FINANCE

I. SOURCE OF FUND

In the pre-British period, education was financed by endowments, donations and gifts. During the British period, education was financed by public and private funds. The public sources consisted of (i) the Imperial and provincial grants (ii) local Cesses and (iii) Municipal funds.

A. Public Funds

Imperial Grant

10.2 The twentieth century witnessed general prosperity. The financial position of the Government of India was considerably improved. There were very large surpluses between 1902-1918 except for three deficit years. As a result, the Government of India allocated a part of these surpluses to the Provincial Governments for expenditure on education.

10.3 Recurring grant: Rupees one lakh was received as special recurring grant from 1901-02 by Assam. This amount was devoted for the development and improvement of primary education and for the strengthening of the school inspecting staff.

Out of the Special grants received for 1902-1903 and 1903-1904, Rs.50,400 were allotted in 1903-1904 to local bodies as the first annual subsidy for improvement of primary education and Rs.1,02,029 for improvement of primary school houses. A sum of Rs.47,571, which was available out of the recurring grant for the first two years, was utilised for the improvement of the training facilities of primary school teachers. From 1904-05 onwards, Provincial Government received another recurring Imperial grant,
out of which the Local Boards received an annual subsidy of Rs. 50,400 for primary education, Rs. 35,000 for school furniture and apparatus and the balance Rs. 4,600 for inspecting staff. In 1906-07, Rs. 92,132 were allotted as a recurring grant for the establishment of new primary schools. Out of this amount Rs. 84,000 was earmarked for Local Boards, Rs. 4,732 for girls primary schools, Rs. 3,400 to mission primary schools in the Khasi and Jaintia and the Garo hills districts where there were no Local Boards. Four training classes were established at an annual cost of Rs. 16,632 and additional inspecting staff were maintained at a cost of Rs. 6,184. The total recurring expenditure for the expansion of primary education in Assam was Rs. 1,16,946 which was much in excess of the Imperial grant received. With effect from 1917-18, the Government of India granted another recurring grant of Rs. 1 lakh for improvement of training and pay of teachers in primary and secondary schools. Out of this amount, Rs. 40,000 to Rs. 45,000 was allotted for abolishing the capitation system and replacing it by a system which would improve the pay and prospect of teachers. Again, it was also proposed to earmark from Rs. 20,000 to Rs. 25,000 for the purpose of training of teachers and from Rs. 5,000 to Rs. 10,000 towards constitution of provident funds for teachers in non-pensionable service. With effect from 1918-19, the Government of India granted a recurring grant of Rs. 1,00,000 for expenditure on objects connected with primary education of boys and girls including inspection of primary schools and training of teachers of such schools. The Assam Government proposed to utilise the amount by initiating four measures. Firstly, the Local Boards were to take over 109 boys' and 26 girls' venture schools at an estimated recurring cost of Rs. 19,897 and non-recurring cost of Rs. 21,400. Secondly,
number of teachers was to be increased by one each in 233 Local Board and 6 Municipal Board boys' primary schools which had an average attendance in excess of the standard. For this purpose, Rs. 14,711 as recurring expenditure and Rs. 24,100 as non-recurring expenditure was earmarked. Thirdly, number of teachers was to be increased by one each in respect of 12 Local Board and 6 Municipal Board girls' primary schools which had an attendance in excess of the standard. For the purpose, Rs. 2,020 as recurring expenditure and Rs. 2,000 as non-recurring expenditure was earmarked. Fourthly, the Local Boards were to take over 21 muktabs in the Surma valley with a recurring expenditure of Rs. 4,343 and non-recurring expenditure of Rs. 3,500. These muktabs proposed to be taken over, would have to offer teaching of ordinary primary course along with approved Islamic course.

10.4 Coronation grant: In 1911, King George V, announced an annual grant of Rs. 50 lakh from the Royal Exchequer for primary education in India. Recurring coronation grants of Rs. 1,50,000, Rs. 5,500 and Rs. 1,77,000 were for "the promotion of truly popular education". Out of the amount, Rs. 1,19,000, Rs. 4,000 and Rs. 76,000 were set aside for the extension and improvement of elementary education for boys including the extension of free education. The Government of India had suggested that the grant should be spent on the extension of elementary education, free elementary education to the poor. 9

For expansion of primary education, it was proposed to grant subsidies to the Local Boards to enable them to take over more promising of the venture schools already started and to open new schools in localities in which a clear demand was established. It was decided to give 10 per cent of the average expenditure
During the last three years to each Board for this purpose. On this basis, Rs.7,300 in 1913-14 and Rs.43,582 in 1914-15 was granted to Local Boards for opening of 400 to 500 new schools.\textsuperscript{10}

Out of the recurring coronation grant of Rs.1.5 lakh, Rs.5,500 and Rs.1.77 lakh, the Assam Government set apart Rs.10,000, Rs.400 and Rs.18,000 for improvement of girls\' education.\textsuperscript{11}

10.5 Non-recurring grant: In 1912-13, the Government of India granted a non-recurring grant of Rs.9,50,000 for improvement of education, out of which Rs.3,50,000 were earmarked for elementary schools.\textsuperscript{12}

10.6 Thus, these grants, by and large, brought about a significant expansion and improvement of primary education. Number of primary schools jumped to 4,300 in 1921-22 from 2,547 in 1904-05, an increase about 69 per cent in 17 years. There was improvement in the pay scales of the primary school teachers, strengthening of inspecting staff, construction of improved buildings, supply of teaching aids, etc.

10.7 Grants Under Five Year Plans: Central grants to States for educational purposes were revived during the post-war development period. During the first plan period, Central grants were given for special programmes for educational expansion and improvement. The rates of grants varied from programme to programme and even in the same programme it was different for different items of work. During the first plan period schemes in respect of basic education and employment of additional teachers to relieve educated unemployment were taken up as centrally sponsored schemes.

During the second plan period, the system of grants for
specific purpose was continued. A few major schemes were selected for central assistance. The complexity of calculation was reduced to minimum by adopting same rate for central assistance for different items of the same programme. Towards the end of the second plan period, a new system of central assistance was introduced under which financial assistance was given by taking all schemes together. During the third plan period, procedure was further simplified. The grants were given on the basis of the annual plan as a whole.

**Provincial Revenue**

10.8 The second source of income is Provincial finance. Provincial revenues were mainly collected from forest, excise and some other minor items. In 1871-72, out of the total expenditure of Rs.1,40,398 on education (both direct and indirect), Rs.95,272 were met from provincial fund, which was about 68 per cent of the total expenditure. After 10 years (1880-81), the same increased to Rs.1,31,171, which was about 46 per cent of the total expenditure of Rs.2,87,410 on education. In respect of primary education, Rs.32,358 in 1871-72 and Rs.1,15,634 in 1880-81 were spent against which provincial fund contributed Rs.23,456 and Rs.19,936 respectively, which however did not include the expenditure on inspection and direction. After 5 years (1885-86), the provincial contribution for education decreased to Rs.61,890 while total expenditure on education increased to Rs.3,23,485. In respect of primary education, provincial contribution further decreased to Rs.9,592. The provincial direct expenditure on primary education was very meagre because the primary education in the plains districts was managed by the Local Boards, whose expenditure on primary education was steadily increasing. The provincial expenditure on primary
education was chiefly made up of grant-in-aid to mission bodies for the maintenance of schools in the hill districts and the opening of few Government primary schools in the Garo and Naga hills.15

10.9 After 16 years (1901-02), direct expenditure from provincial fund increased by 34 per cent to Rs.12,800 which was little over 5 per cent of the total expenditure on primary education amounting to Rs.2,36,964.16 In 1904-05, the provincial revenue contributed Rs.23,877 for primary education, out of which Rs.9,546 was direct and the rest for inspection, scholarship, buildings and equipment, etc. The contribution from the provincial revenue for the primary education in the plains districts was far less than that of hills districts of the province. In 1904-05, the provincial revenue contributed only Rs.1,500 for about 1,800 schools in the plains districts against Rs.8,000 for about 500 schools in the hills districts.17

10.10 As a result of liberal Imperial grants and growing popular demand for mass education, expenditure on primary education increased gradually. In 1911-12, expenditure from provincial funds on primary education was Rs.41,335, which increased to Rs.5,73,272 after 10 years i.e. 1921-22, an increase of 1287 per cent. In 1921-22, provincial fund contributed about 63 per cent of the total expenditure on primary education against less than 8 per cent in 1911-12.18 Another reason for expansion of primary education during this period was Gokhale's attempt for introduction of compulsory primary education in the country (1910-12).
10.11 The financial arrangements made under the Diarchy did not help the cause of the transferred departments in general and of the education in particular. In the absence of central grants and interests in education, the pace of educational expansion slowed down. During the period, the expenditure from provincial fund increased by 62 per cent and from Rs.5,73,272 in 1921-27 to Rs.9,28,113 in 1936-37 compared to 1287 per cent during the period 1911-1922.

10.12 Under the Provincial Autonomy (1927-47) educational matters received serious attention of the Provincial Government. As a result, contribution from provincial revenue for expansion of primary education increased at a much faster rate than the other previous periods except for the period 1911-22. In 1946-47, the same increased to Rs.72,65,534 from Rs.9,28,113 in 1936-37 i.e. by 144 per cent. The provincial contribution was about 69 per cent of the total expenditure on primary education in 1946-47, against 63 per cent in 1921-22.

10.13 After independence, specially under Five Year Plans, the Government expenditure on primary education increased spectacularly. The direct expenditure on primary education from Government funds was Rs.17.61 lakh in 1947-48, Rs.48.11 lakh in 1950-51, Rs.94.90 lakh in 1955-56, Rs.198.78 lakh in 1960-61, Rs.501.60 lakh in 1965-66, Rs.984.49 lakh in 1973-74, which were respectively 66.1, 73.5, 89.6, 89.2, 94.1, 98.1 per cent of the total direct expenditure on primary education.

Municipal Fund

10.14 The District Town Improvement Act, 1864, was introduced in Gauhati town in May 1865. Thus began the municipal self-
government in Assam. But Municipal Boards were yet to be developed to take a leading role in administration and control of education. In 1871-72, Municipalities contributed nothing for development of education, while 10 years later (1880-81) contribution amounted to R.120 only for primary education particularly and R.250 for education in general. After a lapse of 24 years (1904-05) Municipalities in Assam contributed R.4,967 towards the expenses on Primary schools. The same increased to R.50,653 in 1936-37 and R.1,22,643 in 1946-47 against the increase of primary schools respectively to 67 and 111.

The above analysis shows that activities of Municipal Boards in the field of primary education were very insignificant. This was natural since the area of activities of the Municipal Boards were very small and number of house-holds dealt by them were also limited.

Local Rates

One of the main source of funds for education was local taxes. In rural areas it took the form of a cess in land revenue. During 1861-71, local rates were imposed in different Provinces of India except Bengal and Assam. This levy was introduced in Assam in 1880. In 1880-81, local rates contributed R.59,676 towards education. The contribution from local rates towards primary education after five years (1885-1886) increased to R.67,372, which was about 73 per cent of the total expenditure on primary education. After 16 years (1901-02), contribution increased to R.1,65,545 and after 20 years (1921-22) to R.2,36,826. In 1901-02 and 1921-22, the contribution of local funds for primary education was respectively 70. per cent and 26 per cent of the total direct expenditure on primary education. During the period 1921-37, collection of local rates increased by 37
per cent but expenditure by Local Boards on primary schools increased by 31 per cent. Between 1931-32 to 1941-42, contribution from local funds remained almost stagnant being Rs.3,06,103 and Rs.3,49,194 respectively. The contribution increased to Rs.6,23,219 in 1946-47, which was 19 per cent of the total expenditure on the primary education. Thus, the contribution of the local funds for development of primary education decreased progressively over the years from 1885-86 when 73 per cent of the total expenditure on primary education was met from local income. With the passing of Assam Primary Education Act 1947, the local bodies were divested of the responsibility of maintaining primary schools.

10.16 Problems of Local Finance: The Government expenditure on primary education increased but expenditure from local funds did not increase in the same proportion over the years in spite of the fact that the local income of the Boards increased considerably due to the enhancement of land revenue. In fact, the expenditure from the local funds on primary education came down progressively. The more Government contributed, the less the Boards spent for education out of their ordinary income.

Paucity of funds hampered the progress of primary education during Diarchy. The Government view was that "those who demand a thing must be prepared to pay for it." The Government resolution on the Annual Report of the Public Instruction for 1923-24, recorded,

"The disinclination to bear further taxation goes deep. But there cannot be real progress in any large measure as there should be until the elected representatives of the people on local bodies are prepared to show by their actions that they wish to and to recommend the rate payers to bear the burden."
The educational officials were of the opinion that till compulsion was applied, the voluntary system should be encouraged. Finance for voluntary system should not depend on slow and utterly inadequate increase of local revenue but on substantial grants from the Government out of the savings made by the non-application of compulsory system. Cunningham suggested in the 1929-30 Annual Report some courses for financing the voluntary system. One of them was raising the local rates.  

The public viewed that the Local Boards should not agree even to a very limited educational cess. Moving a cut motion on education in the budget session of the Council in February 1926, Brajendranarayan Choudhury said that the policy of the Government amounted to "you must tax yourself otherwise you shall have no large expansion in primary education." He found a new disposition in the Council for fresh taxation for popular needs and for expansion in transferred departments.  

Private Funds

10.17 Private sources of income for financing educational efforts were (i) fees and (ii) endowments, donations, subscriptions, charities, etc.

10.18 Fees: The most important and stable source of income from private sources was fees levied on pupils attending the schools. Following the Despatch of 1854, Assam administration decided to collect fees only from those who were in a position to pay it. The Indian Education Commission, 1887, recommended that fees, whether money or kind, should be levied in all aided schools subject to the exemptions to a certain proportion of students on account of poverty.

As a result, fees were imposed in primary schools as a
source of providing education. But there was no fixed rate. There was also no regular fees. No child was prevented from attending school on account of his parent's inability to pay fees. Thus, there were schools in which no fees were at all levied and others in which upto four annas per mensem were paid for each child in the first (or higher) class. The parents who could and were willing to do so, paid fees varying according to circumstances, from one pice to four annas per mensem per child. Others paid no fees but paid the guru, rice, oil, etc. now and then. Income from fees in primary schools was ₹1,067 in 1871-72 which increased to ₹14,861 in 1880-81. After 24 years (1904-05), fees realized decreased to ₹10,438. In 1906, the Government of India considered the question of abolishing fees in all primary schools which were under public management and in receipt of public funds. The practice of levying fees was abolished at that time in Assam.

10.19 Endowment, Subscription, Donation, etc.: Gifts, donations, endowments etc. to educational institutions was a source of support to education from ancient times. These subscriptions were given for upkeep of schools, for paying teachers, scholarship to poor pupils etc. Income from this source was always uncertain and fluctuating. Income from all these sources available for primary education was ₹3,626 in 1871-72, which increased to ₹7,968 in 1880-81, but decreased to ₹4,402 after 24 years (1904-05). Another form of public donation was in the shape of construction and repair of school buildings by contributing material and labour. In terms of money, public contribution in this respect would be substantial but no record was found and therefore the same could not be analysed. In the post-independence
period, under the Community Development Programme, public in the rural areas came out willingly to build their own village schools by contributing land, material and labour. Such contributions were valued in terms of money and were shown with the private sources. Besides fees, subscription, etc., a substantial amount was contributed by the various missions engaged in educational work in the Province.

The Christian missions raised substantial amount from public and "Home Missions" to finance their educational activities. In the Khasi hills, the missions received land grants. In 1891, 'Khasi Pnar Church Community' started a system of collection of rice by which a handful of rice was collected from the quantity set apart from the family meals of every household and sold periodically. With the rice fund, eleven schools with an enrolment of 230 pupils were supported in 1915-16. The number of schools increased to 61 with 1,761 pupils in 1919-20. Amount utilised for maintenance of schools from rice fund increased from Rs.2,387 in 1915-16 to Rs.7,488 in 1919-20. By the end of thirties of the present century, about Rs.2 lakh annually were collected by which more than 321 schools were supported. For maintaining about 400 schools, the missions raised Rs.77,665 and Government contributed Rs.200 in 1914. The mission contributed Rs.54,181 in 1920-21, Rs.69,630 in 1924-25. The Home Mission contributed Rs.16,784 in 1920-21 which increased to Rs.70,706 in 1924-25. In Garo hills, for maintaining 32 primary schools and a Normal school the mission contributed Rs.2,345, while the Government gave a grant of Rs.3050 in 1883-84. The contribution of the mission went up to Rs.3,000 in 1903-04 and Rs.8,023 in 1914-15.

The total missions' contribution in the Province for
educational purpose was Re. 3,409 in 1871-72 which increased to Re. 13,071 in 1880-81, and Re. 51,184 in 1904-05. In 1936-37, missions contributed Re. 1.59 lakh. Almost the entire amount was incurred for primary education. In 1941-42 the missions' contribution was Re. 1.42 lakh.

Total expenditure on primary education in the Province from private sources was Re. 8,902 in 1871-72, which increased to Re. 36,020 in 1880-81. After 24 years (1904-05), expenditure from private sources increased to Re. 55,586. This source was never tapped properly. By the end of 1936-37, private sources contributed only Re. 1.71 lakh which increased to Re. 2.65 lakh in 1946-47, and Re. 20.17 lakh in 1960-61. In 1973-74, private sources contributed Re. 17.75 lakh which was 1.8 per cent of the total expenditure on primary education.

At present, private contribution is less than 2 per cent of the total direct expenditure on primary education, which is very insignificant. The primary education is entirely financed from the State resources augmented by grant-in-aid received from the Central Government from the plan as a whole.

II GRANTS-IN-AID

Despatch of 1854, rejecting the downward Filtration Theory, called upon the Government of India to establish graded schools. The despatch suggested to adopt the system of grant-in-aid to ensure rapid progress of education without increasing the expenditure of the Government. Aid was to be given to all schools which imparted a good secular education, any religious instructions which they might impart being simply ignored, possessed good local management, agreed to submit to inspection by Government officers and to abide by such other conditions as might be prescribed; and levied a fee, however small, from
the pupils. Assam did not take advantage of the grant-in-aid system. But the Christian missionaries, who were engaged in educational work among the tribals of the Province, took grant-in-aid for the maintenance of their schools. Though the despatch of 1859 suggested the abolition of grant-in-aid system for primary schools, in Assam, private enterprises through the system of grant-in-aid were encouraged even after 1859.

Khasi and Jaintia Hills: In 1864, the grants to the Welsh mission was raised from Rs.150 in 1860 to Rs.500 a month on account of an increase in the number of their schools. However, in 1867, the annual grant of Rs.6,000 was reduced to Rs.4,800 by diversion of Rs.1,200 for the maintenance of a Government training school. The grant to the mission was not restored to its former figure of Rs.6,000 until 1882 by which time the number of village schools increased to 96.

Garo Hills: The American Baptist mission, maintained 14 village Schools and one Normal school, for the Garos for five years upto September 30, 1872 with a grant of Rs.1,274 from the Government.

Sir Campbell’s Resolution of 1872:
10.22 In 1872 the Government laid down several conditions for eligibility of a primary school for grants-in-aid. Some of the conditions laid down were, firstly, the Assamese language should be taught in aided pathsalas in the districts of the Brahmaputra valley, while Bengalee should be the language in Cachar, Sylhet and Goalpara. Secondly, not more than Rs.6 per mensum should be given to any school. Thirdly, the mother tongue only should be taught in any school receiving a pathsala grant. Fourthly, every aided pathsala should be opened to inspection and send such
simple quarterly statements as may be required, and finally, the grant might be suspended or withdrawn if the school was not properly maintained.

10.23 **Procedure for Grant-in-Aid in Plains Districts:** The following was the procedure for giving grant-in-aid by the school Sub-Committee. The D.I. or S.I. on their tours of inspection fixed the villages where they considered primary Schools were wanted. They then consulted the villagers and if they were willing to provide suitable accommodation for a school-house, the D.I. represented the matter to the D.C. If he approved, the necessary instructions for starting the school were issued. Or if the villagers petitioned that a School should be started in their neighbourhood, the D.I. then went to the place and after making local enquiry, reported the matter to the D.C., who issued the necessary orders. If the village was in a sub-division, the S.I. proceeded to the place and after making enquiry, sent the case, with the remarks of the S.D.O. and D.I. to the D.C. for orders. Grants were only withdrawn by the orders of the D.C. When a school first received a grant-in-aid, the maximum grant was seldom sanctioned and grants were increased or diminished according to the progress shown by the School. Representation for an increase or diminution of the grant-in-aid were made by D.I.

10.24 **Procedure in Hill Districts:** In the case of mission schools, the Secretaries of the missions generally follow the following procedure in granting aid to Schools: when the villagers petitioned that a school may be started in their neighbourhood, the Secretary, asked them to provide a suitable school-house,
and to give some guarantee for regular attendance. When suitable accommodation for a school was provided and attendance of a sufficient number of pupils was promised by the parents or guardians, a teacher was sent to start the school. If the school proved a success and was well attended for two or three months, aid was granted. The amount given per mensem to the Guru was reduced or increased according to the progress made by the pupils and the number attending the school. The mission assisted the schools out of the fund provided by the Government as grants-in-aid and from their own sources.

Garo Hills: The Government grant to the American Baptist Mission was raised to Rs.3,000 in 1877 from Rs.1,224 in 1867.

Khasi and Jaintia Hills: The Government grant to the mission was Rs.4,800, though the number of primary schools under its management increased to 36 by end of 1880-81.

Recommendation of Education Commission, 1882

10.25 The Indian Education Commission recommended that the Government should assist local funds by a suitable system of grant-in-aid preferably at the rate of half of the local assets or one-third of the total expenditure. Individual schools should be given grants on the basis of results.

10.26 Introduction of Payment by Result System 1885: As per the recommendation of the Education Commission, 1882, rules were framed for aiding the primary schools according to the results of examination.

Capitation Grant

10.27 As per the recommendation of the Education Conference called by Lord Curzon in September, 1901, the system of payment by result was discontinued. It was proposed to give the teachers
a fixed pay and a capitation grant.\textsuperscript{64}

The new scheme was first introduced in plains districts. Therefore, additional grants were offered in 1903 to the Local Boards to implement the scheme. Total capitation grants given to the Local Boards were Rs. fifty five thousand in 1904-05, which increased to Rs. eighty four thousand in 1909-10 but came down to Rs. eighty one thousand in 1911-12.\textsuperscript{65} Since the capitation grant led to many abuses,\textsuperscript{66} the system was abolished with effect from March 1, 1918.\textsuperscript{67}

10.28 Introduction of Capitation System in the Hill Areas: The capitation grant at enhanced rates was introduced in the hills districts of the province with effect from April 1, 1905. The grant paid hitherto to mission bodies was paid as capitation grant.\textsuperscript{68}

Khasi and Jaintia Hills: Inspite of rapid increase in the mission expenditure since 1864, there was no increase in the Government grant. It was in 1904, Fuller increased the grant to the mission from Rs. 6,000 to Rs. 7,200. Fuller desired that the additional grant was to be spent for sometime to come in providing schools with teaching apparatus and in raising the pay of the teachers or in the opening new schools.\textsuperscript{69}

Thus, excluding the additional grant of Rs. 1,200 per annum for the provision of school buildings and apparatus, the mission received annually Rs. 6,000 towards the maintenance of lower primary Schools. The Chief Commissioner's proposal was that with effect from April 1, 1906 the Government grant of Rs. 6,000 should be wholly applied for capitation grant and any balance which was not earned under the rules being distributed among the teachers, who had earned nothing under the system.\textsuperscript{70}
The Welsh mission agreed to the introduction of the capitation system in their schools in October, 1906. Following this, the Government sanctioned payment of an additional subsidy of Rs.1,000 only per annum with effect from April 1, 1907, on condition that the capitation system of payment to the primary school teachers must be introduced in the mission Schools in 1908. Thus, after half a century in 1914, the grant was raised to Rs.8,200. And even this small increase was more nominal than real, as the mission had to bear, on capitation a sum, which was in excess of the difference. Meanwhile, the number of primary schools and scholars under the mission increased. They had four hundred schools with about 10,000 pupils in attendance. Total expenditure on education increased from Rs.15,755 in 1882 to Rs.85,865 in 1914 against which Government contributed Rs.8,200 in 1914 against Rs.6,000 in 1882. Thus, there was a good case for increasing grant to the mission by the Government. The mission contended, first, the increase of the grant had not kept pace with the increase of the mission's responsibilities due to the rise of the cost of living and the increase of the number of schools four times in the interval; second, the increase in the grant was illusory on account of compulsory introduction of capitation system which absorbed the whole amount of unproductive expenditure; Third, the mission received only about Rs.1 per month per school, a very inadequate amount. Fourth, there was a demand for schools which they were unable to meet, on account of the large sums which they were expanding.

After abolition of the capitation system in 1914-15, the Chief Commissioner sanctioned increased grant of Rs.15,000 annually to the Welsh mission for the extension and improvement of primary education in the Khasi and Jaintia hills. The
distribution of expenditure out of this sum was left to the
discretion of the mission without any control or interference
from the Education department.  

Garo Hills: During the period 1883-89, the Government
paid Rs.3,050 to the mission for supporting 32 Primary schools
and the normal school. From the year 1903-04, the Government
annually contributed Rs.2,600 and Goalpara Local Board Rs.800 for
the Garo Schools located in that sub-division. The sum of
Rs.800 given by the Goalpara Local Board was provincialised with
effect from 1904-05. Thus, the grant to the mission stood at
Rs.3,400.

The system of payment by capitation was introduced in
the Garo hills in 1905. A consolidated grant of Rs.267 a month
was received by the mission for a period of five years from
March, 1918 for maintenance of their primary schools. The grant
was made subject to the condition that the mission themselves
spent not less than Rs.3,200 a year on the primary education of
Garos. A free hand was given to the mission for utilising the
sanctioned grant. Other conditions attached with the grant
were, first, the approved curriculum must be followed in their
Schools, second, no schooling fees or fines should be charged;
third, the number of schools should not be reduced below 75,
without the consent of the Inspector of Schools.

Naga Hills: From 1892, the mission in Naga hills
received Rs.780 annually as grant, which was increased to Rs.1,276
in 1903. In 1905, the mission was given a grant of Rs.1,300
a year in aid of the Impur School and a further grant of Rs.300
a year for the venture schools following an agreement with the
Government for co-operation in the training of teachers and the
maintenance of village schools.
The system of payment to the teachers by capitation grant was never introduced in the Naga hills on the ground that schools concerned were not so developed as to earn capitation and that even if they were developed there was no possibility of applying the capitation system generally on account of the absence of regular inspection.\textsuperscript{3}

\textbf{Mizo Hills:} The Welsh Calvinistic mission, Aizal requested Superintendent, Lushai hills (now Mizo hills) for grant of Rs.50, as the mission was unable to meet the increased expenditure on schools. They also asked for a grant of not more than Rs.40 a month towards the cost of maintaining pupils, whose houses were in distant villages and were unable to support themselves. Rupees four a month was calculated as the maintenance expenditure of a pupil.\textsuperscript{4}

But Cotton did not sanction grant for maintaining pupils. The proposal to grant a sum of Rs.50 only per mensem towards the expenses of the school was sanctioned. The Chief Commissioner also sanctioned a lump-sum of Rs.200 as building grant during 1901-02 as a special case.\textsuperscript{5}

The Welsh mission also opened some schools in villages remote from Aizal. They had a certain amount of success. But in some cases schools were closed for want of funds to subsidise a Mizo teacher. Therefore, the Superintendent recommended to the Government a monthly grant of Rs.5 for each village mission school upto a maximum of five village schools.\textsuperscript{6}

The Chief Commissioner sanctioned the proposal in July 1903, as an experimental measure, subject to the condition that no grant should be drawn for any school the attendance of which did not exceed on the average 10 pupils per day and that the school had been kept open for the whole month under a
competent Mizo teacher.

Thus, in 1903-04, the North Lushai mission received a subsidy of Rs.900 per annum - Rs.600 towards the cost of Aizal upper primary school and Rs.300 towards the cost of five village schools. In 1904, when the management of all the schools in the Mizo hills, with the exception of the Police Battalion school at Aizal was made over to the missionaries, Welsh Calvinistic mission, Aizal and Baptist mission, Lungleh received respectively Rs.7,030 and Rs.1,440 as consolidated annual grants from the Government.

North Cachar Hills: After handing over the primary Schools in the North Cachar hills to the Welsh mission with effect from May 1, 1903, grant of Rs.100 per month for the school at Haflong and Rs.15 per mensum for each of the three lower primary schools in the villages were given on condition that the mission introduced the system of payment by capitation allowance. In 1916, these grants were amalgamated into a lump-sum annual grant of Rs.1,740. The mission had complete discretion to utilize it for the promotion of education.

Karbi Anglong: In 1903, the Government sanctioned an amount of Rs.600 to the mission with effect from 1904-05 for entertaining six teachers to teach Karbi in Roman character. The amount of Rs.900 per annum hitherto contributed by the Nowgong Local Board to the mission for schools under it was made a provincial grant.

The capitation grant in a modified form was introduced in 1904 in the Karbi areas. The system was not implemented because the inspecting staff could not inspect the Karbi Schools properly for the classification of the pupils as contemplated by Rule 10 of the Assam School Manual, because none of the
The grant of Rs.125 per mensem (Rs.1500 per annum) sanctioned in 1903, continued till February, 1914. In 1914, it was increased to Rs.163 per mensem, so as to increase the fixed pay of head-teachers in the schools to a minimum of Rs.163 a month. Since the education among the Karbis did not make satisfactory progress under the mission, the schools were taken over by the Government in 1919-20.

Grants Under Diarchy

Under Diarchy, education was transferred to the Provincial Government. The Centre had no control over transferred departments. On the other hand, local bodies assumed control over primary education. The minister responsible to the Legislature administered the subject. Since finance was a reserved subject, education did not make satisfactory progress. Ministers were not able to obtain funds required for expansion on a large scale. The Government of India ceased to take any interest in education.

During the quinquennium 1922-27, schemes for the expansion of primary education were called for from various Boards. The cost of the schemes amounted to about Rs.3.44 lakh recurring and Rs.5.05 lakh non-recurring. From 1926-27 upto 1929-30, grants to the Local Boards at a rate of Rs.50,000 annually was sanctioned for taking over venture schools, for providing assistance to teachers of single-teacher schools, as well as, for constructing buildings and supplying equipment to new schools.

In 1929-30, while sanctioning grants to Local Boards for taking over venture primary schools, the Government laid down...
certain conditions. First, the Boards should not reduce their current expenditure on primary education; second, grants should be spent on purposes for which they were given. The Boards should appoint the required number of assistant teachers, and pay the teacher the salary fixed. Thirdly, the savings of recurring grants for 1929-30 should be spent for the improvement of buildings and equipment. Fourthly, the grants given for buildings and equipment should be treated as lump-sum grants. It was not incumbent on the Boards to spend the same amount on each institution. It was however, incumbent upon them to spend the whole of the amount on the schools to be taken over or improved.

But from the beginning of thirties, financial stringency prevented any further grant in this direction. The Provincial Government again started giving grants to the local bodies for specific educational purposes from 1935-36. In that year, Rs. 40,000 was provided in the budget for taking over venture schools by the Boards. The grant was divided between the two valleys of the Province on the population basis and its distribution was left to the Commissioners.

Administration of Grants Under Provincial Autonomy

For the expansion of primary education, the Government sanctioned an additional grant of Rs. fifty thousand in 1937-38, Rs. twelve thousand in 1938-39, Rs. twenty-five thousand in 1939-40 and Rs. forty thousand in 1940-41. Thus during the period 1937-42, Rs. 2.01 lakh to the Local Boards and more than Rs. twenty-three thousand to Municipal Boards and Town Committees were sanctioned as grants for the expansion of primary education. Due
to the adoption of a policy of expansion of primary education, definite directions were given to the Local Boards, to take over a fixed number of venture schools in their respective areas. As a result, the number of primary schools increased during the period year by year. 103

10.34 So long, the Local Boards had complete control over the money given by the Government as grant-in-aid. It was only at the beginning of the period of Provincial Autonomy, action was taken to limit their discretion. The process started in 1937-38, when a provision of Rs. 50,000 was made in the budget to arrange for expansion of primary education. The D.P.I suggested that a survey should be made to find out the actual requirement of the Boards and money should be distributed according to the real needs. The Secretary, Education, also felt that if money was simply distributed to Local Boards to do what they liked, it would be mostly wasted and schools would not be opened where they were most needed. He, therefore, agreed with the suggestions of the D.P.I. He wrote, "I agree therefore that the selection of what schools should be taken over should not be left entirely to the Boards and that some conditions should be attached to the grants......." A quick survey was carried out by the D.P.I. to find out the actual need of each Board. After considering the needs of every sub-division with reference to (1) its population, (ii) the number of venture schools already existing and (iii) the number of backward and scheduled caste people, the grants were distributed to each Local Board for taking over a fixed number of venture schools. Grants were sanctioned on certain conditions:
Firstly, approximately one-tenth of the grant made to each Board was to be spent primarily for the benefit of the scheduled castes and backward tribes.

Secondly, no grant was to be spent on any school unless the D.I. concerned certified to the Board that the school was one which might suitably be taken over or deserved assistance. If any disagreement arose, the case was to be referred to the Government for final orders. Thus the Local Boards had no complete freedom in the expenditure of grants.

10.35 Political Interference in Distribution of Grants: The Assembly approved a grant of Rs.25,000 in 1939-40 and Rs.40,000 in 1940-41 for the purpose of taking over venture schools. The Government laid down certain conditions. Firstly, a committee consisting of Chairman of the Local Boards, the local members of the Legislative Assembly, the D.I. of the Schools concerned should be formed for the selection of venture schools to be taken over by the Board. Secondly, the needs of the minorities should be protected. But the whole thing assumed political colour and therefore nothing was done.

10.36 Grants to Local Boards: The Local Boards received from the Provincial Government substantial grants for the expansion and development of primary education. Besides the general grants, special grants were also given by the provincial Government for educational purposes. Details in this respect have been given in paras 4.13 and 4.15. With the formation in 1945-49 of the School Boards in the sub-divisions under the Assam Primary Education Act, 1947, no grant to Local Boards was given for the maintenance of primary Schools.

10.37 Grants to Missions Bodies: Khasi and Jaintia Hills: The depreciation of the sterling after the end of the First World War, placed the Welsh Mission in great financial difficulties. During the period 1915-20, the mission maintained on an average
over 400 Schools and the Government contributed only 3 a month for each. Cunningham recommended to increase the grant to 4 a month, so that total grant might be raised from 15,000 to 70,000 per annum. The Government increased the grant-in-aid to 70,000 for two years with effect from 1920-21. Put the grant was reduced to 15,000 in 1923-24. It was increased again to 70,000 in 1925-26, and continued upto 1940 when the decision of taking over of the mission Schools by the Government was given effect to.

Garo Hills: The grant of 3,204 given by the Government to the American Baptist mission from 1916 continued upto 1937. In 1938, D.P.I. recommended to the Government to take over the 36 schools maintained by the mission. The Government accepted the recommendation. As a result, the entire amount of Government grants to the mission was withdrawn.

Mizo Hills: In 1933, the Government passed orders, consolidating all the grants for the Mizo hills into a lumpsum grant of 5,270 to the Welsh mission at Aizal and 3,040 to the London Baptist mission at Lungleh subject to certain conditions: First, the Welsh mission at Aizal and the London Baptist mission at Lungleh would each maintain a maximum number of twenty primary schools, Second, the curriculum would be subject to the approval of the D.P.I. guided in his discretion by the Superintendent of the Mizo hills. Third, the mission would arrange for the inspection of Schools and would submit to the D.P.I annual report on the working of the schools. Fourth, the Welsh mission would spend at least 1,000 per annum on hostel for free boarding of minimum of twenty boarders and the London Baptist mission at least 6,00 per annum for a minimum of fifteen boarders. The expenses incurred would include the
upkeep of the hostels, furniture, supervision, medical charge and messing.

The grant of Rs.8,310 sanctioned in 1933 continued up to 1940. In 1940, grants hitherto paid to the mission bodies for primary education were paid directly to the schools. 113

North Cachar Hills: The grant of Rs.1,740 sanctioned to the mission in 1916, continued up to 1940 when it was given directly to the School. 114

Naga Hills: In 1939-40, the grant of Rs.300 for venture schools and Rs.600 for the Impur School, which was given to the mission was withdrawn and was given direct to the School concerned. 115

10.38 As recommended by the Education Commission 1881, the State withdrew from Primary education and no special grant was made available to the local bodies except the general grant from the Provincial revenue. During the first twenty years of the present century the Central Government had shown keen interest in educational matters. As a result, large sums of money were made available by the Central Government to Provincial Government. Because of the receipt of a large amount from the Central Government, the Provincial Government also began to give grant-in-aid to the local bodies and mission agencies from the beginning of the present century.

The Local Boards and mission bodies had complete control over the money given as grant-in-aid by the Government. It was only from 1937-38, actions were taken to limit their discretion. Grants were distributed as per rules and norms laid down by the Government. Political interference in distribution of grants was noticed from 1939-40 only.