

No. 13948

**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 1 July 1974**

Authentic text: English.

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

**ÉTATS-UNIS D'AMÉRIQUE
et
CHILI**

**Accord relatif à la consolidation et au réaménagement de
certaines dettes contractées à l'égard de l'Agency for In-
ternational Development (avec annexes). Signé à
Washington le 1^{er} juillet 1974**

Texte authentique : anglais.

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

AGREEMENT,¹ dated July 1, 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 rescheduling arrangements pursuant to a Memorandum of Understanding Regarding the Consolidation and Rescheduling of Certain Chilean Debts Owed to, Guaranteed or Insured by the United States Government and its Agencies, dated June 17, 1974² ("Memorandum of Understanding");

NOW THEREFORE, the parties hereto agree as follows:

PART 1. RESCHEDULED DEBT

Certain debt obligations incurred by Chile and owing to A.I.D. pursuant to the Loan Agreements listed in schedule A are hereby rescheduled as provided in this Agreement. For purposes of this Agreement, (i) "Consolidated Debt" shall mean eighty percent (80%), and (ii) "Non-consolidated Debt" shall mean twenty percent (20%), of the principal and interest installments repayable in U.S. dollars falling due from January 1, 1973 through December 31, 1974 pursuant to the Loan Agreements ("Original Agreements") listed in schedule A (other than amounts falling due pursuant to the Agreement dated February 6, 1974 between the United States of America and the Republic of Chile).

Section 1. CONSOLIDATED DEBT. (A) Chile shall pay to A.I.D. the amount representing Consolidated Debt in fourteen (14) equal semi-annual installments payable on January 1 and July 1 of each year, commencing on January 1, 1977, with final payment due on July 1, 1983.

(B) Chile shall pay to A.I.D. interest at the rate of six percent (6%) per annum on the outstanding balance of the amounts owed under the Original Agreements and included in Consolidated Debt and on any due and unpaid interest thereon. Interest on such amounts shall accrue from May 15, 1974, or on such later date as such amounts may become due, and shall be paid semi-annually on January 1, and July 1 of each year, commencing on January 1, 1975.

Section 2. SPECIAL DEBT. (A) For purposes of this Agreement, "Special Debt" shall include the following:

(i) Non-consolidated Debt; and

(ii) A sum representing interest, calculated at the rate of six percent (6%) per annum, on the outstanding balance of the amounts owed under the Original Agreements as of the last due dates prior to May 15, 1974. Such interest shall be deemed to accrue from such last due dates until May 15, 1974.

(B) Chile shall pay to A.I.D. the amount representing Special Debt as follows on the dates specified in the Repayment Schedule:

(i) Twenty-five percent (25%) of such amount not later than December 31, 1974;

¹ Came into force on 1 July 1974 by signature.

² See p. 87 of this volume.

- (ii) Twenty-five percent (25%) of such amount not later than December 31, 1975;
- (iii) The balance of such amount not later than December 31, 1976.

(C) Chile shall pay to A.I.D. interest at the rate of six percent (6%) per annum on the outstanding balance of (i) the amounts owed under the Original Agreements and included in Non-consolidated Debt, (ii) the amount derived from paragraph (A) (ii) above, and (iii) any due and unpaid interest thereon. Interest on such amounts shall accrue from May 15, 1974, or on such later dates as such amounts may become due, and shall be payable on the dates established for payment under paragraph (B) above.

Section 3. 1965 RESCHEDULED DEBT. (A) Chile shall pay to A.I.D. the sum of all principal and interest payments due to A.I.D., and unpaid, on debt rescheduled under the 1965 Chile Rescheduling Agreement. Such amounts shall be payable not later than December 31, 1974.

(B) 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 under paragraph (A) above, and on any due and unpaid interest thereon. Such interest shall accrue from the last due date previously applicable to such 1965 Rescheduled Debt and shall be payable on the dates established for payment under paragraph (A) above.

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, 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 payments provided for in this Agreement, together with the figures from which such amounts are derived, are set forth in the Repayment Schedule attached hereto. Such Schedule is 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 Loan Agreements between Chile and A.I.D. Any such prepayment will first be applied to the Special Debt and then to 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. REVISION OF INTEREST RATE. This Agreement shall be subject to revision, pursuant to and in accordance with, any exercise of the option of the United States under paragraph 13 of the Memorandum of Understanding concerning revision of interest rates.

Section 6. 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 WHEREOF, 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]¹

United States of America:

[Signed — Signé]²

¹ Signed by W. Heitmann, Ambassador of Chile — Signé par W. Heitmann, Ambassadeur du Chili.

² Signed by Herman Kleine, Assistant Administrator, LA Bureau, AID — Signé par Herman Kleine, l'Administrateur adjoint pour l'Amérique latine de l'Agency for International Development.

SCHEDULE I

A.I.D.

CHILE—CONSOLIDATED DEBT

PRINCIPAL AND INTEREST INSTALLMENTS DUE LAST DUE DATE PRIOR TO 5-15-74

<i>Loan No.</i>	<i>Total Principal</i>	<i>Total Interest</i>	<i>Total Installment</i>	<i>80% Prin.</i>	<i>80% Prin.</i>	<i>80% Total</i>
513-B-002	\$ 86,184.90	\$ 17,365.80	\$ 103,550.70	\$ 68,947.92	\$ 13,892.64	\$ 82,840.56
G-003	1,291,013.92	1,169,946.24	2,460,960.16	1,032,811.14	935,956.99	1,968,768.13
A-006	564,599.35	243,869.58	808,468.93	451,679.48	195,095.66	646,775.14
A-009	-0-	260,181.20	260,181.20	-0-	208,144.96	208,144.96
A-009A	-0-	-0-	-0-	-0-	-0-	-0-
A-010	-0-	138,988.56	138,988.56	-0-	111,190.85	111,190.85
A-010A	308,608.76	84,890.24	393,499.00	246,887.01	67,912.19	314,799.20
M-011	3,029,756.22	705,059.86	3,734,816.08	2,423,804.97	564,047.89	2,987,852.86
L-017	1,967,211.15	443,845.96	2,411,057.11	1,573,768.92	355,076.77	1,928,845.69
L-018	1,721,311.47	395,160.71	2,116,472.18	1,377,049.18	316,128.56	1,693,177.74
L-019	-0-	22,362.61	22,362.61	-0-	17,890.09	17,890.09
L-020A	-0-	-0-	-0-	-0-	-0-	-0-
L-021	-0-	19,176.87	19,176.87	-0-	15,341.50	15,341.50
L-022A	-0-	98,222.05	98,222.05	-0-	78,577.64	78,577.64
L-023	898,477.75	618,598.71	1,517,076.46	718,782.20	494,878.97	1,213,661.47
L-024	-0-	36,968.69	36,968.69	-0-	29,574.95	29,574.95
L-025	-0-	1,184,457.76	1,184,457.76	-0-	947,566.21	947,566.21
L-026	-0-	55,024.15	55,024.15	-0-	44,019.32	44,019.32
L-028	-0-	50,333.91	50,333.91	-0-	40,267.13	40,267.13
L-030	-0-	1,151,252.07	1,151,252.07	-0-	921,001.66	921,001.66
L-031	-0-	148,013.58	148,013.58	-0-	118,410.86	118,410.86
L-033	-0-	1,514.54	1,514.54	-0-	1,211.63	1,211.63
L-034	-0-	140,859.52	140,859.52	-0-	112,687.62	112,687.62
L-036	-0-	224,839.30	224,839.30	-0-	179,871.44	179,871.44
L-037	-0-	314,379.59	314,379.59	-0-	251,503.67	251,503.67
L-040	-0-	337,010.08	337,010.08	-0-	269,608.06	269,608.06
L-041	-0-	391,926.58	391,926.58	-0-	313,541.26	313,541.26
	<u>\$9,867,163.52</u>	<u>\$8,254,248.16</u>	<u>\$18,121,411.68</u>	<u>\$7,893,730.82</u>	<u>\$6,603,398.52</u>	<u>\$14,497,129.34</u>

SCHEDULE II

A.I.D.

CHILE — SPECIAL DEBT

PRINCIPAL AND INTEREST INSTALLMENTS DUE LAST DUE DATE PRIOR TO 5-15-74

<i>Loan No.</i>	<i>20% Prin.</i>	<i>20% Int.</i>	<i>20% Total</i>
513-B-002	\$ 17,236.98	\$ 3,473.16	\$ 20,710.14
G-003	258,202.78	233,989.25	492,192.03
A-006	112,919.87	48,773.92	161,693.79
A-009	-0-	52,036.24	52,036.24
A-009A	-0-	-0-	-0-
A-010	-0-	27,797.71	27,797.71
A-010A	61,721.75	16,978.05	78,699.80
M-011	605,951.25	141,011.97	746,963.22
L-017	393,442.23	88,769.19	482,211.42
L-018	344,262.29	79,032.15	423,294.44
L-019	-0-	4,472.52	4,472.52
L-020A	-0-	-0-	-0-
L-021	-0-	3,835.37	3,835.37
L-022A	-0-	19,644.41	19,644.41
L-023	179,695.55	123,719.74	303,415.29
L-024	-0-	7,393.74	7,393.74
L-025	-0-	236,891.55	236,891.55
L-026	-0-	11,004.83	11,004.83
L-028	-0-	10,066.78	10,066.78
L-030	-0-	230,250.41	230,250.41
L-031	-0-	29,602.72	29,602.72
L-033	-0-	302.91	302.91
L-034	-0-	28,171.90	28,171.90
L-036	-0-	44,967.86	44,967.86
L-037	-0-	62,875.92	62,875.92
L-040	-0-	67,402.02	67,402.02
L-041	-0-	78,385.32	78,385.32
TOTALS	<u>\$1,973,432.70</u>	<u>\$1,650,849.64</u>	<u>\$3,624,282.34</u>

See Schedule I for total interest, principal and installments due.

SCHEDULE III

AGENCY FOR INTERNATIONAL DEVELOPMENT

CHILE — ADDITIONS TO CONSOLIDATED DEBT

PRINCIPAL AND INTEREST INSTALLMENTS DUE 5-15-74 THRU 12-31-74

<i>Loan Number</i>	<i>Int. On Out. Bal.</i>	<i>Prin. Next Due Date</i>	<i>Total Inst. Next Bill</i>	<i>80% Int.</i>	<i>80% Prin.</i>	<i>80% Total</i>
513-B-002	\$ 4,064.90	\$ 29,594.43	\$ 33,659.33	\$ 3,251.92	\$ 23,675.54	\$ 26,927.46
G-003	364,161.80	460,044.57	824,206.37	291,329.44	368,035.66	659,365.10
A-006	71,409.37	194,824.87	266,234.24	57,127.50	155,859.90	212,987.40
A-009	50,000.00	-0-	50,000.00	40,000.00	-0-	40,000.00
A-009A	31,750.00	100,000.00	131,750.00	25,400.00	80,000.00	105,400.00
A-010	20,661.71	-0-	20,661.71	16,529.37	-0-	16,529.37
A-010A	21,536.92	80,556.87	102,093.79	17,229.54	64,445.50	81,675.04
M-011	682,336.69	3,052,479.39	3,734,816.08	545,869.35	2,441,983.51	2,987,852.86
L-017	140,018.19	655,737.05	795,755.24	112,014.55	524,589.64	636,604.19
L-018	124,772.60	573,770.49	698,543.09	99,818.08	459,016.39	558,834.47
L-019	7,426.32	-0-	7,426.32	5,941.06	-0-	5,941.06
L-020A	10,172.38	-0-	10,172.38	8,137.90	-0-	8,137.90
L-021	6,368.38	-0-	6,368.38	5,094.70	-0-	5,094.70
L-022A	32,618.21	142,593.28	175,211.49	26,094.57	114,074.62	140,169.19
L-023	538,823.90	898,477.75	1,437,301.65	431,059.12	718,782.20	1,149,841.32
L-024	12,276.80	-0-	12,276.80	9,821.33	-0-	9,821.44
L-025	392,851.72	-0-	392,851.72	314,281.38	-0-	314,281.38
L-026	18,249.98	-0-	18,249.98	14,599.98	-0-	14,599.98
L-028	16,694.36	-0-	16,694.36	13,355.49	-0-	13,355.49
L-030	381,883.96	-0-	381,883.96	305,507.17	-0-	305,507.17
L-031	49,091.99	-0-	49,091.99	39,273.59	-0-	39,273.59
L-033	502.33	-0-	502.33	401.86	-0-	401.86
L-034	47,049.07	-0-	47,049.07	37,639.26	-0-	37,639.26
L-036	74,572.95	-0-	74,572.95	59,658.36	-0-	59,658.36
L-037	104,283.67	-0-	104,283.67	83,426.94	-0-	83,426.94
L-040	111,796.75	-0-	111,796.75	89,437.40	-0-	89,437.40
L-041 (11-19)	195,690.26	-0-	195,690.26	156,552.21	-0-	156,552.21
L-041 (5-19)	195,690.26	-0-	195,690.26	156,552.21	-0-	156,552.21
	<u>\$3,706,755.47</u>	<u>\$6,188,078.70</u>	<u>\$9,894,834.17</u>	<u>\$2,965,404.39</u>	<u>\$4,950,462.96</u>	<u>\$7,915,867.35</u>

SCHEDULE IV

A. I. D.

CHILE -- SPECIAL DEBT

PRINCIPAL AND INTEREST INSTALLMENTS FROM 5-15-74 THRU 12-31-74

<i>Loan No.</i>	<i>Int. on Out. Bal.</i>	<i>Prin. Due Next Bill</i>	<i>Total Inst. Next Bill</i>	<i>20% of Int.</i>	<i>20% of Prin.</i>	<i>20% of Total</i>
513-B-002	\$ 4,064.90	\$ 29,594.43	\$ 33,659.33	\$ 812.98	\$ 5,918.89	\$ 6,731.87
G-003	364,161.80	460,044.57	824,206.37	72,832.36	92,008.91	164,841.27
A-006	71,409.37	194,824.87	266,234.24	14,281.87	38,964.97	53,246.84
A-009	50,000.00	-0-	50,000.00	10,000.00	-0-	10,000.00
A-009A	31,750.00	100,000.00	131,750.00	6,350.00	20,000.00	26,350.00
A-010	20,661.71	-0-	20,661.71	4,132.34	-0-	4,132.34
A-010A 21,536.92	80,556.87	102,093.79	4,307.38	16,111.37	20,418.75	
M-011	682,336.69	3,052,479.39	3,734,816.08	136,467.34	610,495.88	746,963.22
L-017	140,018.19	655,737.05	795,755.24	28,003.64	131,147.41	159,151.05
L-018	124,772.60	573,770.49	698,543.09	24,954.52	114,754.10	139,708.62
L-019	7,426.32	-0-	7,426.32	1,485.26	-0-	1,485.26
L-020A	10,172.38	-0-	•,172.38	2,034.48	-0-	2,034.48
L-021	6,368.38	-0-	6,368.38	1,273.68	-0-	1,273.68
L-022A	32,618.21	142,593.28	175,211.49	6,523.64	28,518.66	35,042.30
L-023	538,823.90	898,477.75	1,437,301.65	107,764.78	179,695.55	287,460.33
L-024	12,276.80	-0-	12,276.80	2,455.36	-0-	2,455.36
L-025	392,851.72	-0-	392,851.72	78,570.34	-0-	78,570.34
L-026	18,249.98	-0-	18,249.98	3,650.00	-0-	3,650.00
L-028	16,694.36	-0-	16,694.36	3,338.87	-0-	3,338.87
L-030	381,883.96	-0-	381,883.96	76,376.79	-0-	76,376.79
L-031	49,091.99	-0-	49,091.99	9,818.40	-0-	9,818.40
L-033	502.33	-0-	502.33	100.47	-0-	100.47
L-034	47,049.07	-0-	47,049.07	9,409.81	-0-	9,409.81
L-036	74,572.95	-0-	74,572.95	14,914.59	-0-	14,914.59
L-037	104,283.67	-0-	104,283.67	20,856.73	-0-	20,856.73
L-040	111,796.75	-0-	111,796.75	22,359.35	-0-	22,359.35
L-041 (5-19)	195,690.26	-0-	195,690.26	39,138.05	-0-	9,138.05
Inst. thru 11-15-74	\$3,511,065.21	\$6,188,078.70	\$9,699,143.91	\$702,213.03	\$1,237,615.74	\$1,939,828.77
L-041 Due 11-19-74	\$ 195,690.26	\$ -0-	\$ 195,690.26	\$ 39,138.05	-0-	\$ 39,138.05

A.I.D.

CHILE — REPAYMENT SCHEDULE
CONSOLIDATED DEBT

<i>Date Due</i>	<i>Total Installment</i>	<i>Interest</i>	<i>Principal</i>	<i>Balance Outstanding</i>
May 15, 1974	(Sched. I)			\$14,497,129.34
Add: Principal and Interest Consolidated at 1-1-75	(Sched. III)		7,915,867.35	
				<u>22,412,996.69</u>
January 1, 1975	\$ 677,536.28	\$ 677,536.28	-0-	22,412,996.69
July 1, 1975	672,389.90	672,389.90	-0-	22,412,996.69
January 1, 1976	672,389.90	672,389.90	-0-	22,412,996.69
July 1, 1976	672,389.90	672,389.90	-0-	22,412,996.69
January 1, 1977	2,273,318.24	672,389.90	1,600,928.34	20,812,068.35
July 1, 1977	2,225,290.39	624,362.05	1,600,928.34	19,211,140.01
January 1, 1978	2,177,262.54	576,334.20	1,600,928.34	17,610,211.67
July 1, 1978	2,129,234.69	528,306.35	1,600,928.34	16,009,283.33
January 1, 1979	2,081,206.84	480,278.50	1,600,928.34	14,408,354.99
July 1, 1979	2,033,178.99	432,250.65	1,600,928.34	12,807,426.65
January 1, 1980	1,985,151.14	384,222.80	1,600,928.34	11,206,498.31
July 1, 1980	1,937,123.29	336,194.95	1,600,928.34	9,605,569.97
January 1, 1981	1,889,095.44	288,167.10	1,600,928.34	8,004,641.63
July 1, 1981	1,841,067.59	240,139.25	1,600,928.34	6,403,713.29
January 1, 1982	1,793,039.74	192,111.40	1,600,928.34	4,802,784.95
July 1, 1982	1,745,011.89	144,083.55	1,600,928.34	3,201,856.61
January 1, 1983	1,696,984.04	96,055.70	1,600,928.34	1,600,928.27
July 1, 1983	1,648,956.12	48,027.85	1,600,928.27	-0-

A.I.D.

CHILE — REPAYMENT SCHEDULE
SPECIAL DEBT

<i>Date Due</i>	<i>Total Installment</i>	<i>Interest</i>	<i>Principal</i>	<i>Balance Outstanding</i>
May 15, 1974	(Sched. I)			\$ 3,624,282.34
May 15, 1974	\$ 1,098,999.90	\$ 315,134.99	\$ 783,864.91	\$ 2,840,417.45
Add: Principal and Interest (Sched. IV)				<u>1,939,828.77</u>
				4,780,246.20
November 15, 1974	765,447.28	148,499.90	616,947.38	4,163,298.82
Add: Interest (Sched. IV)				<u>39,138.05</u>
				4,202,436.87
May 15, 1975	826,443.86	126,037.72	700,406.14	3,502,030.73
November 15, 1975	805,467.06	105,060.92	700,406.14	2,801,624.59
May 15, 1976	1,484,861.04	84,048.74	1,400,812.30	1,400,812.29
November 15, 1976	1,442,836.66	42,024.37	1,400,812.29	-0-