

**CHAP. 194.**—An Act To authorize the settlement of the indebtedness of the Kingdom of Italy to the United States of America.

April 28, 1926.  
[H. R. 6773.]  
[Public, No. 155.]

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the settlement of the indebtedness of the Kingdom of Italy to the United States of America made by the World War Foreign Debt Commission and approved by the President upon the terms and conditions as set forth in Senate Document Numbered 3, Sixty-ninth Congress, first session, is hereby approved in general terms as follows:

Italy.  
Settlement of its  
World War indebted-  
ness approved.

The amount of the indebtedness to be funded, after allowing for certain cash payments made by Italy, is \$2,042,000,000, which has been computed as follows:

Amount to be funded.

Obligations taken for cash advanced by Treasury	\$1, 648, 034, 050. 90	
Accrued and unpaid interest at 4¼ per centum per annum to December 15, 1922	251, 846, 654. 79	\$1, 899, 880, 705. 69
Accrued interest at 3 per centum per annum from December 15, 1922, to June 15, 1925		142, 491, 052. 93
		2, 042, 371, 758. 62
Deduct payments made on account of principal since December 15, 1922	\$164, 852. 94	
Interest on principal payments at 3 per centum per annum to June 15, 1925	7, 439. 34	172, 292. 28
Total net indebtedness as of June 15, 1925		2, 042, 199, 466. 34
To be paid in cash upon execution of agreement		199, 466. 34
Total indebtedness to be funded into bonds		2, 042, 000, 000. 00

Computation of amount.

The principal of the bonds shall be paid in annual installments on June 15 of each year up to and including June 15, 1987, on a fixed schedule, subject to the right of the Kingdom of Italy to postpone such payments falling due after June 15, 1930, for two years, such postponed payment to bear interest at the rate of 4¼ per centum per annum. The amount of the annual principal installment during the first five years shall be \$5,000,000. The amount of the principal installment due the sixth year shall be \$12,100,000, the subsequent annual principal installments increasing until in the sixty-second year of the debt-funding period the final principal installment shall be \$79,400,000, the aggregate principal installments being equal to the total principal of the indebtedness to be funded into bonds.

Principal payable in installments.

The Kingdom of Italy shall have the right to pay off additional amounts of principal of the bonds on June 15 and December 15 of any year upon ninety days' advance notice.

Amounts after fifth year.

The bonds to be issued shall bear no interest until June 15, 1930, and thereafter shall bear interest at the rate of one-eighth of 1 per centum per annum from June 15, 1930, to June 15, 1940; at the rate of one-fourth of 1 per centum per annum from June 15, 1940, to June 15, 1950; at the rate of one-half of 1 per centum per annum from June 15, 1950, to June 15, 1960; at the rate of three-fourths of 1 per centum per annum from June 15, 1960, to June 15, 1970; at the rate of 1 per centum per annum from June 15, 1970, to June 15, 1980; and at the rate of 2 per centum per annum after June 15, 1980, all payable semiannually on June 15 and December 15 of each year.

Prior payments allowed.

Interest rates after June 15, 1930.

Any payment of interest or principal may be made at the option of the Kingdom of Italy in any United States Government obligations issued after April 6, 1917, such obligations to be taken at par and accrued interest.

Payments may be made in United States bonds.

Approved, April 28, 1926.