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CENTRAL INTELLIGENCE AGENCY

REPORT NO.

# INFORMATION REPORT

CD NO.

~~SECRET~~  
~~CONFIDENTIAL~~

COUNTRY Ethiopia/Switzerland

DATE DISTR. 16 MAY 1949

SUBJECT Economic Negotiations in Ethiopia  
by Emil Buehrle

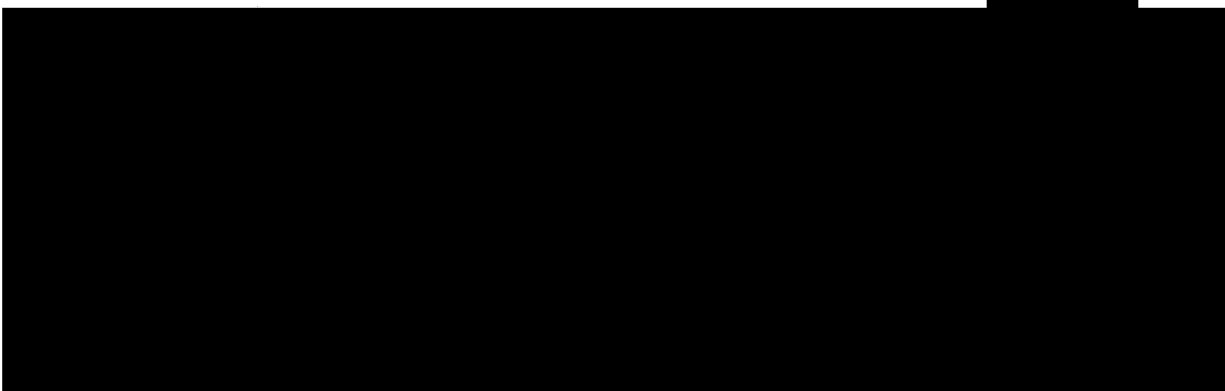
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1. Emil Buehrle\* arrived in Addis Ababa on 21 March 1949. He was accompanied by his wife and by Dr. Carlo Fleischmann, a business associate who is interested in grain and insurance. Informant states that Buehrle came to Ethiopia at the behest of David Halle, who has been attempting to introduce Swiss-German development investments into that country. Halle returned to Addis Ababa on 17 March 1949 from Switzerland, where he had gone to arrange for Buehrle's visit (B-1).  
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2. [Redacted] the option for a cotton manufacturing and growing concession, granted to Buehrle in August 1948, was extended by the Ethiopian Government to the date of his arrival in Addis Ababa.\*\* However, upon his arrival, Buehrle refused to take up the option. Informant believes it probable that this refusal was the result of reports sent in by three investigators whom Buehrle sent to Addis Ababa early in 1949. Two of these investigators, Esse (fm) and Karl Scharrenbreuch,\*\*\* returned to Switzerland a few days after Buehrle's arrival in Ethiopia.  
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3. [Redacted] Buehrle presented a second proposal to the Ethiopian Government which embodied the following terms:
  - a. A monopoly on cotton manufacture for twenty years.
  - b. No import duties or taxes on cotton for ten years.
  - c. No requirement to grow cotton.

This proposal was rejected by the Ethiopian Ministry of Commerce. However, informant states that on 3 April 1949 Emperor Haile Selassie ordered the Ethiopian Minister of Commerce to draw up an agreement that would be acceptable to Buehrle, and that this agreement was in the process of being drafted. Buehrle departed from Addis Ababa on 4 April 1949.

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CENTRAL INTELLIGENCE AGENCY

-2-

4. Buehrle's first trip to Ethiopia, according to informant, was in 1932 for the purpose of selling arms to that country. Informant states that Buehrle did ship some Oerlikon guns to Ethiopia in 1935 which never were paid for, and that this debt is a consideration in the present negotiations.
5. Informant states that Buehrle, while recently in Addis Ababa, held a meeting with Bauman (fmu) and Loeschen (fmu), of the Ethiopian Ministry of Posts, Telegraphs, and Telephones (P.T.&T.). The subject discussed was the possibility of Siemens and Halske getting the contract to extend Ethiopia's telecommunications facilities.\*\*\*

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\* [REDACTED] Comment. Emil Buehrle is the Honorary Ethiopian Consul General in Switzerland, and the principal owner of the Werkzeugmaschinenfabrik in Zürich, Switzerland (Oerlikon-Buehrle A.G.).

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\*\*\* [REDACTED] Comment. [REDACTED] the Ethiopian Government signed an option with Emil Buehrle Associates on 14 August 1948. The terms of the option were to give Emil Buehrle Associates the right to produce and manufacture cotton and cotton products in Ethiopia, if a contract of concession was signed within six months after the date of the signature of the option.

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\*\*\* [REDACTED] Comment. Scharrenbreuch is a former German Communist who was reported to be working for the Nazi government of Germany during World War II in an intelligence capacity, but who was still able to convince the Russians that he was a good Communist when captured in Bucharest, Rumania, in 1944. Subject has made Zürich, Switzerland, the center of his activities since 1946, although he travels a great deal. He is reportedly an agricultural expert. Reports received since 1946 have stated that subject was working for the Soviet Union and satellite countries.

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\*\*\*\* [REDACTED] Comment. [REDACTED] Buehrle recommended Bauman and Loeschen to Halle, who was responsible for their being employed by the Ministry of Posts, Telegraphs, and Telephones on two-year contracts.

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