

**August 14, 1978**  
**Background report on Ethiopia's Relations with  
Western Countries**

**Citation:**

"Background report on Ethiopia's Relations with Western Countries", August 14, 1978, Wilson Center Digital Archive, TsKhSD, f. 5, op. 75, d. 1173, ll. 155-161  
<https://digitalarchive.umd.edu/document/111618>

**Summary:**

The report details the relations between Ethiopia and the Western countries, primarily how they have changed since the 1974 revolution. It focuses on relations between the United States and the common market countries specifically.

**Original Language:**

Russian

**Contents:**

Translation - English

Soviet Embassy in Ethiopia, background report on "Ethiopia's Relations with Western Countries," August 1978

USSR EMBASSY TO  
SOCIALIST ETHIOPIA

Re: no 275  
14 August 1978

ETHIOPIA'S RELATIONS WITH WESTERN COUNTRIES  
(Information)

Before the revolution, Ethiopia was primarily oriented toward the Western countries, first and foremost toward the USA and the countries of the "Common market" (Federal Republic of Germany, Italy, England, France). This determined the external policies of the country, although formally Ethiopia belonged to the nonaligned countries.

The connection of Ethiopia's economy and trade as well as its defense to the capitalist governments was a key factor in the influence of the Western countries on Ethiopia. Until the revolution in 1974 developed capitalist countries occupied the predominant position in the external trade activity of Ethiopia. Thus, for example, in 1973, they represented approximately 70% of the volume of external trade (by comparison with 3% for the group of socialist countries).

Military supplies were completely dependent on the United States.

Meanwhile, the West took into consideration first and foremost the significant strategic position of Ethiopia in the region of the Red Sea, the Horn of Africa, and Africa as a whole in terms of a confrontation with the USSR, and likewise the visible situation of the country on the continent in political terms.

At the same time, even during the imperial regime, between various Western countries and, first and foremost, between the USA and the "Common market," there was a contradiction with regard to Ethiopia in the area of the economy and, to a certain degree, in the area of policy. The countries of the "Common market" were dissatisfied with the dominant position of the USA in Ethiopia. From a certain point Japan also entered the playing field as a competitor. Until the revolution, the sum total of foreign investments in the country's economy comprised 504 million rubles.

After 1974 the situation in the region concerning political and, particularly, ideological relations with the Western countries changed in a fundamental way in connection with the fact that Ethiopia set its course toward a socialist orientation and took on as a ruling ideology Marxism-Leninism, and likewise declared its intent to create a Marxist-Leninist party.

The external political course of the country also changed. Ethiopia began to conduct an anti-imperialist policy, with the support of the countries of the socialist camp and, first and foremost, of the USSR. The position of foreign capital in Ethiopia was seriously undermined in connection with the nationalization of the property of Western firms in the country and its transfer to the State sector. The capital of the industrial enterprises which were nationalized in February 1975 (72 enterprises of the manufacturing industry), in which a foreign component was dominant, made up 41% of the general sum of paid capital in this branch of the national economy. In addition, the State gained a controlling package of the stocks of another 29 private companies. In questions of defense, Ethiopia practically cut off relations with the capitalist

countries and set its course toward re-arming its army with Soviet weapons.

At the same time, it would be incorrect to consider that Ethiopia was fully liberated from its dependence on Western countries, particularly in the economic sphere. The state of Ethiopian debts to the West in May 1978 comprised 351 million rubles. Meanwhile, Ethiopia, as a rule, pays off its debts and credits in a timely fashion, as well as the interest on them, and allots annually approximately 13 million rubles to this end, which comprises approximately 5% of the annual export earnings and does not represent a burden for the country's finances. Such a policy makes it easier for Ethiopia to receive new means for the development of the country's economy. Ethiopia has an acute need for economic assistance, particularly since the socialist countries have not taken the place of and do not intend fully to take the place of the economic assistance and technical collaboration with the Western countries. From the general volume of foreign economic assistance, the assistance of the Western countries and international organizations which are under their control in the form of loans and credits comprised 75% (status as of May 1978).

It is precisely the economic factor that the Western countries are bearing in mind as they pursue a long-term struggle for Ethiopia. They will push Ethiopia toward economic collaboration with the West, which would enable them to use this factor in pursuit also of political goals, to encourage the Ethiopian leadership, if not to supplant, then to cut back on the influence of the USSR.

The other factor which the Western powers are counting on, is the inescapable, in their minds, growth of bourgeois nationalism, or at the very least, of revolutionary nationalism, which would be accompanied by a break with the socialist countries, an erosion of Marxism-Leninism, and the conduct of a policy of equal distance from the East and the West.

The Westernizers are making use of the fact that certain of the socialist countries are conducting themselves with restraint with regard to the development of economic collaboration with Ethiopia. These countries include Poland, Hungary, Bulgaria, and also Romania, although this is for different reasons.

The leadership of the PMAC regards resentfully and with a lack of understanding the fact that the Council for Mutual Economic Aid [Comecon], to which Ethiopia appealed with a proposal for the development of collaboration not only on a bilateral, but on a multilateral basis in March 1977, has since that time not made any concrete resolutions, but has rather confined itself to a declaration of the desire for such collaboration.

The Western countries place serious hopes on the fact that the make-up of the State apparatus, as well as a significant part of the officer staff of the military forces of Ethiopia, remains as before. Many of the bureaucrats and officers received their education in the West, and are subject to the influence of bourgeois ideology, and as a consequence of this they regard unfavorably the course of the country toward a socialist orientation and the primary development of relations with socialist countries. The Ethiopian leadership, which understands this well, is unable to replace the State apparatus due to the lack of cadres which have received the appropriate preparation. The regime remains transitional in the country, new organs of authority have not yet been put into place. The country's leadership has only begun the work of creating a basis for this.

Drawing a general conclusion, one can say with certainty that a long-term course for the USA and the Western countries for the struggle for Ethiopia is being plotted. This is evident if only from the fact that, in spite of the Somali adventure, they do not intend to exchange Ethiopia for Somalia. While creating their position in Somalia, they are setting their strategic sights on Ethiopia. This can be seen both from the degree

of patience with which the USA, England, and the Federal Republic of Germany are regarding the sharp anti-imperialist attacks in the speeches of the Ethiopian leaders and in the press.

The head of the government, Mengistu Haile Mariam, in a speech he delivered at a ceremony in honor of the graduates of the capital's university, spoke about the imperialist plot headed by the USA in the presence of the new American ambassador. The People's Republic of China acts as an objective and actual ally of imperialism in the struggle against the countries of socialist collaboration with Ethiopia. The Western-izers attempt as much as possible to use this factor, and do not disdain even to use anti-Soviet propagandistic slogans, which are invented by the Chinese.

From the other side, in spite of the preservation of the anti-imperialist course, which was manifest in the speeches of the Ethiopian delegation at the Session of the Council of Ministers and the Assembly of the heads of government of the Organization of African States in Khartoum, and likewise at the conference of nonaligned countries in Belgrade, we cannot consider that the struggle is over in the ruling circles of the country about questions of the external political orientation and the essence of a policy of nonalignment. In this struggle a significant role is played by the petit-bourgeois influence, which is still quite strong in the officers' circles.

Before turning to the nature of Ethiopian relations with individual Western countries, it is worth noting that in the framework of the general anti-imperialist course, Ethiopia continues to distinguish between the USA and the countries of the Common Market.

The central flame of anti-imperialist propaganda is directed against the USA, England, the Federal Republic of Germany, and, to a lesser degree, against France, Italy, and the Scandinavian countries.

The relations of Ethiopia with the USA have undergone the greatest changes. [The Americans] have eliminated their military objects from the territory of the country, their propaganda apparatus, their military mission; they have cut by one half the staff of the American embassy. The Ethiopian government delayed the agreement for the new American ambassador by three months and gave it only after a serious discussion, in the course of which the Ethiopians warned that if the anti-Ethiopian campaign in the USA, connected, in part, with human rights issues, was not brought to an end, that they would seek to break off diplomatic relations. After this the United States was forced to reach a certain compromise.

In order to preserve whatever remained of their former position in Ethiopia, the USA is trying to use all of the factors enumerated above (economic pressure, Ethiopian nationalism, ties which remain to the state apparatus). To a large extent the condition of Ethiopian finance depends, in particular, upon whether or not the United States buys coffee, the income from which made up in 1977 approximately 75% of the general export earnings of the country. The USA persists in offering economic assistance to Ethiopia, in particular in answer to the circulated appeal from the Ethiopian commission on assistance to the population of the Ogaden and Wollo. At the same time, they underscore that America offers mainly humanitarian aid, while the USSR is generous only as regards military supplies. Meanwhile, in spite of the fact of the worsening governmental relations, economic assistance from the USA to Ethiopia is growing. Thus, according to information of an American Congressional commission, which visited the countries of the Horn of Africa with the aim of collecting information about the situation in the region, if in 1977 this assistance reached 11 million dollars, then in 1978 it reached 15 million dollars.

In July of this year the USA announced the delivery in September and October of this year of assistance at a level of 12.5 thousand tons of food products, valued in sum at 7 million Ethiopian birr. In accordance with information from the American Embassy,

philanthropic assistance from the USA to Ethiopia for the period from 1975 reached 75 million Ethiopian birr.

The relations of Ethiopia with the countries of the Common Market is determined by their mutual interest in maintaining economic and commercial ties. Trying to keep Ethiopia in the sphere of their interests, the Western European countries have regarded the revolution with patience. As does the USA, they make declarations regarding their support for the territorial integrity of Ethiopia, both in the event of Somali aggression and with regard to Eritrea. The new French ambassador, upon conveying his letters of credentials to the Head of the PMAC, Mengistu Haile Mariam, even declared that France respects the path of development chosen by Ethiopia in the framework of a policy of socialist orientation. The Federal Republic of Germany did not undertake any steps in response to the eviction from Ethiopia of the Federal Republic of Germany's ambassador or to the rejection of the services of specialists, working in the Ethiopian special services.

In their turn, the Ethiopians have taken a relatively soft position with regard to France and Italy. For instance, to this day they have not come out with any criticism of the French actions in the province of Shaba. According to available information, their interest in maintaining good relations with France is caused by the fact that the latter facilitated the normalization of relations between Ethiopia and Djibouti and the departure from there of a contingent of three thousand Somali troops.

With regard to Italy, the latter on the strength of the presence of economic interests in Eritrea, might have played a positive role in the resolution of the Eritrean problem. In May of this year there was an Italian governmental delegation in Ethiopia which was well received. In the course of negotiations a broad circle of questions was discussed, concerning first and foremost bilateral commercial and economic relations, and likewise the status of Italian businessmen in Ethiopia.

What draws attention to itself is the fact that precisely at the moment when the Italian delegation was in Addis Ababa and immediately after the discussion of the French ambassador with Mengistu, which was organized on the initiative of the latter, the PMAC made the decision to give agreement to the new ambassador from the USA to Ethiopia, Chapin.

The countries of the Common Market coordinate their activities in Ethiopia within the framework of the European Economic Community, which has its official representation in Ethiopia. According to the declaration of the Italian ambassador, the program of assistance to Ethiopia from the EEC comprises 80 million dollars; however, according to his words, the Ethiopians have expended only 1% of that sum. Ethiopia and the EEC have recently concluded a general agreement on the realization of a project for improving coffee plantations in the country, at a cost of 20 million dollars.

Japan occupies a particular place in Ethiopian relations with capitalist countries. From the very outset of the revolution, Japan has conducted a very restrained and scrupulous policy with regard to internal Ethiopian affairs. Japan devotes most of its attention to the strengthening of its economic position in the country and to the development of commerce between Japan and Ethiopia. Japanese assistance in the form of loans and credits up to the current time comprises 11.5 million rubles. Over the course of 1977, Ethiopian exports to Japan comprised 17 million rubles at the same time that imports totaled 46 million rubles.

ATTACHE OF THE EMBASSY OF THE USSR IN SOCIALIST ETHIOPIA

[signed] Iu. Budakov

[Source: TsKhSD, f. 5, op. 75, d. 1173, ll. 155-161.]