

the remaining one third 40% was allotted to the Hwai River Commission, and 40% divided equally among the Yellow River Commission, basic industries and electric power enterprises. The rate of interest is 5% per annum on all loans.

Since the establishment of the Board, regulations were drawn up to govern the application for loans, guarantee for repayment of principal and payment of interest and the distribution of interest receipts among educational and cultural enterprises. The latter was divided into five classes: Class A, allotted 25% of the annual receipts for the establishment of the Central Library and the Central Museum and conservation of historical and cultural sites and antiques; Class B, allotted 25%, comprise grant-in-aid for higher education research organizations with special attention to the four faculties--agriculture, engineering, medicine and pure science; Class C, allotted 15%, is for educational and cultural activities abroad, laying special emphasis on sending scholarship students to England; Class D, allotted 1%, is for prizes for technical manuscripts and textbooks for primary, middle and vocational schools; Class E, allotted 24%, comprises the establishment of model primary and middle schools, industrial and agricultural vocational schools midwifery schools and rural schools beginning with the frontier and other relatively backward provinces to extend gradually to other areas.

From the above apportionment of the capital and that of the interest receipts, one can obtain a good idea of the policy of the Central Government and the sphere of activities of the Board. However, as the amount of indemnity funds is limited, while the needs of the productive enterprises are extensive, it is futile to distribute the funds generally among all the enterprises. Instead, every effort was made to concentrate