

the district court of the district within which the property subject to such lien is situated: *Provided further*, That whenever any State by appropriate legislation authorizes the filing of such notice in the office of the registrar or recorder of deeds of the counties of that State, and in the State of Louisiana in the parishes thereof, and in the States of Connecticut, Rhode Island, and Vermont in the office of the registrar or recorder of deeds or town or city clerk having custody of the land records of the towns and cities, then such lien shall not be valid in that State against any mortgagee, purchaser, or judgment creditor until such notice shall be filed in the office of the registrar or recorder of deeds of the county or counties, or parish or parishes in the State of Louisiana, or in the office of the registrar or recorder of deeds or town or city clerk having custody of the land records in the States of Connecticut, Rhode Island, and Vermont of the towns or cities within which the property subject to the lien is situated."

Filing, when authorized by State law, in land record offices of counties, towns, etc., to be valid.

Approved, February 26, 1925.

CHAP. 345.—An Act To amend the China Trade Act, 1922.

February 26, 1925.
[H. R. 7190.]
[Public, No. 484.]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subdivision (a) of section 4 of the China Trade Act, 1922, is amended by striking out the word "Five" and inserting in lieu thereof the word "Three."

China Trade Act. Three incorporators required. Vol. 42, p. 850, amended.

SEC. 2. That paragraph (6) of subdivision (b) of section 4 of said Act is amended to read as follows:

Vol. 42, p. 850, amended.

"(6) The names and addresses of at least three individuals (a majority of whom, at the time of designation and during their term of office, shall be citizens of the United States), to be designated by the incorporators, who shall serve as temporary directors; and"

Temporary directors.

SEC. 3. That paragraph (7) of subdivision (b) of section 4 of said Act is amended to read as follows:

Vol. 42, p. 850, amended.

"(7) The fact that an amount equal to 25 per centum of the amount of the authorized capital stock has been in good faith subscribed to."

Stock subscribed for.

SEC. 4. That subdivision (c) of section 4 of said Act is amended to read as follows:

Vol. 42, p. 850, amended.

"(c) A China Trade Act corporation shall not engage in the business of discounting bills, notes, or other evidences of debt, of receiving deposits, of buying and selling bills of exchange, or of issuing bills, notes, or other evidences of debt, for circulation as money; nor engage in any other form of banking business; nor engage in any form of insurance business; nor engage in, nor be formed to engage in, the business of owning or operating any vessel, unless the controlling interest in such corporation is owned by citizens of the United States, within the meaning of section 2 of the Shipping Act, 1916, as amended."

Banking or insurance business forbidden.

Interest in shipping allowed if owned by citizens.

Vol. 39, p. 729; Vol. 40, p. 900.

SEC. 5. That section 4 of said Act is amended by adding thereto the following new subdivision:

New matter. Vol. 42, p. 850, amended.

"(d) No certificate of incorporation shall be delivered to a China Trade Act corporation and no incorporation shall be complete until at least 25 per centum of its authorized capital stock has been paid in in cash, or, in accordance with the provisions of section 8, in real or personal property which has been placed in the custody of the directors, and such corporation has filed a statement to this effect under oath with the registrar within six months after the issuance of its certificate of incorporation, except that the registrar may grant

Incorporation not complete until requisite amount paid in.

Statement of real or personal property.

Vol. 42, p. 851.

Revocation on violation.

Vol. 42, p. 853.

Vol. 42, p. 851, amended.

Corporate seal.

Vol. 42, p. 851, amended.
Stock to be issued at not less than par.

Full payment before issue.

Holders liable for unpaid amounts.

By-laws.
Vol. 42, p. 852, amended.

Directors.

Meetings.
Vol. 42, p. 852, amended.

Quorum.

Suits against corporation.
Vol. 42, p. 855, amended.

Agent to be maintained in District of Columbia to answer in court.

Income tax.
Ante, p. 295, amended.

Credit for proportion of income from China sources bears to shares of China, United States, etc., owners.

additional time for the filing of such statement upon application made prior to the expiration of such six months. If any such corporation transacts business in violation of this subdivision or fails to file such statement within six months, or within such time as the registrar prescribes upon such application, the registrar shall institute proceedings under section 14 for the revocation of the certificate."

SEC. 6. That subdivision (b) of section 6 of said Act is amended to read as follows:

"(b) Shall have a corporate seal and may, with the approval of the Secretary, alter it."

SEC. 7. That section 7 of said Act is amended to read as follows:

"SEC. 7. Each share of the original or any subsequent issue of stock of a China Trade Act corporation shall be issued at not less than par value, and shall be paid for in cash, or in accordance with the provisions of section 8, in real or personal property which has been placed in the custody of the directors. No such share shall be issued until the amount of the par value thereof has been paid the corporation; and when issued, each share shall be held to be full paid and nonassessable; except that if any share is, in violation of this section, issued without the amount of the par value thereof having been paid to the corporation, the holder of such share shall be liable in suits by creditors for the difference between the amount paid for such share and the par value thereof."

SEC. 8. Subdivision (b) of section 9 of such Act is amended to read as follows:

"(b) The number, qualifications, and manner of choosing and fixing the tenure of office and compensation of all directors; but the number of such directors shall be not less than three, and a majority of the directors, and the president and the treasurer, or each officer holding a corresponding office, shall, during their tenure of office, be citizens of the United States resident in China."

SEC. 9. The third sentence of subdivision (a) of section 10 of such Act is amended to read as follows:

"The holders of two-thirds of the voting shares, represented in person or by proxy, shall constitute a quorum at such meetings authorized to transact business."

SEC. 10. That section 20 of said Act is amended by inserting "(a)" before the word "That," and by adding thereto the following new subdivision:

"(b) Every China Trade Act corporation shall maintain in the District of Columbia a person as its accredited agent upon whom legal process may be served, in any suit to be brought in the Supreme Court of the District of Columbia, and who is authorized to enter an appearance in its behalf. In the event of the death or inability to serve, or the resignation or removal, of such person, such corporation shall, within such time as the Secretary by regulation prescribes, appoint a successor. Such corporation shall file with the Secretary a certified copy of each power of attorney appointing a person under this subdivision, and a certified copy of the written consent of each person so appointed."

SEC. 11. That subdivisions (a) and (b) of section 263 of the Revenue Act of 1924 are amended to read as follows:

"SEC. 263. (a) That for the purpose only of the tax imposed by section 230 there shall be allowed, in the case of a corporation organized under the China Trade Act, 1922, a credit of an amount equal to the proportion of the net income derived from sources within China (determined in a similar manner to that provided in section 217) which the par value of the shares of stock of the corporation owned on the last day of the taxable year by (1) persons resident in

China, the United States, or possessions of the United States, and (2) individual citizens of the United States or China wherever resident, bears to the par value of the whole number of shares of stock of the corporation outstanding on such date: *Provided*, That in no case shall the amount by which the tax imposed by section 230 is diminished by reason of such credit exceed the amount of the special dividend certified under subdivision (b) of this section.

Proviso.
Limitation.

“(b) Such credit shall not be allowed unless the Secretary of Commerce has certified to the Commissioner (1) the amount which, during the year ending on the date fixed by law for filing the return, the corporation has distributed as a special dividend to or for the benefit of such persons as on the last day of the taxable year were resident in China, the United States, or possessions of the United States, or were individual citizens of the United States or China, and owned shares of stock of the corporation, (2) that such special dividend was in addition to all other amounts, payable or to be payable to such persons or for their benefit, by reason of their interest in the corporation, and (3) that such distribution has been made to or for the benefit of such persons in proportion to the par value of the shares of stock of the corporation owned by each; except that if the corporation has more than one class of stock, the certificates shall contain a statement that the articles of incorporation provide a method for the apportionment of such special dividend among such persons, and that the amount certified has been distributed in accordance with the method so provided.”

Credit subject to special dividends to residents in China, United States, etc.

Addition to other dividends.

Distribution in proportion to stock owned.

SEC. 12. That paragraph (13) of subdivision (b) of section 213 of the Revenue Act of 1924 is amended to read as follows:

Gross income exemptions.
Am., p. 287, amended.

“(13) In the case of a person, amounts distributed as dividends to or for his benefit by a corporation organized under the China Trade Act, 1922, if, at the time of such distribution, he is a resident of China and the equitable right to the income of the shares of stock of the corporation is in good faith vested in him.”

China Trade Act corporation dividends to resident in China.

SEC. 13. That the China Trade Act, 1922, is amended by adding at the end thereof the following new section:

New matter.
Vol. 42, p. 856, amended.

“SEC. 29. Hereafter no corporation for the purpose of engaging in business within China shall be created under any law of the United States other than the China Trade Act.”

No corporation for business in China, except under China Trade Act.

Approved, February 26, 1925.

CHAP. 346.—An Act Granting the consent of Congress to the county of Allegheny, Pennsylvania, to construct a bridge across the Monongahela River from Cliff Street, McKeesport, to a point opposite in the city of Duquesne.

February 26, 1925.
[H. R. 8438.]
[Public, No. 485.]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the consent of Congress is hereby granted to the county of Allegheny, in the Commonwealth of Pennsylvania, and its successors and assigns to construct, maintain, and operate a bridge and approaches thereto across the Monongahela River at a point suitable to the interests of navigation, at or near Cliff Street, in the city of McKeesport, to a point opposite in the city of Duquesne, in the county of Allegheny, in the State of Pennsylvania, in accordance with the provisions of the Act entitled “An Act to regulate the construction of bridges over navigable waters,” approved March 23, 1906.

Monongahela River. Allegheny County, Pa., mny bridge, McKeesport to Duquesne.

Construction.
Vol. 34, p. 84.

SEC. 2. That the right to alter, amend, or repeal this Act is hereby expressly reserved.

Amendment.

Approved, February 26, 1925.