

No. 13945

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**UNITED STATES OF AMERICA  
and  
CHILE**

**Agreement relating to the consolidation and rescheduling of  
certain debts owed to the Agency for International  
Development (with schedules). Signed at Washington  
on 6 February 1974**

*Authentic text: English.*

*Registered by the United States of America on 7 May 1975.*

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**ÉTATS-UNIS D'AMÉRIQUE  
et  
CHILI**

**Accord relatif à la consolidation et au réaménagement de  
dettes contractées auprès de l'Agency for International  
Development (avec annexes). Signé à Washington le  
6 février 1974**

*Texte authentique : anglais.*

*Enregistré par les États-Unis d'Amérique le 7 mai 1975.*

AGREEMENT,<sup>1</sup> date Feb. 6, 1974, between the UNITED STATES OF AMERICA and the REPUBLIC OF CHILE.

WHEREAS, the United States of America, acting through the Agency for International Development ("A.I.D.") or its predecessor agencies, has made certain loans to, or for the benefit of, the Republic of Chile ("Chile");

WHEREAS, Chile is in arrears on certain payments due A.I.D. in connection with such loans; and

WHEREAS, the Government of the United States and the Government of Chile have agreed to a rescheduling arrangement pursuant to the Agreement Between The Government Of The United States Of America And The Government Of Chile Regarding The Consolidation And Rescheduling Of Certain Debts Owed To, Guaranteed Or Insured By The United States Government And Its Agencies, which Agreement was signed on February 6, 1974,<sup>2</sup> by representatives of the two Governments;

NOW, THEREFORE, the parties hereto agree as follows:

#### PART I RESCHEDULED DEBT

Certain debt obligations incurred by Chile and owing to A.I.D. pursuant to the Loan Agreement listed in Schedules A and B are hereby consolidated and rescheduled as provided in this Agreement.

##### Section 1. CONSOLIDATED DEBT

(A) For purposes of this Agreement, "Consolidated Debt" shall mean seventy percent (70%) of the sum of the originally scheduled principal and interest installments repayable in U.S. dollars (excluding amounts actually paid in Chilean currency) which became due between November 1, 1971 and December 31, 1972 pursuant to the Loan Agreements listed in schedule A, attached hereto.

(B) Chile shall pay to A.I.D. the amount representing Consolidated Debt in thirteen (13) equal semi-annual installments payable on January 1 and July 1 of each year, commencing on January 1, 1975, with final payment due on January 1, 1981.

(C) Chile shall pay to A.I.D. interest at the rate of six percent (6%) per annum on the outstanding balance of the amount owed pursuant to paragraph B above, and on any due and unpaid interest. Interest on the outstanding balance shall accrue from January 1, 1974 and shall be paid semi-annually on January 1 and July 1 of each year, commencing on July 1, 1974.

(D) The payments provided for in this section together with the figures from which such amounts are derived are set forth in the Repayment Schedule, attached hereto.

##### Section 2. SPECIAL DEBT

(A) For purposes of this Agreement, "Special Debt" shall mean:

- (i) The sum of the amounts of principal and interest, repayable in U.S. dollars, which were due and unpaid as of the last due date prior to December 31, 1972 under each of the Loan Agreements listed in schedule A, to the extent such amounts exceed the amount of Consolidated Debt.

<sup>1</sup> Came into force on 6 February 1974 by signature.

<sup>2</sup> See p. 34 of this volume.

- (ii) The sum of the amounts of principal and interest due and unpaid as of the last due date prior to December 31, 1972, under each of the Loan Agreements listed in schedule B.
  - (iii) A sum representing interest calculated at the rate of six percent (6%) per annum on the amounts of outstanding principal and interest included in the Consolidated Debt and accruing under each of the applicable Loan Agreements, from the last due date prior to December 31, 1972 through December 31, 1973.
  - (iv) A sum representing interest, calculated in accordance with the terms of each of the applicable Loan Agreements, on amounts included in subparagraphs (i) and (ii) above, and accruing under each of such Loan Agreements from the last due date prior to December 31, 1972 through December 31, 1973.
- (B) Chile shall pay to A.I.D. the amount representing Special Debt as follows:
- (i) Twenty-seven percent (27%) of such amount on or before the date of this Agreement.
  - (ii) Twenty-seven percent (27%) of such amount in four quarterly installments commencing March 31, 1974.
  - (iii) The balance of such amount in twelve quarterly installments commencing March 31, 1975.

(C) Chile shall pay to A.I.D. interest at the rate of six percent (6%) per annum on the outstanding balance of the amount owed pursuant to paragraph B above and on any due and unpaid interest. Interest on the outstanding balance shall accrue from January 1, 1974 and shall be payable on the dates established for payments under paragraph B above.

(D) The payments provided for in this section together with the figures from which such amounts are derived are set forth in the Repayment Schedule, attached hereto.

## PART II GENERAL PROVISIONS

### *Section 1. OTHER OBLIGATIONS*

Except as otherwise provided herein, all obligations including, but not limited to, payment obligations other than those consolidated and rescheduled hereunder, incurred by Chile, or other parties to Loan Agreements listed in schedule A and schedule B, pursuant to such Loan Agreements shall remain in effect in accordance with the existing terms of such Loan Agreements. To the extent not modified by this Agreement, the existing terms and conditions of such Loan Agreements remain in full force and effect.

### *Section 2. REPAYMENT SCHEDULE*

The figures set forth in the Repayment Schedule attached to this Agreement are subject to correction and/or adjustment in accordance with the terms of this Agreement.

### *Section 3. APPLICATION OF PAYMENT*

Any payment pursuant to section 1, Part I, hereof will be applied first to accrued interest on Consolidated Debt and then to repayment of principal of such debt. Any payment pursuant to section 2, Part I, hereof will be applied first to accrued interest on Special Debt and then to repayment of principal of such debt. Subject to the preceding, Chile shall have the right to prepay without penalty any portion of the debt due hereunder, provided that Chile is not otherwise in default on any payment due under the Loan Agreements listed in schedules A and B. Any such prepayment will first be applied to Special Debt and to the Consolidated Debt.

*Section 4. PLACE AND CURRENCY OF PAYMENT*

Payments made hereunder shall be in U.S. dollars and shall be delivered to the Office of the Controller, Agency for International Development, Washington, D.C. 20523.

*Section 5. LEGAL OPINION*

Except as A.I.D. may otherwise agree in writing, within thirty (30) days from the date of signature of this Agreement, Chile shall furnish to A.I.D., in form and substance satisfactory to A.I.D., a legal opinion of counsel satisfactory to A.I.D. that this Agreement has been duly authorized or ratified by, and executed and delivered on behalf of, Chile and constitutes a valid and legally binding obligation of Chile in accordance with its terms.

IN WITNESS HEREOF, A.I.D. and Chile, each acting through its respective duly authorized representative, have caused this Agreement to be signed in their respective names and delivered as of the day and year first above written.

Republic of Chile:

[Signed — Signé]<sup>1</sup>

Title: Ambassador

United States of America:

[Signed — Signé]<sup>2</sup>

Title: Assistant Administrator for Latin America  
Agency for International Development

SCHEDULE A

Loan Agreements

|           |           |           |
|-----------|-----------|-----------|
| 513-B-002 | 513-A-006 | 513-M-011 |
| 513-G-003 | 513-L-026 |           |

SCHEDULE B

Loan Agreements

|           |           |           |
|-----------|-----------|-----------|
| 513-B-004 | 513-L-023 | 513-L-033 |
| 513-L-017 | 513-L-024 | 513-L-034 |
| 513-L-018 | 513-L-025 | 513-L-036 |
| 513-L-019 | 513-L-028 | 513-L-037 |
| 513-L-021 | 513-L-030 | 513-L-040 |
| 513-L-022 | 513-L-031 | 513-L-041 |

<sup>1</sup> Signed by W. Heitmann — Signé par W. Heitmann.

<sup>2</sup> Signed by Herman Kleinc — Signé par Herman Kleine.

## REPAYMENT SCHEDULE

## Section 1. CONSOLIDATED DEBT

## (A) Amount of Consolidated Debt

| Loan Number | Installments<br>Under Loans<br>in schedule A | Consolidated Debt (70 % of installments) |                     |                   |
|-------------|--|--|---------------------|-------------------|
|             |  | Total                                    | Principal           | Interest          |
| 513-B-002   | \$ 32,634.10                                 | \$ 22,850.17                             | \$ 19,518.38        | \$ 3,331.79       |
| 513-G-003   | 699,866.40                                   | 489,906.48                               | 280,951.61          | 208,954.87        |
| 513-A-006   | 266,234.25                                   | 186,363.98                               | 127,234.47          | 59,129.51         |
| 513-L-026   | 54,854.42                                    | 36,623.05 <sup>1</sup>                   |                     | 36,623.05         |
| 513-M-011   | <u>3,734,816.08</u>                          | <u>2,616,146.30<sup>2</sup></u>          | <u>2,105,041.54</u> | <u>511,104.76</u> |
| TOTAL       | <u>4,788,414.25</u>                          | <u>3,351,889.98</u>                      | <u>2,532,746.00</u> | <u>819,143.98</u> |

513-L-026:

|                                 |                    |
|---------------------------------|--------------------|
| 70% of installments             | \$ 38,398.09       |
| Amount in arrears as of 11/9/72 | 36,623.05          |
| Amount less than 70%            | <u>\$ 1,775.04</u> |

<sup>2</sup> 513-M-011:

|                       |                     |
|-----------------------|---------------------|
| 70% of installments   | \$2,614,371.26      |
| Add amount from L-026 | 1,775.04            |
| Total rescheduled     | <u>2,616,146.30</u> |

## (B) and (C) Repayments on Consolidated Debt

| Date Due | Total                  |                      | Debt<br>Installment    | Remaining<br>Balance |
|----------|------------------------|----------------------|------------------------|----------------------|
|          | Repayment              | Interest             |                        |                      |
| 7/1/74   | \$ 100,556.70          | \$ 100,556.70        |                        | \$ 3,351,889.98      |
| 1/1/75   | 358,394.39             | 100,556.70           | \$ 257,837.69          | 3,094,052.29         |
| 7/1/75   | 350,659.26             | 92,821.57            | 257,837.69             | 2,836,214.60         |
| 1/1/76   | 342,924.13             | 85,086.44            | 257,837.69             | 2,578,376.91         |
| 7/1/76   | 335,189.00             | 77,351.31            | 257,837.69             | 2,320,539.22         |
| 1/1/77   | 327,453.87             | 69,616.18            | 257,837.69             | 2,062,701.53         |
| 7/1/77   | 319,718.74             | 61,881.05            | 257,837.69             | 1,804,863.84         |
| 1/1/78   | 311,983.61             | 54,145.92            | 257,837.69             | 1,547,026.15         |
| 7/1/78   | 304,248.47             | 46,410.78            | 257,837.69             | 1,289,188.46         |
| 1/1/79   | 296,513.34             | 38,675.65            | 257,837.69             | 1,031,350.77         |
| 7/1/79   | 288,778.21             | 30,940.52            | 257,837.69             | 773,513.08           |
| 1/1/80   | 281,043.08             | 23,205.39            | 257,837.69             | 515,675.39           |
| 7/1/80   | 273,307.95             | 15,470.26            | 257,837.69             | 257,837.70           |
| 1/1/81   | 265,572.83             | 7,735.13             | 257,837.70             | -0-                  |
| TOTAL    | <u>\$ 4,156,343.58</u> | <u>\$ 804,453.60</u> | <u>\$ 3,351,889.98</u> |                      |

## Section 2. SPECIAL DEBT

## (A) Amount of Special Debt

## (i) Principal and interest due in excess of Consolidated Debt under loans in schedule A.

| Loan<br>No. | Principal & Int.<br>Due & Unpaid a/o<br>last due date<br>prior to 12/31/72 | Consolidated<br>Debt  | Amount in excess of Consolidated Debt |                       |                     |
|-------------|--|-----------------------|---------------------------------------|-----------------------|---------------------|
|             |  |                       | Total                                 | Principal             | Interest            |
| B-002       | \$ 32,643.10   | \$ 22,850.17          | \$ 9,792.93                           | \$ 8,365.02           | \$ 1,427.91         |
| G-003       | 699,866.40   | 489,906.48            | 209,959.92                            | 120,407.84            | 89,552.08           |
| A-006       | 266,234.25   | 186,363.98            | 79,870.27                             | 54,529.05             | 25,341.22           |
| L-026       | 36,623.05  | 36,623.05             | -0-                                   | -0-                   | -0-                 |
| M-011       | <u>3,734,816.08</u>  | <u>2,616,146.30</u>   | <u>1,118,669.78</u>                   | <u>902,160.66</u>     | <u>216,509.12</u>   |
| TOTAL       | <u>\$4,770,182.88</u>  | <u>\$3,351,889.98</u> | <u>\$1,418,292.90</u>                 | <u>\$1,085,462.57</u> | <u>\$332,830.33</u> |

## (ii) Principal and interest due under loans in schedule B

*Principal and interest due and unrepaid as of last due date prior to 12/31/72*

| <i>Loan Number</i> | <i>Total</i>          | <i>Principal</i>      | <i>Interest</i>       |
|--------------------|-----------------------|-----------------------|-----------------------|
| 513-B-004          | \$ 613,927.16         | \$ 571,359.20         | \$ 42,567.96          |
| 513-L-017          | 956,007.48            | 655,737.05            | 300,270.43            |
| 513-L-018          | 262,947.14            |                       | 262,947.14            |
| 513-L-019          | 7,454.17              |                       | 7,454.17              |
| 513-L-021          | 6,392.26              |                       | 6,392.26              |
| 513-L-022          | 32,618.22             |                       | 32,618.22             |
| 513-L-023          | 413,248.56            |                       | 413,248.56            |
| 513-L-024          | 24,606.35             |                       | 24,606.35             |
| 513-L-025          | 787,667.70            |                       | 787,667.70            |
| 513-L-028          | 33,483.23             |                       | 33,483.23             |
| 513-L-030          | 765,843.11            |                       | 765,843.11            |
| 513-L-031          | 49,110.84             |                       | 49,110.84             |
| 513-L-033          | 877.90                |                       | 877.90                |
| 513-L-034          | 94,607.56             |                       | 94,607.56             |
| 513-L-036          | 149,518.77            |                       | 149,518.77            |
| 513-L-037          | 207,614.13            |                       | 207,614.13            |
| 513-L-040          | 209,725.68            |                       | 209,725.68            |
| 513-L-041          | 401,209.56            |                       | 401,209.56            |
| TOTALS             | <u>\$5,016,859.82</u> | <u>\$1,227,096.25</u> | <u>\$3,789,763.57</u> |

## (iii) Interest on Consolidated Debt from last due date prior to 12/31/72 through 12/31/73

| <i>Loan Number</i> | <i>Last due date prior to 12/31/72</i> | <i>Days through 12/31/73</i> | <i>Consolidated Debt</i> | <i>Accrued Interest (6%)</i> |
|--------------------|--|------------------------------|--------------------------|------------------------------|
| 513-B-002          | 11/1/72                                | 420                          | \$ 22,850.17             | \$ 1,599.51                  |
| 513-G-003          | 8/1/72                                 | 510                          | 489,906.48               | 41,642.05                    |
| 513-A-006          | 7/17/72                                | 533                          | 186,363.98               | 16,328.55                    |
| 513-L-026          | 11/9/72                                | 418                          | 36,623.05                | 2,516.46                     |
| 513-M-011          | 9/1/72                                 | 487                          | 2,616,146.30             | 209,435.05                   |
|                    |  |                              | TOTAL                    | <u>\$ 271,521.62</u>         |

## (iv) Interest on amounts in subparagraphs (i) and (ii) from last due date prior to 12/31/72 through 12/31/73

| <i>Loan Number</i> | <i>Last due date prior to 12/31/72</i> | <i>Days through 12/31/73</i> | <i>Amount in subparagraph (i)</i> | <i>Accrued Interest (in accordance with terms of each loan agree)</i> |
|--------------------|--|------------------------------|-----------------------------------|---|
| 513-B-002          | 11/1/72                                | 420                          | \$ 8,365.02 <sup>1</sup>          | \$ 292.78   |
| 513-G-003          | 8/1/72                                 | 510                          | 120,407.84 <sup>1</sup>           | 5,117.33  |
| 513-A-006          | 7/17/72                                | 533                          | 54,529.05 <sup>1</sup>            | 2,786.96  |
| 513-M-011          | 9/1/72                                 | 487                          | 902,160.66 <sup>1</sup>           | 9,027.79  |
| 513-L-026          | 11/9/72                                | 418                          | -0-                               | -0-   |
|                    |  |                              | Sub-total                         | <u>\$ 17,224.86</u>   |

<sup>1</sup> Interest on principal only.

| <i>Loan Number</i> | <i>Last due date prior to 12/31/72</i> | <i>Days through 12/31/73</i> | <i>Amount in subparagraph (ii)</i> | <i>Accrued Interest (in accordance with terms of each loan agree.)</i> |
|--------------------|--|------------------------------|------------------------------------|--|
| 513-B-004          | 10/15/72                               | 436                          | \$571,359.20                       | \$ 34,598.97   |
| 513-L-017          | 8/28/72                                | 491                          | 956,007.48                         | 9,645.20   |
| 513-L-018          | 10/24/72                               | 434                          | 262,947.14                         | 2,344.91   |
| 513-L-019          | 7/15/72                                | 535                          | 7,454.17                           | 81.94  |
| 513-L-021          | 7/18/72                                | 532                          | 6,392.26                           | 69.88  |
| 513-L-022          | 8/12/72                                | 507                          | 32,618.22                          | 339.81   |
| 513-L-023          | 11/11/72                               | 416                          | 413,248.56                         | 3,532.43   |
| 513-L-024          | 9/11/72                                | 477                          | 24,606.35                          | 241.18   |
| 513-L-025          | 8/25/72                                | 494                          | 787,667.70                         | 10,660.49  |
| 513-L-028          | 9/15/72                                | 473                          | 33,483.23                          | 433.91   |
| 513-L-030          | 10/21/72                               | 437                          | \$765,843.11                       | \$ 9,169.14  |
| 513-L-031          | 7/17/72                                | 533                          | 49,110.34                          | 717.15   |
| 513-L-033          | 9/ 4/72                                | 484                          | 877.90                             | 11.64  |
| 513-L-034          | 10/ 9/72                               | 449                          | 94,607.56                          | 1,163.80   |
| 513-L-036          | 8/16/72                                | 503                          | 149,518.77                         | 2,060.49   |
| 513-L-037          | 8/19/72                                | 500                          | 207,614.13                         | 2,844.03   |
| 513-L-040          | 8/ 7/72                                | 512                          | 209,727.68                         | 5,883.87   |
| 513-L-041          | 11/19/72                               | 408                          | 401,209.56                         | 8,969.51   |
|                    |  |                              | Sub-total                          | \$ 92,768.35   |
|                    |  |                              | TOTAL (iv)                         | \$109,993.21   |
|                    |  |                              | TOTAL Special Debt                 | \$6,816,667.55   |

(B) and (C) Repayment of Special Debt

| <i>Date Due</i> | <i>Total Repayment</i> | <i>Interest</i> | <i>Debt Installment</i> | <i>Remaining Balance</i> |
|-----------------|------------------------|-----------------|-------------------------|--------------------------|
| 12/28/73        | \$ 1,840,500.24        | \$ -0-          | \$ 1,840,500.24         | \$ 4,976,167.31          |
| 3/31/74         | 533,745.07             | 73,620.01       | 460,125.06              | 4,516,042.25             |
| 6/30/74         | 527,865.69             | 67,740.63       | 460,125.06              | 4,055,917.19             |
| 9/30/74         | 520,963.82             | 60,838.76       | 460,125.06              | 3,595,792.13             |
| 12/31/74        | 514,061.94             | 53,936.88       | 460,125.06              | 3,135,667.07             |
| 3/31/75         | 308,340.60             | 47,035.01       | 261,305.59              | 2,874,361.48             |
| 6/30/75         | 304,421.01             | 43,115.42       | 261,305.59              | 2,613,055.89             |
| 9/30/75         | 300,501.43             | 39,195.84       | 261,305.59              | 2,351,750.30             |
| 12/31/75        | 296,581.84             | 35,276.25       | 261,305.59              | 2,090,444.71             |
| 3/31/76         | 292,662.26             | 31,356.67       | 261,305.59              | 1,829,139.12             |
| 6/30/76         | 288,742.68             | 27,437.09       | 261,305.59              | 1,567,833.53             |
| 9/30/76         | 284,823.09             | 23,517.50       | 261,305.59              | 1,306,527.94             |
| 12/31/76        | 280,903.51             | 19,597.92       | 261,305.59              | 1,045,222.35             |
| 3/31/77         | 276,983.93             | 15,678.34       | 261,305.59              | 783,916.76               |
| 6/30/77         | 273,064.34             | 11,758.75       | 261,305.59              | 522,611.17               |
| 9/30/77         | 269,144.76             | 7,839.17        | 261,305.59              | 261,305.58               |
| 12/31/77        | 265,225.16             | 3,919.58        | 261,305.58              | -0-                      |
| TOTAL           | \$ 7,378,531.37        | \$ 561,863.82   | \$ 6,816,667.55         |                          |

<sup>1</sup> Interest on principal only.