M.R.O. 1—20,002—12-8-65.

(1) Number of Pages 4

(2) Date of repair 22.7.69

(3) Initials of the Referencer

MADRAS RECORD OFFICE

GOVERNMENT OF MADRAS

Revenue DEPARTMENT

G.O. No. / ~~B.P. No.~~	1677	Press / ~~Mis.~~
Dated	15 - 11 - 1876 ~~196~~	

Not to be folded or roughly handled

Proceedings of the Madras Government, Revenue Department,
15th November 1876.

No. 237C. Read the following letter from D. BARBOUR, Esq., Under-Secretary to the Government of India, Financial Department, (Excise,) to the Honorable D. F. CARMICHAEL, Secretary to the Government of Madras, dated Simla, 30th October 1876, No. 3,690 :—

I AM directed to forward for information the accompanying extract, paragraph 10, from a letter from the Chief Commissioner, Central Provinces, to the address of the Commissioner of Excise, Central Provinces, regarding the successful introduction of a system of taxing the materials from which spirit is distilled, instead of taxing the spirit according to its strength as ascertained by an Hydrometer.

ENCLOSURE No. 1.

Extract from a letter from the Chief Commissioner, Central Provinces, to the Commissioner of Excise, Central Provinces, dated 26th September 1876, No. 3,670-172.

PARAGRAPH 10.—The system of taxing the Mohwa used in distilling, instead of taxing the liquor passing out of the distilleries, appears to continue to work well, nor do the objections which have been brought against the system seem strong. There can be no doubt that taxing the Mohwa is simpler than gauging the strength of manufactured liquor prior to its removal from the distillery enclosure, and the tax is better apportioned to the strength of the liquor, because, under the old system of taxing according to strength, it was found impossible to get the Mohurrirs to gauge the strength accurately, and consequently in most distilleries there were only two rates,—one for single distilled, the other for double distilled liquor. In only a very limited sense, then, could it be said that the distillers paid duty according to the strength of the spirit.

Taxing Mohwa.

Other objections that [illegible] usually in the hot weather the wash is spoiled, and in that case the distillers under the Mohwa system lose not only their wash, but also the duty they have paid; and that under that system also they are obliged to pay the duty in advance and not after realising their profits, are not so much calculated to show that the Mohwa system is in itself unfair and in its nature objectionable, as that to take the same tax according to the Mohwa and the liquor system, the Mohwa tax must be fixed somewhat lower than the other, in order to make allowance for the payment in advance and the risk of loss. Whether the tax shall be taken in the one form or the other, must depend on administrative convenience, and that points to the Mohwa system.

No. 237D. ORDER THEREON, 15th November 1876, No. 1,677.

Separate Revenue, No. 16A.
Customs.

COMMUNICATED to the Board of Revenue.

(True extract.)
(Signed) D. F. CARMICHAEL,
Secretary to Government.

To the Board of Revenue.

Ed. F. R. Bantleman.

No. 3690.

GOVERNMENT OF INDIA.

FINANCIAL DEPARTMENT.

EXCISE.

To

The Secretary to the Govt of Madras

SIMLA,—THE 30TH OCTOBER 1876.

SIR,

I am directed to forward for information the accompanying extract, para. 10, from a letter from the Chief Commissioner, Central Provinces, to the address of the Commissioner of Excise, Central Provinces, regarding the successful introduction of a system of taxing the materials from which spirit is distilled, instead of taxing the spirit according to its strength as ascertained by an Hydrometer.

I have the honor to be,

SIR,

Most obedient Servant,

Under-Secretary to the Govt. of India.

Extract from a letter from Chief Commissioner, Central Provinces, to the Commissioner of Excise, Central Provinces,—No. 3670-172, dated 26th September 1876.

Taxing Mohwa.

PARA. 10.—The system of taxing the Mohwa used in distilling, instead of taxing the liquor passing out of the distilleries, appears to continue to work well, nor do the objections which have been brought against the sytem seem strong. There can be no doubt that taxing the Mohwa is simpler than gauging the strength of manufactured liquor, prior to its removal from the distillery enclosure, and the tax is better apportioned to the strength of the liquor, because under the old system of taxing according to strength, it was found impossible to get the Mohurrirs to gauge the strength accurately, and consequently in most distilleries there were only two rates,—one for single distilled, the other for double distilled liquor. In only a very limited sense, then, could it be said that the distillers paid duty according to the strength of the spirit.

Other objections, that when, as happens occasionally in the hot weather the wash is spoiled, and in that case the distillers under the Mohwa system lose not only their wash, but also the duty they have paid; and that under that system also they are obliged to pay the duty in advance and not after realizing their profits, are not so much calculated to show that the Mohwa system is in itself unfair and in its nature objectionable, as that to take the same tax according to the Mohwa and the liquor system, the Mohwa tax must be fixed somewhat lower than the other, in order to make allowance for the payment in advance and the risk of loss. Whether the tax shall be taken in the one form or the other, must depend on administrative convenience, and that points to the Mohwa system.

Rec'd 1876 Dept
No 4752

Treas

Chief Clerk of Treas.
Fin'l Dept
No 3690

Dated 30th Oct
Rec'd 8th Nov 1876

Treas Extract Copy
from Ch: Com Customs Journey respecting the deception
introduction of a system of steam in the materials from
which spirit is distilled, instead of keeping the spirit
according to statute

No 16

No. 1677. 15th Dec.
Communication to Chief
Clerk

146 B. of Rev Dep-17-11