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MADRAS RECORD OFFICE.

Government of Madras.

Financial DEPARTMENT.

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Proceedings of the Madras Government, Financial Department,
12th February 1867.

No. 23. Read the following Proceedings of Government in the Public Department, dated 30th January 1867, No. 110.

Communicating papers relative to the transfer of the Straits Settlements from the Indian to the Colonial Departments. (Vide Proceedings, Public Department, dated 30th January 1867, Nos. 208 & 209.)

No. 24. ORDER THEREON, 12th February 1867, No. 63.

To be recorded.

(Signed) A. J. ARBUTHNOT,
Chief Secretary.

Exd. F. R. Bantleman.

3X

Proceedings of the Madras Government, Public Department,
30th January 1867.

No. 208. Read the following Extract from the Proceedings of the Government of India (Political), dated Fort William, 29th December 1866, No. 1307.

Read Despatch from the Right Honorable the Secretary of State for India, to His Excellency the Right Honorable the Governor General of India in Council; dated India Office, London, 16th November 1866, No. 88.

On the 5th instant, I forwarded to your Excellency a telegraphic message, stating that Her Majesty's Government had decided that the transfer of the Government of the Straits Settlements from the Indian to the Colonial Departments should take effect from the commencement of the new financial year, *i. e.*, from the 1st of April 1867.

2. I now forward, for your Excellency's information, copies of the last letters, on the subject of the conditions of the transfer, which have been exchanged between this and the Colonial Office; and I will address your Government again when I am made acquainted with the arrangements which Lord Carnarvon purposes to make, to fill the several offices now held by Officers of the Indian Establishment.

Letter from Colonial Office, to India Office, 18th October 1866.
Do. India Office to Colonial Office, 2nd November 1866.

3. With respect to the Ecclesiastical superintendence of the Settlements, I can only inform your Excellency, at present, that the question is still under the consideration of Her Majesty's Government.

From Sir F. L. ROGERS, Bart., Under Secretary of State, Colonial Office, to the Under Secretary of State for India; dated Downing Street, 18th October 1866.

I am directed by the Earl of Carnarvon to bring under the consideration of Lord Cranborne certain questions relating to the proposed transfer of the Straits Settlements to the Colonial Department. The first question relates to the time at which the transfer should take place. Lord Carnarvon presumes that the most convenient period for the Indian Government would be the termination of the financial year, which he understands to be the 31st of March. As far as this office is concerned, he apprehends no difficulty in adopting that date, and he would, therefore, propose that the Straits Settlements should cease to be part of India, and become one of the Colonial Possessions of Her Majesty, on the 1st April 1867.

2. The next question relates to the terms upon which the Officers of the Indian Government now employed in the service of the Straits Government should be invited or allowed to remain in that service, after the intended transfer. Lord Carnarvon understands that these Officers are of two classes: first, those who do not form part of the Covenanted Indian Service, but, subject to certain regulations as to pension or otherwise, are permanently attached to the locality in which they are serving; secondly, those who form part of the general Civil or Military Service of India, who, though they have acted in the Straits Settlements for long periods, are not necessarily attached to those Settlements, but have been placed there accidentally, and are liable to be removed when the occasion may require it.

3. Lord Carnarvon understands it to be intended that Officers of the first class shall be taken over by the new Colonial Government, subject, of course, to such rules as to discipline, promotion, and otherwise, as may be hereafter found requisite, but with such salaries, and such accruing rights to pensions as they now possess under the Indian Government.

4. With regard to Officers of the second class, Lord Carnarvon proposes that a scheme of pension should be established in the Straits Settlements, analogous in its general outline to that which exists at Hong Kong and Ceylon, where an Officer on retiring from ill-health, or at the age of fifty-five, is entitled to a pension of one-twelfth of his salary, calculated on the average of the last three years, with an addition equal to one-sixtieth of that salary for every year's service.

5. The service on which this pension is calculated would begin to run from the date of the transfer, *i. e.*, from 1st April 1867.

6. Lord Carnarvon is aware that the Officers would not accept service in the Straits Settlements on these terms, if they were to lose the advantage of their previous service under the Indian Government, in respect to retiring pensions, or in respect to their subscriptions to certain Military Funds; but he understands that it is by no means the desire of the Indian Government that they should lose this advantage. He will, therefore, shortly submit to Lord Cranborne the names of those Officers to whom he desires to offer Colonial employment, and hopes then to be informed on what terms, as between themselves and the Indian Government, those Officers will be allowed to transfer themselves to the service of the Straits Settlements.

7. The third question relates to a certain debt due from the Indian Government to the Straits Treasury, on account of certain deposits which the Government has received and may be called upon to repay, but which, if ultimately unclaimed, will remain the property of the Government.

8. It is not quite easy, without a knowledge of the exact nature of these deposits and of the mode in which the accounts are kept, to propose a mode of dealing with these moneys which will be reasonable in principle and will preclude future discussion or correspondence; but Lord Carnarvon would be ready, with Lord Cranborne's concurrence, to adopt the following settlement, if it should be found simple in practice. He would propose—

(1). That the Indian Treasury should retain all deposits which were not only in the hands of Government, but had become lawfully claimable by the depositors on the 31st of March 1860; the Indian Government, however, remaining liable to satisfy any claim to such moneys which may be hereafter raised before the period, if any, at which they are forfeitable by law.

(2). But that the Government of India should pay over to the Colonial Treasury all deposits now in their hands, which could not have been claimed by the depositor before the above date.

9. If Lord Cranborne should consent to these proposals, Lord Carnarvon will communicate at once to the War Office the proposed date of transfer; will submit the above pecuniary arrangement for the concurrence of the Lords of the Treasury; will consider at once what Officers of the higher class now serving in the Settlements shall be invited to take service under the Colonial Government; and will direct steps to be taken for framing the legal Instruments necessary for the completion of the transfer.

From J. C. MELVILL, Esq., Assistant Secretary, India Office, to Sir F. L. ROGERS, Bart., Under Secretary of State, Colonial Office; dated India Office, 2nd November 1866.

I have laid before the Secretary of State for India in Council your letter of the 18th ultimo, relating to the transfer of the Straits Settlements to the administrative and financial control of the Imperial Government, through the Colonial Department. The questions which Lord Carnarvon has submitted for the consideration of the Indian Department of Her Majesty's Government, are three :—

Firstly.—With respect to the date of the transfer, Lord Carnarvon suggests that it should take place at the beginning of the next financial year, that is, on the 1st April 1867. Lord Cranborne is of opinion that, on many accounts, this would be the most convenient time for the change; and, therefore, the arrangement has his cordial assent. He will send a telegraphic message to this effect to the Government of India.

The *second* question relates to the transfer from the Indian Establishment to the Colonial Establishment of the Officers connected with the Executive Government of the Settlements. These, it is rightly observed in your letter, are of two kinds: the Uncovenanted Servants, who have no other functions to assume, and no other position to fall back upon; and the Covenanted or Commissioned Officers of Her Majesty's Indian Government, who may return to the duties from which they have been only temporarily dissociated whilst employed in the Straits. Lord Cranborne has perceived with satisfaction that, with respect to the first class of Officers, who are of a subordinate character, no difference has at any time arisen between the Colonial and the Indian Department. The Colonial Office have expressed their willingness to

take bodily into their service, on the existing scales of pay and pension, these public servants, who might, indeed, otherwise be injuriously affected by the transfer. But with regard to the Commissioned Officers of Her Majesty's Indian Government, who have been only thus temporarily employed on the Staff, it must rest with them to accept or to decline such service as the Colonial Office may have to offer them. As to the terms on which the Secretary of State for India in Council would, with a view to facilitate the transfer of Indian Officers to the Colonial Service, grant any special privileges or immunities in respect of pensions, &c., to the Officers so transferred, I am directed to observe that Lord Cranborne is unwilling to pass any general orders on the subject, which might afford an inconvenient precedent in future times, but that he is willing to take each individual case that is referred to him into liberal consideration, and that he does not apprehend that any difficulties will arise upon this point of the negotiation.

The *third* question relates to the pecuniary responsibilities of the Indian Government, in connection with certain deposits received on account of suitors, &c., and the arrangements which might be made between the Imperial and Indian Exchequers, justly to apportion to each the several amounts to be paid by or to be credited to them, as circumstances may cause the moneys deposited in the Treasury of the Straits to be claimed, or not to be claimed, on account of the suitors. Upon this subject, the Secretary of State for India in Council has already, on more than one occasion, communicated to the Colonial Office his desire to sanction any reasonable accommodation, in order that no impediment might be thrown in the way of the speedy transfer of the Settlements; and I am to add that Lord Cranborne, being of the same opinion as his predecessors, is willing to accept the arrangement proposed by Lord Carnarvon, namely :—

(1). That the Indian Treasury should retain all deposits which were not only in the hands of Government, but had become lawfully claimable by the depositors on the 31st of March 1860; the Indian Government, however, remaining liable to satisfy any claim to such moneys which may be hereafter raised before the period, if any, at which they are forfeitable by law.

(2). But that the Government of India should pay over to the Colonial Treasury all deposits now in their hands, which could not have been claimed by the depositor before the above date.

In conclusion, I am directed to state, for the information of Lord Carnarvon, that Lord Cranborne has recently received a Telegraphic Message from the Government of India, asking what arrangements are to be made, after the transfer of the Settlements, with respect to the removal of the Ecclesiastical charge of Singapore, &c., from the Diocese of Calcutta. It is desirable that this question should be settled with as little delay as possible.

No. 1308.

Ordered that a copy of the above Despatch be sent to the Governments of Madras and Bengal, and to the Departments noted in the margin, for information and guidance.

Home Department.
Financial do.
Military do.
Public Works do.

(True Extract).

(Signed) H. LEPOER WYNNE,
Offg. Under Secy. to the Govt. of India.

No. 209. ORDER THEREON, 30th January 1867, No. 110.

Communicated to the Financial and Military Departments, also to the Accountant General, for information and guidance.

(True Extract).

(Signed) J. S. Sconce
Chief Secretary.

To the Financial Department.
,, Military do.
,, Accountant General.
,, Public Works Department, for information.

Exd. J. H. Burns.

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Covering papers relative to the transfer of the Straits Settlements from the Indian to the Colonial Dept.
12th February 1867. No 63.
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