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1) *Reviser (system)*
Te réexaminer le
problème

2) *Dr M. Käser*
in person

Minister of Finance

Zurich, 7 July 1979

The Honourable Georges-André Chevallaz

Minister of Finance

Bundeshaus

CH 3003 BERNE

Switzerland

Your Excellency,

You may recall that about a year ago I had the pleasure to meet you in Berne, when we were able, in a most cordial manner, to discuss matters of common concern to our two countries. One of the issues which I raised with you was the SF 250 million lending ceiling imposed by your Government on South Africa for new financial credits to be made available each year.

I have just paid a hurried visit to your beautiful country, mainly to meet with your important banking institutions, between whom and ourselves there exists the closest and most valuable relationship. Immediately, once again, the que

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of the credit ceiling came up - a matter which is causing your banks and my Government very real concern; so much so, that I have deemed it desirable to write this letter to you before even leaving your country.

You will appreciate that this arbitrary credit ceiling, imposed, I understand, only on South Africa, a country with the highest credit rating, and a country, moreover, which has never defaulted on a single debt obligation, is particularly unwelcome to banks which are able and willing to do lucrative business with us, and to a Government which has always sought to promote and maintain the friendliest relations with Switzerland.

This credit ceiling is hampering Swiss exports to South Africa as, apart from credit tied directly to Swiss exports, substantial portions of financial credits are used from time to time to acquire Swiss goods directly and indirectly, and thus promoting employment in Switzerland.

I do not have to remind you of my country's policy to sell in Switzerland, year in and year out, the great bulk of our gold production, a circumstance which I presume to think is not without significance to the Swiss economy.

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Your Excellency will readily imagine that with the far-reaching developments in the gold market in recent years, South Africa is under heavy pressure from certain other countries to market its gold output through them. We, however, place a high value on maintaining our well-tried connections and relationships, and have always resisted such pressure.

With Switzerland's capacity to supply the capital we can so productively use for the genuine development of all our peoples, and with the South African economy in a particularly strong and stable condition and anxious to increase its growth rate still further in the interests especially of its Black, Coloured and Indian people, I take the liberty to request you once again to remove the arbitrary credit ceiling which is now causing serious concern. I do so in a most courteous but urgent manner.

I have thought it fit to send a copy of this letter to the President of the Swiss National Bank for his information.

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Please be assured, your Excellency, of my highest esteem and consideration, and with kindest personal regards,

A handwritten signature in blue ink, appearing to read 'O.P.F. Horwood', with a stylized initial 'O' and 'P'.

O.P.F. HORWOOD
MINISTER OF FINANCE
REPUBLIC OF SOUTH AFRICA