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Eidg. Finanzdepartement  
- 9. MAI 1983  
Reg.-Nr. 235.037.

Ministerie van Finansies  
Ministry of Finance  
Hendrik Verwoerdbou  
Hendrik Verwoerd Building  
Kaapstad  
Cape Town  
8000

- 2 -05- 1983

The Honourable Willi Ritschard  
Minister of Finance  
Bundeshaus  
CH3003 BERNE  
Switzerland

Your Excellency,

Some years ago I had the pleasure to meet your predecessor, the Honourable Georges-André Chevallaz, and to discuss with him matters of common concern to our two countries.

One of the issues which I raised with him was the annual lending ceiling imposed by your Government on South Africa for new financial credits. As a result, your predecessor undertook to give his personal attention to the matter. He also mentioned that the various State Departments involved were discussing this most vexed issue.

As I pointed out at the time, not only do I understand this arbitrary restriction to be of a discriminatory nature, but it is also imposed on a country which has never defaulted on a single debt obligation, a factor which is hopefully appreciated today more than ever.

Representatives of Swiss banks who are doing their utmost to promote Swiss exports to South Africa and who are involved to a substantial extent in the marketing of my country's gold production, continually raised the question of this restriction with me, as it is a matter of the utmost concern to them that no stone should be left unturned to promote and maintain the friendliest relations between our two countries.

While South Africa is under heavy pressure from certain other countries to purchase their exports, particularly of a capital nature, on the one hand, and to market its gold through them, on the other hand, we have in the past resisted many such overtures, placing as we do a high value on maintaining well-tested connections and relationships.

Such relations redound not only to the general benefit of both our countries, but in particular assist the South African Government in promoting the welfare of the less

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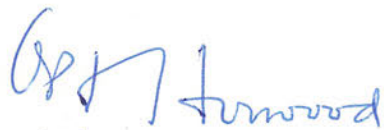
affluent of our population, especially the Black, Coloured and Indian people. Although the Government places a high priority on the continued upliftment of all the peoples of South Africa, I am sure that, from your own knowledge of conditions elsewhere in Africa, you will appreciate that this is an enormous task and, certainly, beyond the constraints of normal budgetary means.

I have been most gratified, therefore, that, in addition to its own foreign borrowings, the Government has been able to assist of our borrowers to raise significant amounts of capital on international markets in their own names. These funds have been applied in the financing of a wide array of social programmes involving expenditure in such areas as education, health, housing, the provision of water, sewerage, roads and so forth.

18 | I find it difficult to believe that you are unaware of the benefits to be derived from international financial intercourse between discerning partners. This being the case, I am again prompted to request most courteously yet urgently that your Government (remove) the mentioned political restriction on capital exports to South Africa; and that you will be good enough to inform me of your decision.

Please be assured of my highest esteem and consideration.

Yours sincerely,



O.P.F. HORWOOD