organizations calling for resolving the problem of Meskhetians.

During the last week of November, the energy crisis caused suspension of issuing both official and private newspapers. On the other hand, many Russian newspapers which had been a rarity only a few months ago, were available in the newsstands.

On November 2, Ministry of Internal Affairs, State Security Service and Prosecutor's Office issued a joint statement in which certain representatives of Georgian media were accused of attempts to discredit law enforcement bodies. The statement followed some publications accusing these bodies of the failure or reluctance to investigate financial abuses of some companies.

Schoolteachers continued to be the most active in the fight for their social rights by means of strikes. On November 9 the schoolteachers of Tbilisi high school No. 57 went on strike with demands of raising wages, free medical service and public transportation, as well as exemption of all kinds of taxes.

Awards of the first Georgian TV-festival "Mana-94" were presented on November 5. State as well as independent TV companies participated. The second channel of Georgian state TV was declared the winner.

An examination of the population of Western Georgia conducted by the Center of human ecology revealed cases of thyroid gland magnification in 70% of those examined. The representatives of center regard this occurrence as delayed manifestation of disease caused by leak of radiation after the Chernobyl disaster in 1986.

Non-governmental organizations tried to be active despite severe conditions. On November 1 the conference of students of Tbilisi State University declared the establishing of the Council of Students, having stressed it was a non-political organization.

A group of young scientists and students established a public organization "Educator" for nationwide educational activity and displaying of intellectual potential of young scientists.

On November 22 the Ilia Society (break-away part of the Ilia Chavchavadze society, lead by MPs Niko Chavchavadze and Guram Koranashvili) arranged a discussion to consider the heritage of the spiritual leader of 19th century Georgian national movement Ilia Chavchavadze.

On November 2, the "Future of Georgia" society (close to the Caucasian House), which includes prominent Georgian social and political figures, discussed political situation in the Caucasian region and relationships between Georgians and North-Caucasian nations in its meeting.

A group of Georgian writers founded a social movement "Imedi" (Hope) which set for itself the goal of promoting active involvement of intellectuals in current developments which take place in Georgia.

The president of newly-established organization "Green Globe", Nugzar Mgeladze, outlined as key goals of his organization research and use of non-traditional energy-carriers, especially that of solar energy.

## **CRIME. ACCIDENTS**

During the meeting of the Coordinating Commission of the Fight Against Crime, held on November 4, it was pointed out that as a result of police round-ups, the criminal situation on oil-terminals caused by oil plunder, and illegal oil precipitation, tended to decrease.

During the month, the Ministry of Internal Affairs recorded 1029 criminal offenses. This included 57 homicides, 375 larcenies of private and public property, 107 car thefts, 48 cases of illegal bearing, storing, manufacturing or trading arms.

On November 4, unidentified gunmen assaulted the apartment of the opposition MP Temur Zhorzholiani, notable for his persistent demands of resignation of Head of State Shevardnadze. In his statement made after the incident, Mr. Zhorzholiani put the blame for the accident on the acting government, and asked for protection from the leader of the radically oppositional National Salvation Front, Tengiz Kitovani. The latter agreed to comply with his request.

The press Center of the Ministry of Internal Affairs stated that on November 1 one of the commanders of the pro-Gamsakhurdia militia involved in the insurrection against acting government Badri Zarandia was detained by police in Zugdidi.

On November 1 and 29, accidents in subway stations of Tbilisi caused injury of 10 passengers and an engine-driver. Subway work was stopped for several days.

On November 10 and 14 fires seriously damaged buildings of the Ministry of Education and the International Center of Children's Folklore respectively. According to fire-teams, neither fire was accidental.

BGI agency reported that the criminals who tried to exchange 4.5 million Russian rubles in 50,000 counterfeit bills were detained by police.

On November 17, citizen of the Nigerian Republic Salu Jacob Yero died of tuberculosis in the Republican Hospital in Tbilisi. According to "Kontakt" agency he had been charged with illegal drug trafficking and attempted exposure of state secrets.

"Kontakt" agency reported that, seven prisoners escaped from Ksani prison on November 26. Police failed to trace any of them.

## **PUBLIC OPINION**

The Caucasian Institute for Peace, Democracy and Development conducted a survey among the inhabitants of Tbilisi, asking whether they would take part in parliament elections, in the event that they were held the next day, and whom they would vote for. 46% percent said they would go to the polls, with 37% not willing to vote and 15% undecided. The pro-Shevardnadze Union of Citizens of Georgia took the lead with 36.6% of potential voters giving their preference to it. It was followed by National Democratic Party - 23.7%, United Communist Party - 10.4%, Union of Georgian Traditionalists - 10.0%, United Republican Party - 9.2%, Christian-Democratic Party - 7.6%. The poll showed that those parties which stay in unequivocal opposition to the current government have slim chances of success, the Republicans being the strongest among them.

## **THE ECONOMY**

As a result of new fiscal policies of the government, the exchange rate of the Georgian coupon continued to rise: on November 26 price of 1 US dollar on Interbank Exchange dropped to 1,625,000 coupons against 2,030,000, on November 1. During the month, commercial banks displayed "coupon hunger" and actively sold foreign currency. According to expert observations, the National Bank was more efficient in controlling the situation on the currency market and possessed a certain amount of resources. The coupon, however, still failed to gain trust among the population, and no progress was achieved in widening the domain of its circulation: the market was still dominated by the Russian ruble and US dollar (for larger transactions).

Instability of ruble caused an increase of prices, the cost of a food basket reaching an equivalent \$24.14 against \$20.27 in October. Basic products cost: 1 kg of butter - an equivalent of \$2.42; sugar - \$0.55; potatoes - \$0.21; 1 liter of vegetable oil - \$1.15; petrol - \$0.45; kerosene - \$0.37.

*Privatization.* According to the Head of Department of the Ministry for State Property Management B. Gelashvili, the process of preparation for distributing privatization checks (vouchers) among the population was under way, and was planned to start in the middle of 1995 (the Department had scheduled the beginning of vouchers privatization several times during the last two years, but the start was always been postponed). The exact date, as well as the exact value of privatization checks are still unknown. Anybody who has been a citizen of Georgia since September 1, 1993 will be eligible to receive a check.

According to the information issued by the Ministry, out of 5,000 units subject to privatization, more than 1,500 have already been privatized. This comprise 556 commercial units (to a total value of a 55,448.4 million coupons) 625 facilities of everyday service (65538,8 million), 138 petrol pump stations (384,9 million); 30 agricultural facilities (1278,9 million); 9 enterprises of food industry (1028,9 million), 30 manufacturing enterprises (1725,3 million); and 3 transport enterprises (186,3 million).

*Monetary Policy.* Based on a decision of the Cabinet, the National Bank issued a resolution obliging all legal entities on the territory of Georgia to sell to the government 30% (instead of 10%) of their income in foreign currency in order to refund foreign currency reserve of the state, which will be later used for stabilization of the Georgian coupon.

External debts of Georgia, mostly resulting from the failure to pay for imported energy carriers, continued to grow. Main debtors were Turkmenistan (\$500 million), Russia (\$135 million) and Turkey (\$50 million).

*Foreign Economic Aid.* On November 3 Head of State Shevardnadze met with the Head of IMF mission in Georgia Mr. Shadman Valavi to consider a forthcoming meeting of donor-countries in Paris. Mr. Valavi listed preconditions which Georgia should meet in order to get credits from the IMF. On November 19, a Georgian delegation headed by Prime-Minister Patsatsia went to Paris to take part in the meeting. During the meeting of donor countries in Paris with participation of Georgia as a recipient-country, it was decided that the World Bank would allot Georgia \$60 million as a rehabilitation credit, European community -\$31 million, and 200000 tone of grain, Japan -\$2 million, Holland - \$3 million; France-\$10 million francs; Germany -DM 27 million, The total sum to be allotted during the 1995 is \$274 million. But in case of succeeding in economic reform the sum might be increased to \$436 million.

At the invitation of the Georgian Ministry of Industry a UNIDO delegation visited Georgia with the purpose to study technical possibilities of leading Georgian enterprises. UNIDO plans to allot Georgia \$150,000 for carrying out 4 projects aimed at developing Georgian industry

During his press-conference in Tbilisi, an official representative of the IMF listed the requirements which Georgia has to fulfill in order to obtain credits from that organization. This included a 40% raise of bread price, restructuring of debts, slowing down the pace of inflation, diminishing the share of state-sector share in national economy, and creation of legislative basis for the market economy.

Releasing of bread prices, however, which had initially been scheduled for October to be later postponed for November, was again rescheduled for the next month. The grave social and political situation, especially due to the energy crisis, was the explanation.

*The bulletin is chiefly based on the Georgian media reports and the information provided by Iberia, BGI and Contact 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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