

United Tankers (3094)
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APPLICATION TO PURCHASE

War-built Vessels

Filed by

CHINA TRADING & INDUSTRIAL DEVELOPMENT CORPORATION

a citizen of China

The undersigned hereby offers to purchase the war-built vessels hereinafter described (Herein called the "war-built vessels") at the statutory sales price, in accordance with the provisions of the Merchant Ship Sales Act of 1946, Public Law 321, 79th Congress, 2nd Session, approved March 8, 1946 (herein called the "Act"), and the rules and regulations prescribed by the United States Maritime Commission (Herein called the "Commission"), sections 299.1 to 299.91, inclusive, of General Order 60, published in the Federal Register (herein called the "regulations"), which the applicant agrees shall be binding in all transactions in connection with this application. Applicant also agrees that any amendment or modification of the rules and regulations shall be binding in all transactions approved by the Commission after the date of publication of such amendment or modification in the Federal Register.

In order to induce the Commission to act favorably on this application, the applicant submits in support thereof the following information:

A. As to the applicant: Its citizenship and affiliations.

1. Exact name.

China Trading & Industrial Development Corporation

2. Form or type of organization.

Corporation.

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3. State or other sovereign power under the laws of which organized.

China.

4. Address of principal executive offices and of important branch offices, if any.

Principal offices:

131 Museum Road, Shanghai, China.

Branch Offices:

52 Wall Street, New York 5, N.Y.

353 Strand, London W.C. 2, England.

65 Esplanade Road, Bombay, India.

22 Tsu Kong Road, Somie, Canton, China.

5. A brief description of (a) the shipping business of the applicant; and (b) any other business activities of the applicant during the preceding eight years. If within such period the applicant has acquired the business of another person or has been reorganized, there should be included a brief description of such acquisition or reorganization.

Applicant is a limited liability company, incorporated in China in 1944, with a capital of approximately \$1,000,000,000 Chinese currency (prewar value). Applicant is engaged generally in exporting and importing oil products, steel products, industrial chemicals and other commodities and raw materials. It acts as the agent for the Paragon Oil Company in shipping oil to China. During 1946 the total volume of applicant's business amounted to approximately \$8,000,000.

Applicant is not directly engaged in the shipping business, but is affiliated with Chung-Yuan Steamship Company, as set forth in the answer to item 6 below.

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6. A list of (a) all subsidiaries, (b) parent company, and (c) all other affiliated interests of the applicant, together with an indication of the nature and extent of the business transacted for the past eight years by each. This information may be furnished in the form of a chart, indicating clearly the relationships between the persons named, and the nature and extent of control.

Applicant has a subsidiary, Hung-Shin Dyestuff & Chemical Company, which owns and operates a dye factory in China and is capitalized at approximately \$200,000 (United States currency). Applicant's activities in the United States are conducted through a wholly-owned subsidiary, a Delaware corporation, which bears the name China Trading & Industrial Development Corporation.

Applicant is affiliated with Chung-Yuan Steamship Company of China, which is one of the leading private Chinese steamship companies, with a capital of approximately \$1,200,000 and now operating five steamships.

Applicant is also affiliated with the Chung-Yuan Paper Manufactory of China, which has capital of approximately \$3,000,000 United States currency and during the last eight years has had gross revenues aggregating approximately \$40,000,000 (United States currency).

Applicant and Chung-Yuan Steamship Company and Chung-Yuan Paper Manufactory are affiliated by virtue of the fact that the controlling interest in each such corporation is held by the same persons.

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7. The following information with respect to each officer and director of the applicant:

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Mr. Chen - Kang Wang, Manager
 of Chung-Yuan Steamship Co. Ltd.
 Shanghai, China
 and all other parties are of Chinese Nationality

<u>Name and address</u>	<u>Office</u>	<u>Nationality</u>
D. N. Tjian Shanghai, China	Chairman of Board of Directors	Chinese citizen
K. S. Kou Shanghai, China	Director	Chinese citizen
S. K. Chen Shanghai, China	Director	Chinese citizen
Y. F. Chen Shanghai, China	Director	Chinese citizen
N. S. Sze Shanghai, China	Director	Chinese citizen
M. H. Yuan Shanghai, China	Director	Chinese citizen
C. T. Shen Shanghai, China	General Manager and Director	Chinese citizen
Y. C. Chang	Assistant General Manager and Director	Chinese citizen
C. Y. Chen 52 Wall Street New York, N.Y.	Director and Vice- President	Chinese citizen
C. C. Wei 52 Wall Street New York, N.Y.	Vice-President	Chinese citizen

X
X
X
X

The directors listed above own in the aggregate approximately 65% of the stock of applicant.

8. Applicant represents that he is a citizen of China.

B. As to the management of the applicant.

9. A brief description of the principal business activities during the past eight years of each director and each principal executive officer of the applicant, if requested.

D. N. Tjian is Chairman of the Board of applicant, General Manager of Chung-Yuan Steamship Company and Chairman of the Board of Directors of Kan Yuan Bank.

K. S. Kou is Chief Engineer of the Chung-Yuan Paper Manu-
factory.

S. K. Chen is Vice-Director of the Central Chinese Government Mint.

Y. F. Chen is Assistant Manager of the Bank of China,

M. S. Sze is Vice-President of Chih Shien Cement Works, the largest cement works in China and General Manager of the Yao Hwa Glass Works.

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M. H. Yuan, formerly President of applicant, is now inactive.

C. T. Shen is General Manager of applicant and, in addition, General Manager of applicant's subsidiary Hung-Shin Dyestuff & Chemical Company.

Y. C. Chang is Assistant General Manager of applicant and Secretary General of the Chinese National Association of Importers and Exporters.

C. Y. Chen is in charge of applicant's activities in the United States and is President of its United States subsidiary.

C. C. Wei for the last year has been Vice-President of the applicant and Vice-President and Secretary of its United States subsidiary, and previously had acted as engineer for the National Resources Commission of China.

10. The name and address of each other organization engaged in shipping activities with which any person named in answer to the preceding item has any present substantial business connection, the name of such person and, briefly, the nature of such connection, if requested.

None, except as stated above.

11. The name and address of any person who is now acting or within the past eight years has acted as managing or operating agent of the applicant or in any similar capacity and, briefly, the general terms of any agreement with reference thereto, if requested.

Applicant intends to employ Messrs. Sieling & Jarvis, 74 Trinity Place, New York 6, N.Y., as managing agents of the vessels for which application is herein made, upon their usual terms. No form of agreement has been entered into.

C. As to the war-built vessels.

12. Applicant offers to purchase, at the statutory sales prices, as determined by the Commission, the war built vessels designated in items 13 and 14 and the alternative vessels designated in item 15.

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13. If specific vessels are applied for, as distinguished from any one or more of a given type, the names of the vessels must be given under this item.

No specific vessels applied for.

14. If applicant is willing to accept any one or more vessels of a given type or designation, as distinguished from particular vessels, the type or designation of the vessels desired should be set forth as follows:

Applicant applies for two tankers of type T2,
Commission's designation T2-SE-A1.

If no T2 tankers are available applicant applies
for three tankers of type EC2, Commission's designa-
tion Z-ET1-S-C3.

15. If more than one vessel is applied for, state whether applicant will buy any one or more if all are not available for sale to him by placing an "X" or the appropriate number, as the case may be, in the proper space below. In the absence of any indication, it will be assumed that the applicant is willing to accept all or any of the vessels.

(a) All only ()

(b) All or any (x)

(c) Any but not less than _____

D. Terms and conditions of sales.

16. If the application is approved by the Commission, the applicant agrees to execute a contract of sale in form prescribed by the Commission. State what portion of the purchase price (not less than 25 percent of the statutory sales price) applicant agrees to pay not later than upon delivery of the vessel.

Applicant agrees to pay not less than 25% of the
statutory sales price not later than upon delivery
of the vessels applied for.

17. Furnish full details as to the manner in which the applicant proposes to obtain the amount needed to defray the purchase price of the vessels (that is, at least 25 percent of the purchase price). The applicant should also furnish full details of any proposed security issue, including names of underwriters.

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Applicant proposes to pay at least 25% of the purchase price from its own cash resources. Applicant may request mortgage aid from the Commission for the balance of the purchase price or may pay the balance of the purchase price with funds advanced by the National Resources Commission of China. After payment of 25% of the purchase price, applicant will have available sufficient working capital to cover pre-operating and operating expenses of the vessels applied for for a period of at least sixty days.

18. If this application is approved by the Commission, state whether or not applicant intends to apply to the Commission, pursuant to Section 9 or Section 37 of the Shipping Act of 1916, for approval to transfer or place under foreign registry or flag the vessels referred to above after applicant has purchased them. If applicant intends to apply for such approval, state to what foreign registry or flag.

Applicant intends to operate the vessels applied for under American registry, and has no intention of applying for approval to transfer such vessels to any foreign registry.

19. Does applicant propose to trade in old vessels for an allowance of credit on the purchase price of a war-built vessel. If so, is application contingent thereon? State date of application for determination for allowance of credit, if filed.

Not applicable.

E. Preference

20. A statement showing the extent to which losses and requisitions of the applicant's prewar tonnage have been overcome and other information in support of request for preference.

Not applicable.

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F. Supplemental information

21. A brief description of the general character and location of the principal property of the applicant, other than vessels, employed in its business.

Applicant has no physical property, other than its stock of merchandise valued currently at about \$500,000 (U.S. currency).

22. (a) A list of vessels owned by the applicant, including (1) name; (2) gross tonnage; (3) net tonnage; (4) deadweight tonnage; (5) bale capacities; (6) year built; (7) type; (8) speed; (9) registry; and (10) identification of route or service on which operated.

(b) Information similar to that specified in (a) as to any vessels chartered to and operated by the applicant.

None.

23. Briefly, the general terms of each charter for operation (a) of vessels owned by the applicant and chartered by it to other persons, and (b) of vessels chartered by the applicant from other persons.

Not applicable.

24. Full details concerning the services, routes, or lines on which vessels owned or chartered by the applicant are now operated, including ports of call, terminal and dock facilities at all such ports, frequency of sailings per year, description of services and voyages, and names of vessels segregated according to services, routes, or lines.

Not applicable.

25. Type and kind of cargo now carried in the trade served as stated in the answer to item 24, information as to how the service or line may be developed for carrying additional types and kinds of cargo, and any factors influencing cargo expectations for the future. If the war-built vessel is to be a combination passenger and freight vessel, state also, by classes, the passenger accommodations and the number of passengers carried and any factors influencing traffic expectations for the future.

Not applicable.

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26. Information similar to that called for by the two preceding items with respect to any new service, route, or line which the applicant proposes presently to establish.

Applicant proposes to use the tankers applied for to carry oil from Persian Gulf ports to Chinese ports for the Chinese Government.

27. Identification of the service, route, or line described in answer to item 24 or item 26, on which the applicant proposes to operate the war-built vessel, brief description of passenger accommodations, and statement of type and kind of cargo to be carried by the war-built vessel. Any special requirements of such service, route, or line and the manner in which they may be met by the use of the war-built vessel should be discussed briefly. Any changes in existing services, routes, or lines which the applicant proposes to make in connection with the use of the war-built vessel should also be indicated.

See answer to item 26.

28. A statement as to whether or not the war-built vessel is to be used to replace a vessel now operated by the applicant and, if so, the name of such vessel and the proposed disposition to be made of it by the applicant.

Not applicable.

G. As to exhibits furnished.

29. A list of exhibits, properly identified, which shall include at the time of original filing, the following:

Exhibit I - A copy of the Certificate of Incorporation of the applicant or other organization papers, including all amendments thereto presently in effect.

To be supplied by amendment.

Exhibit II - A. Copy of the by-laws or other governing instruments of the applicant, including all amendments thereto presently in effect.

To be supplied by amendment.

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Exhibit III - A copy of (1) a balance sheet as of a date within six months of the date of filing the application with the Commission, (2) a brief statement of the nature of any substantial changes in the financial condition of the applicant or the results of its operations since the date of the balance sheet required hereunder, and (3) profit and loss statements for the three fiscal years preceding the date of such balance sheet and the three fiscal years ending in 1939, 1940 and 1941. If during the period covered by such profit and loss statements, the applicant succeeded to the business and assets of another person, the statements furnished should reflect the operations of such predecessor or predecessors for that part of such period preceding the date of acquisition.

To be supplied by amendment.

Exhibit IV - A copy (specimen if available) of each form of bonds or notes included in the funded debt of the applicant and a copy of each indenture or other instrument under which such securities were issued, including all amendments thereto presently in effect.

Not applicable.

CHINA TRADING & INDUSTRIAL DEVELOPMENT CORPORATION
(Name of applicant)

By _____

ATTEST:

December 10, 1947
(Date)

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STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

I, C. C. WEI, being duly sworn, depose and say, that I am a Vice-President of CHINA TRADING & INDUSTRIAL DEVELOPMENT CORPORATION, the applicant on whose behalf I have executed the foregoing application; that the applicant is a citizen of China; that this application is made for the purpose of inducing the United States Maritime Commission to take the action requested herein, pursuant to the provisions of the Merchant Ship Sales Act of 1946, and particularly to section 6 thereof; that I have carefully examined the application and all documents submitted in connection therewith and, to the best of my knowledge, information and belief, the statements and representations contained in said application and related documents are full, complete, accurate and true.

Subscribed and sworn to before me, a Notary Public in and for the State and County above named, this 10th day of December, 1947.

EXHIBIT 3