

# Chileans, U.S. Agree On Debts

By Terri Shaw

Washington Post Staff Writer

The new military government of Chile has reached an agreement with the United States on repayment of part of Chile's debt to U.S. government agencies.

The agreement was based on assurances by Chile's ruling junta that it would negotiate with two major U.S. companies on compensation for large copper mines nationalized by the socialist-led government of the late President Salvador Allende.

The Allende government's decision not to make any payments to the copper companies was a major obstacle to rescheduling the Chilean debt to the U.S. during his rule. He was overthrown by a military camp in September.

An announcement issued yesterday by the U.S. Treasury Department said Chile would pay \$60 million over the next four years. The first payment, \$16 million, is to be made next Friday.

Another \$64 million is to be paid over a six-year period beginning Jan. 1, 1975.

The agreement announced yesterday covers only Chilean debts that came due between Nov. 1, 1971, and Dec. 31, 1972. The Allende government stopped paying most of its foreign debts when it began trying to renegotiate its \$3 billion burden, one of the highest in the world, in late 1971.

Chile and its 12 major creditors met in Paris and agreed in April, 1972, on a rescheduling of Chile's foreign debt. All the creditor nations except the United States signed bilateral agreements with the Allende government implementing this agreement.

Despite a series of negotiations, the U.S. government and Allende's representatives were unable to reach an agreement, apparently because of the inability to agree on compensation for the copper companies.

Chile's total debt to U.S. government agencies, including payments on direct loans as well as investment guarantees and insurance, has been estimated at \$1.1 billion.

U.S. sources said agreement was reached with the junta because "they made statements about compensation that indicated they were serious about it."

The new Chilean government has appointed Julio Pizarro, a Cabinet minister in the conservative government of President Jorge Alessandri, as a special negotiator to handle talks with the copper companies.

Both the new Chilean government and the copper companies have expressed interest in having American technicians return to run the mines, perhaps under some kind of service contract.

The "Paris Club" of Chile and its creditors is to meet again in February to discuss further rescheduling of Chile's foreign debt.