INSTRUCTIONS AS TO SURVEY OF DISTILLERIES.

In their report of the survey, assessors will state the greatest and least diameter, and the depth of each mash-tub, its full capacity, the number of dry inches allowed for working, and the working capacity in bushels, estimating not exceeding 30 gallons to the bushel.

They will also give the greatest diameter, least diameter, and depth of each fermenting tub, designating the same by its number as shown by the plan, with the full capacity, the number of dry inches allowed for fermentation, and the working capacity of each tub.

Having found the aggregate working capacity of the fermenters, they will divide this amount by the number of gallons of mash which the distiller makes from a bushel of grain (not exceeding, however, 45 gallons of mash to the bushel of grain in any case), which will give the number of bushels that will be required to fill the fermenters. Then, taking the fermenting period as fixed by the distiller on Form No. 27, or the average fermenting period actually used by the distiller as ascertained by the assessor and the person designated to aid him, from the best evidence accessible to them, which must be a fixed and definite number of hours or days, adding thereto 24 hours or one day for the time each fermenter is required to remain empty after its contents are drawn off, and dividing the number of bushels by this sum, the result will be the number of bushels which can be fermented in 24 hours. If not even days, divide by the number of hours and multiply by 24.

They will then estimate the quantity of spirits which can be produced from a bushel of grain. This depends in a great degree upon the character and completeness of the apparatus; and while no fixed rule can be laid down upon this point, it may be suggested that in an ordinary steam distillery this varies from three to four gallons, many distilleries producing 15 and 16 quarts to one bushel. It would require a strong case to justify an estimate as low as three gallons, and in such case the reasons for such allowance must be fully reported to the Commissioner. In all cases it should be assumed that the distiller will have his apparatus in good order and use good material. Having determined this product, multiply the number of bushels that can be fermented in 24 hours by this sum, and it will give the quantity of spirits which can be produced in 24 hours.

The capacity of a molasses distillery is estimated upon the same principle. Having found the working fermenting capacity of the fermenters in gallons, as above stated, divide this by the number of gallons of mash which the distiller makes from a gallon of molasses, not exceeding seven gallons of mash for a gallon of molasses, and it will give the number of gallons of molasses required to fill the fermenters. Take the fermenting period, plus the 24 hours, and divide the amount found as above, and it will give the quantity which can be fermented in 24 hours.

The quantity of spirit which can be produced from a gallon of molasses varies, of course, with the completeness of the apparatus and the quality of the material, from 80 to 95 per cent. — from 85 to 90 per cent. probably being a fair average; and in no case should a less allowance than this average be made without first submitting a full report of the reasons therefor to the Commissioner.

In case any question arises as to the correctness of the survey, the assessor will forward a draft of his report to the Commissioner before it is signed, in order that such questions may be determined.

In estimating the number of dry inches to be allowed for fermentation, the assessor and person designated to aid him must, of course, be governed in a great measure by the depth of the fermenting tubs. From the best information received, it is believed that a fair allowance will be from three to seven dry inches for corn, and any mixture of corn and rye not exceeding one-half rye to one-half corn; and from seven to twelve dry inches for rye, and any mixture of rye exceeding one-half. While it is perhaps natural that the distiller should claim the maximum allowance as most advantageous to him, it is incumbent upon the officers making the survey to make such allowance only as is fair and equitable, having regard to the interests of the government as well as of the distiller.
colors its cubic contents in gallons, with the number of the tub, which should correspond with that given in the notice and on the plan. There must be a clear space of not less than one foot around every wood still, and not less than two feet around every doubler and worm tank. The doubler and worm tanks are to be elevated not less than one foot from the floor. Every fixed pipe, except those used only for the conveyance of water or of spent mash or beer, must be so placed as to be capable of being examined for its whole length, and must be painted and kept painted as follows: Pipes for the conveyance of mash or beer, of a red color; for the conveyance of low wines back into still or doubler, blue; for the conveyance of spirits, black; for the conveyance of water, white; and they must be designated by those colors on the plan.

LOCKS AND SEALS.

All locks and seals required by law will be designated by the Commissioner of Internal Revenue, and are to be procured of the collector of the proper district, at the expense of the distiller, except the locks for the closing of the doors of the furnaces of the stills and boilers, which will be furnished to the assessors.

RECEIVING CISTERNs.

Every distiller (section 16) is required to erect two or more receiving cisterns in a room or building used for that purpose, and for no other, for each distillery. Each of these cisterns must be of sufficient capacity to hold all the spirits distilled during the day of 24 hours. These cisterns must be so constructed as to leave an open space of at least three feet between the top and the roof or floor above, and a space of not less than 18 inches between the bottom and the floor below, and they must be separated so that the officer may pass around them; and the pipes or other apparatus by which the cisterns are connected with the outlet of the stills, boilers, or other vessels, must be so constructed as to be always exposed to the view of the officer, and so as to prevent the abstraction of spirits while passing from the outlet of the worm or condenser back to the still or doubler or forward to the receiving cistern. These cisterns must not be connected with each other. Where a distiller draws off his spirits but once in three days, he must have three cisterns. He cannot, in any case, have less than two. The product of each day's distillation must be run into one cistern, and only. If the distiller has not provided at least two separate cisterns, each of a capacity sufficient to hold a full day's product, the assessor has no right to approve his bond; if he does so, he renders himself liable to the penalty imposed in section 17.

SIGNS, FENCES, AND GATES.

Every person engaged in distilling or rectifying spirits, and every wholesale liquor dealer, is required (section 18) to place, and keep conspicuously on the outside of his distillery, rectifying establishment, or place of business, a sign, in plain and legible letters not less than three inches in length, painted in oil colors or gilded, and of a proper and proportionate width, the name or firm of the distiller, rectifier, or wholesale dealer, with the words 'registered distillery,' 'rectifier of spirits,' or 'wholesale liquor dealer,' as the case may be. No fence or wall of a height greater than five feet can be allowed around the premises of any distillery so as to prevent easy and immediate access thereto. Every distiller must furnish to the assessor of the district as many keys to the doors and gates of the distillery as may be required by the assessor from time to time, and the distillery must always be kept accessible to any officer or other person having such key.

COMMENCEMENT OF WORK.

Section 22 provides that every distiller, at the hour of 12 meridian, on the third day after that on which his bond is approved by the assessor, shall be deemed to have commenced, and thereafter to be continuously engaged in, the production of distilled spirits in his distillery, except during the time when work shall be suspended in accordance with the provisions of that section.

This gives the distiller the three days in which to prepare his first mash for distillation, and as he cannot (section 21) do this in the absence of the storekeeper, assessors should withhold the formal approval of the bond until notified that his warehouse is established and a storekeeper assigned.

WHEN CAPACITY-TAX TO COMMENCE.

The per diem capacity-tax imposed by section 13 will commence on the third day after the approval of the bond, and the full capacity-tax provided for in that section will be assessed for every calendar day thereafter, Sundays excepted, reckoning the third day after the approval of the bond as a whole day, unless work shall be suspended as provided in section 22.

But should the distiller commence distilling at any time prior
to the third day after the approval of the bond, the capacity-tax will be assessed from the time when the production of spirits begins.

**SUNDAYS.**

No malt, corn, grain, or other material (section 35) can lawfully be mashed, nor any wash, wort, or beer brewed or made, nor any still used by a distiller at any time between the hour of 11 in the afternoon of Saturday and 1 in the forenoon of the next succeeding Monday, under penalty of one thousand dollars for each offence.

**CAPACITY, REDUCTION OF.**

Any distiller desiring to reduce the producing capacity of his distillery must give notice of such intention in writing to the assessor, stating the quantity of spirits which he desires thereafter to manufacture every 24 hours; and thereupon the assessor is required, at the expense of the distiller, to reduce and limit the producing capacity of the distillery to the quantity stated in his notice, by placing upon a sufficient number of tubs close-fitting covers, securely fastened by nails, seals, and otherwise, so as to prevent the use of such tubs without removing said covers or breaking said seals; and whenever he shall be of opinion that other precautions are necessary, he will report the case to the Commissioner of Internal Revenue for instructions. Where a distiller desires to reduce his capacity without reducing the number of his tubs, it can only be done by cutting out of one or more staves is not sufficient, but the whole tub must be cut off.

In all cases of a reduction of capacity an immediate report will be made to the Commissioner by the assessor, showing what action has been taken and the proportionate reduction of capacity thereby effected.

**OFFICERS' RIGHT OF ENTRY.**

Any revenue officer (section 32) may at all times, as well by night as by day, enter any distillery or building or place used for the business of distilling, or in connection therewith for storage or other purposes; and if not admitted upon demand, having declared his name and office, he may break open any doors or windows, or break through any of the walls of such premises necessary to be broken to enable him to enter. Any officer (section 31) may require the water in any worm tub to be drawn off and the tub and worm cleansed at any time when

**TAX ON DISTILLED SPIRITS.**

The still is not at work, and the water must be kept out of the worm tub for two hours, or until the officer has finished his examination.

**SUSPENDING WORK.**

Any distiller desiring to suspend work (section 22) must give notice in writing to the assistant assessor, stating when he will suspend work. On the day mentioned, the assistant assessor will, at the expense of the distiller, proceed to fasten securely every door of every furnace, still, or boiler in said distillery, by securely locking the same, so that they cannot be opened or any fire lighted in such furnace. Such notice must be immediately reported to the assessor, and also the action taken thereon, and such notice and report must be transmitted to the Commissioner of Internal Revenue. No distiller can carry on the business of a distiller after the time stated in such notice until he shall have given another notice in writing to the assessor stating the time when he will resume work, at which time the assistant assessor must attend and remove the locks and other fastenings, which action must be immediately reported to the assessor and by him to the Commissioner, and the report of the assistant assessor must distinctly state whether or not there was any mash, wort, or beer on hand at the time of such suspension.

**WHEN DEDUCTIONS ALLOWED.**

No deduction is to be made for a suspension of work unless the provisions of section 22 are strictly complied with. The distiller must give two notices in writing to the assistant assessor, first, of the time when he suspends work, and, second, a like notice of the time when he proposes to commence; at both of which times the assistant assessor must be present to secure the furnaces or to remove the fastenings, as the case may be, and these two notices cannot be combined in one.

Attention is called to the provisions of this section imposing penalties upon any distiller who, after the time fixed in his notice of intention to suspend work, shall carry on the business of a distiller on said premises, or shall have mash, wort, or beer in his distillery or on any premises connected therewith, or who shall have in his possession or under his control any mash, wort, or beer, with intent to distill the same on said premises. Unless the distiller chooses to destroy the mash on hand when he suspends work, he must fix his time so that he will have time to run off the mash on hand before the notice takes effect, as after the time stated he can have no mash, wort, or beer on his distillery premises. If he does the business of a distiller on the
premises, or has any mash, &c., therein, or in his possession or under his control, with intent to distill the same therein, he cannot suspend work under that section, and is not entitled to any deduction of the per diem capacity-tax. The attention of assessors is especially called to this matter.

FERMENTING TUBS TO BE EmPTIED.

At the end of the fermenting period every fermenting tub must be emptied and remain empty twenty-four hours.

DATE OF EMPTYING THE TUBS.

Under the heading "fermenting tub emptied of beer or mash," on Form No. 100, the storekeeper will enter in the proper column the number of the tub on the line opposite the proper date entered in the left-hand column. If four tubs are emptied on the same day and but three lines are used for the description of the materials used, as corn, rye, malt, then one line should be left blank in this column on the day named. It is highly important that the day, as well as the hour of the day in which each tub is emptied, should be accurately stated.

SPIRITS TO PASS DIRECTLY FROM STILL TO RECEIVING CISTERN.

The storekeeper will see that all spirits manufactured each day are conveyed into one of the receiving cisterns on the same day. The cisterns and the room in which they are contained must be in charge of and under the lock of the internal revenue gauger designated for the duty. The collector will designate the gauger to perform this duty. The supervisor, however, has power to transfer gaugers so designated from one distillery to another. In no case, however, will the storekeeper be allowed to hold the key or have charge of the cistern-room. The cistern-room must not be opened or suffered to remain open except when the designated gauger is present, nor will the key of the government at any time be suffered to pass into the possession of the distiller or any person in his employ. Until locks are prescribed, collectors and assessors will require such to be provided as in their judgment may be appropriate.

GAUGING, MARKING, AND STAMPING.

When drawn into casks, the spirits must be gauged and proved by the gauger himself, with his own hands, and in no case can he deputize another person to do it for him. When gauged and proved, the gauger will mark with a cutting or branding iron upon the bung stave of each cask the number of

wine gallons and the number of proof gallons contained therein, with the proof, and the gauger will, in the presence of the storekeeper, place upon the head of each cask the distillery warehouse stamp, and also cut or burn upon the head of each barrel the serial number of the barrel.

The serial number for every distillery must begin with number one (No. 1) with the first cask deposited, and continue the series until the last day of the year, commencing a new series on the first day of January in each year thereafter, and no two or more casks warehoused at the same distillery may be marked with the same number.

NO ALLOWANCE TO BE MADE FOR LOSS BY LEAKAGE OR OTHERWISE.

Section 28 of the act of July 20, 1868, requires that all distilled spirits shall be drawn from the receiving cisterns into casks, which, after being marked and stamped in such a way as to show the contents, are to be immediately removed into the distillery warehouse. On the prescribed days, to wit, the first, eleventh, and twenty-first days of each month, the distiller must make his "entries for deposit," which must specify all the spirits stored or deposited during the preceding tri-monthly period, and must specify the number of wine and proof gallons contained in each of the casks so deposited, and the amount of tax on the spirits. At the same time the distiller is required to give his bond (on Form No. 80), conditioned that he will pay the tax on the spirits as specified in the entry, or cause the same to be paid before removal from said distillery warehouse, and within one year from the date of said bond.

Under this language it is very plain that no allowance can be made for any loss occurring in warehouse from leakage or any other cause.

The amount of tax named in the entry and secured by the bond must be paid within the time named, even though loss may occur by leakage, by fire, or otherwise. In this regard spirits stored in warehouse are placed on the same footing with tax-paid spirits. The primary object of the present law was to collect the tax on all the spirits produced and drawn from the cistern, and the privilege of storing in warehouse for one year or less was not intended to add any advantage, in respect to loss, not conceded to the distiller who pays the tax on the same day that the spirits are drawn from the cistern.

Such being the law, it is obvious that spirits in distillery warehouse are not required to be gauged and proved before
withdrawal therefrom, nor before the entry for withdrawal is made. The "entry for withdrawal" must correspond precisely to the "entry for deposit;" the tax-paid stamp must specify the amount of tax on the same number of gallons as are named on the distillery warehouse stamp, and this amount must be paid before withdrawal. The collector, instead of directing the gauger to gauge and inspect spirits in warehouse before the "entry for withdrawal" is made, will, upon receiving the entry made as above set forth, direct the gauger to proceed to the warehouse, and there, in presence of the storekeeper, stamp and mark the casks as required by law and regulation.

The Tax on Allowances Heretofore Made Must Be Collected.

The rule laid down on page 17 of Instructions, Series 4, No. 1, providing for an allowance for loss by leakage in warehouse, has been revoked. In any case where this rule has been applied to spirits produced since July 20, 1868, the collector is hereby instructed to collect, without delay, all sums which have been so allowed for loss by leakage or otherwise. The law is explicit and imperative, and as it gives no discretion to the Commissioner or to any other officer to modify its operation in this respect, appeals to him for this purpose are useless. The bonds given under section 23 (on Form No. 80) must be held for the payment of all such allowances, and, if necessary, must be put in suit to recover the same.

In cases where spirits were withdrawn before the end of the tri-monthly period, and for that reason no bond was given for the tax on such spirits, the tax must be collected on all allowances made for loss while in warehouse.

Fractions of Gallons.

The law requires "the quantity in wine gallons and in proof gallons of the contents of each cask" to be marked upon the cask, reported by the gauger, &c. Consequently the exact number of gallons must be ascertained, marked, and noted. Fractions of gallons must be indicated in all cases, but the tax will be collected on the fraction of the gallon as if it were a whole gallon. A fraction of a wine gallon, however, is not to be taken as a whole gallon in calculating the number of proof gallons in a cask.

Wantage.

The rule printed on pages 6 and 7 of Instructions, Series 2, No. 11, in regard to wantage, will be applied to the gauging and proving of spirits at the distillery before storage in warehouse, viz: No larger allowance for wantage than a half wine gallon for each cask or barrel will be made, unless ascertained by measurement with the wantage rod. When the wantage is found by actual measurement to exceed a half gallon, the actual wantage will be allowed, and no more.

Distiller to Provide Warehouse.

Every distiller must provide, at his own expense, a warehouse suitable for the storage of distilled spirits, which must be situated on and constitute a part of his distillery premises. No dwelling-house can be used for such purpose; and no door, window, or other opening can be made or permitted in the walls of such warehouse, leading into the distillery, or into any other room or building. No spirits can be stored in such distillery except those manufactured by the distiller providing it. A portion of the distillery may be used for this purpose, but in such case it must be separated from the distillery by a solid brick or plank partition; and collectors will, when such warehouse is applied for, make careful examination as to the sufficiency of the division walls; but the entrance to such room must be from the street or yard. If the distiller elects, such warehouse may be a separate building, but it must be upon the premises actually occupied for the distillery. It must be a portion of the distillery, adjoining the distillery building, or within or adjoining the distillery yard.

Every distiller will make application in writing to the collector of the district, stating fully the precise location, size, description, and construction of the room or building desired for such warehouse, specifying its location upon or by reference to the plan of the distillery; and upon receipt of such application the collector will, by himself or one of his deputies, make a full and careful examination thereof, and if the same is approved by him, will transmit said application to the Commissioner of Internal Revenue, with his report thereon, for his approval, stating the estimated storage capacity of such warehouse; and when approved by the Commissioner, a storekeeper will be assigned to such warehouse. Such warehouse must be established for each distillery before any spirits are distilled, and all expenses connected with such warehouse must be paid by the distiller.

Storekeepers.

Storekeepers are appointed by the Secretary of the Treasury (section 52), one or more of whom will be assigned by the
Commissioner of Internal Revenue to every warehouse. The
storekeeper assigned to any distillery warehouse will (section
21) also have charge of the distillery connected therewith.
Supervisors have authority to transfer storekeepers from one
distillery warehouse to another, i. e., to change their location
after they have been assigned; but they cannot relieve a store-
keeper from duty except by suspending him from office. All
charges made by supervisors must be immediately reported
to the Commissioner, and unless the case is one requiring imme-
diate action all changes should be made by reassignment from
the Commissioner.

Storekeepers cannot engage in any other business while in
the service of the United States, without the written permission
of the Commissioner of Internal Revenue. In case of the
temporary absence of the storekeeper from sickness or other
cause, the collector having control of the warehouse may
designate some person to have temporary charge of such ware-
house, who will have all the powers and be subject to all the
liabilities of a storekeeper while so acting.

Collectors, however, have no power to designate a person to
act as storekeeper at a warehouse to which no assignment has
been made by the Commissioner. Their power is limited to
supplying the temporary absence of the regularly assigned
storekeeper. An absence occasioned by a removal from office,
or suspension, or revocation of the assignment, is not a tem-
porary absence.

The storekeeper will keep the warehouse book on Form No.
101, and make daily returns in duplicate (section 52) to the
collector and Commissioner, and triplicate monthly reports to
the Commissioner, the assessor, and collector; and, as having
charge of the distillery, will also keep the book required by
section 21, on Form No. 100. The books must be furnished
to the storekeeper by the distiller.

MASHING, DISTILLING, AND REMOVAL OF SPIRITS PROHIBITED
IN THE ABSENCE OF STOREKEEPER.

The special attention of officers and distillers is directed to
the penalties imposed in section 21 for mashing, distilling, or
removing spirits in the absence of the storekeeper or person
designated to act as storekeeper. Any mashing or distilling
done at night, or at any other time when the storekeeper is not
present, is prohibited. It is the duty of all officers, and espe-
cially of collectors, to see that this law is obeyed, and its viola-
tion noted and properly punished.

TAX ON DISTILLED SPIRITS.

COMPENSATION OF STOREKEEPERS.

Storekeepers are not entitled to compensation until assigned
to duty at a warehouse by the Commissioner of Internal Reven-
ue. After such assignment they will be entitled to the rate
of compensation fixed in their assignment for the time during
which they are actually employed. Where, during the tempo-
rary absence of the regular storekeeper, the collector designates
some person to act for him, the person so designated will be
entitled to the same rate of compensation as the regular store-
keeper for the time he is so employed, and the regular store-
keeper will not be entitled to compensation for such time. In
order to entitle a storekeeper to compensation he must have
been assigned to the warehouse by the Commissioner, or trans-
ferred thereto by the supervisor, and have actually performed
his duties as such during the time for which compensation is
claimed.

The provision forbidding storekeepers to engage in any
other business does not apply to a storekeeper who is not
under actual assignment to duty.

Whenever work is suspended or resumed in a distillery, the
assessor will notify the storekeeper; and where such suspen-
sion is for an indefinite time, or for a period exceeding one
week, the assessor will immediately report the fact to this
office, and whether or not the services of the storekeeper can
be dispensed with. This is not to be included in or to take
the place of the report of the notice of suspension or resump-
tion of work, but a separate report.

REIMBURSEMENTS BY THE PROPRIETORS OF INTERNAL REVE-
NUE BONDED WAREHOUSES OF THE EXPENSES AND SALARIES
OF STOREKEEPERS.

Public resolution No. 5, approved March 29, 1869, to supply
omissions in enrolment of act approved March 3, 1869, pro-
vides, "that after the passage of this act the proprietors of all
internal revenue bonded warehouses shall reimburse to the
United States the expenses and salary of all storekeepers or
other officers in charge of such warehouses, and the same shall
be paid into the treasury and accounted for like other public
moneys."

To carry the foregoing provision of law into practical effect,
collectors are hereby instructed to demand and collect monthly
hereafter, commencing with the 4th of March, 1869, from
owners of bonded warehouses situated in their districts, such
sums as may have been paid to United States " storekeepers or
other officers in charge of such warehouses" for salary and other expenses, and to deposit the same to the credit of the Treasurer of the United States, in the same manner that other public moneys are now required to be deposited, as a reimbursement of the "appropriation for salaries of collector, assessors, &c. of internal revenue," which appropriation should be named on the face of the certificate of deposit. The certificate of the assistant treasurer or designated depositary, as the case may be, will be taken in triplicate, the original of which will be forwarded direct to the Secretary of the Treasury, the duplicate filed in this office with Special Account Current No. 119, and the triplicate retained for their own protection.

Hereafter, in making payments to storekeepers, collectors will require them to sign triplicate vouchers, the original and duplicate to be disposed of as required by existing regulations, and the triplicate to be presented to the owner of the bonded warehouse, with demand for reimbursement, and surrendered and receipted in his favor by the disbursing agent, when the amount thereof shall have been reimbursed to the United States. The amount of the reimbursement thus made will be entered to the credit of the United States in a separate account current upon Form No. 119, which, with its appropriate abstract, No. 120, will be furnished from this office. This account current will be supported by the duplicate certificate of deposit referred to above, and will be mailed to this office within fifteen days after the close of the month in which the reimbursement and deposit may have been made. The first account current under these instructions will be rendered for the month of April present, and will include all reimbursements of salary and expenses paid to storekeepers from and after the 4th of March (the date when the law took effect) to the 30th of April, 1869.

STORKEEYEEKS' REPORTS.

The storekeeper's daily report is to be made, whether any entries are made upon his warehouse book or not, during all the time he is in charge of the distillery warehouse. If no spirits are deposited or withdrawn, the report should so state. Storekeepers will enter upon the warehouse book the number of packages deposited, the serial numbers of the casks, the serial numbers of the warehouse stamps, and the actual quantity in wine and proof gallons—in gallons and fractions of gallons. In the entries for withdrawal the serial numbers of casks and stamps and the quantity must correspond with the entries for deposit. Fractions of gallons are in no case to be entered upon the books as whole gallons; neither must tax-paid stamps be reported or entered in any instance. Fractions of gallons are treated as whole gallons only in determining the amount of tax due upon the quantity in a given package. The daily reports must be a correct copy of the entries upon the warehouse book for the day, and the monthly report the aggregate footings for the month.

In making their monthly abstracts, Form No. 88, they will enter first the amount of mash on hand at the close of the preceding month. Under this they will enter the quantity of material used during the month, with the quantity of mash produced therefrom, and from the amount of these two items deduct the quantity of mash on hand at the end of the month.

All spirits should be drawn from the receiving cisterns after distillation ceases on the last day of the month, or on the morning of the first day of the month, so that the full product of the month may be known and determined. If drawn off on the first day of the month, the quantity drawn off and warehoused on that day will be entered on the distiller's tri-monthly—the storekeeper's abstract, Form No. 85, and on Form No. 89—in a separate item.

It is the duty of the storekeeper to know that all entries and reports made by him are correct. He has no right to estimate or to trust to information received from the distiller or any person in his employ. He is placed on duty not to receive and record the reports of the distiller or his employés, but to keep a record of transactions of which he is required to have a personal knowledge. The quantity of mash in a tub at the time it is emptied is not the subject of an estimate, but is to be determined by actual measurement; and the quantity made and used during the month, or on hand at its close, can and must be determined in the same way.

The attention of storekeepers and other officers is specially called to these instructions, as the reports heretofore made are generally erroneous in some one or more of these particulars. Perfect accuracy must be the standard, and constantly recurring defects or negligence or carelessness in making their reports will be deemed sufficient cause for removal.

If there is any violation of law or irregularity on the part of the distiller or storekeeper, the immediate report of the same to the collector and to the Commissioner, and for any neglect to do so he will be dismissed. Where a distillery is closed on account of any violation of law which is reported by the storekeeper, such storekeeper will be promptly assigned to another warehouse.
ENTRY FOR WAREHOUSING.

All spirits when drawn from the receiving cisterns must immediately removed to the distillery warehouse, and on the first, eleventh, and twenty-first days of each month, or within five days thereafter, the distiller or owner must enter the same with the collector of the district for deposit in such warehouse. The entry must be made and signed by the distiller or owner of the spirits in the following form:

ENTRY FOR DEPOSIT IN DISTILLERY WAREHOUSE.

Entry of distilled spirits deposited by — — in distillery warehouse No. — in the — — district, State of — —, during the ten days ending on the — day of —, A. D. 186-, distilled by — —.

Dated at — , —, 186-.

(Signed)

STATE OF — , County of — , ss:

Personally appearing — —, made oath that the foregoing statement by him subscribed is in all respects correct and true.

Before me,

Dated — , —, 186-.

Collector — — district — —.

The entry will be made in triplicate, one to be retained by the collector, one sent with the duplicate of the bond to the Commissioner of Internal Revenue, and the other sent to the storekeeper in charge of the warehouse; and at the time of making said entry the distiller will give bond in duplicate on Form No. 80, which is hereby prescribed.

TAX ON DISTILLED SPIRITS.

Entries for deposit are to be made tri-monthly only, and such entry must cover the total amount of spirits deposited during the entire tri-monthly period next preceding the entry, and no entry for deposit can be made except as herein prescribed.

WITHDRAWAL OF SPIRITS FROM WAREHOUSE.

Spirits may be withdrawn from warehouse on payment of the tax on making with the collector of the district an entry for withdrawal in duplicate, as follows:

ENTRY FOR WITHDRAWAL OF SPIRITS FROM WAREHOUSE — TAX PAID.

Entry of distilled spirits to be withdrawn on payment of tax from distillery warehouse No. — —, by — —. Entered for deposit on the — day of —, A. D. 186-, by — —, in said warehouse.

Dated at — , —, 186-.

(Signed)

STATE OF — , County of — , ss:

Personally appearing — —, made oath that the foregoing statement by him subscribed is in all respects correct and true.

Before me,

Dated — , A. D. 186-.

Collector — — district — —.

On the payment of the tax, the collector will indorse upon the back of a copy of said entry an order to the storekeeper in charge of the warehouse, for the delivery of the spirits specified in the entry, in the following form, viz:—
Office of Collector of Internal Revenue, District of the State of, 186-

Sir: The full amount of taxes due and owing on the distilled spirits described in the within entry of withdrawal having this day been paid to me, you are hereby directed to deliver said spirits to Mr. , after this entry shall have been countersigned by the assessor of this district, or the assistant assessor, as directed by regulation.

(Signed)
 Storekeeper.

This order will be countersigned by the proper assessor, or assistant assessor, in the following form, viz:—

I hereby certify that the foregoing order has been presented to me, and that the amount of taxes certified therein to have been received has been entered in the bonded account of this district, kept in my office.

(Signed)
 Assessor.

This order must be presented to and signed only by the assessor, in all city districts, as well as in all other districts where the warehouse from which the goods are withdrawn is situated in the same place or town with the assessor's office, or is within a convenient distance therefrom. In other districts the certificate may be signed by the assistant assessor of the division in which the warehouse is situated; and in such case he must immediately make an entry upon the assessment book of the items stated in the permit, and transmit to his assessor a duplicate of the same, or a statement showing date, names, article, quantity, and amount of tax, as given in the entry.

The collector will place one of said entries on file in his office, and transmit the other to the Commissioner of Internal Revenue.

Entries for withdrawal may be made at any time after the spirits have been stored in the warehouse, and entered upon the bonded account. All the spirits produced in any distillery must be removed to the distillery warehouse, even when they are not immediately withdrawn therefrom on the payment of the tax; and the entry for deposit must be made at the regular tri-monthly period. All the spirits covered by it have been withdrawn. The bond to be given must cover all the spirits remaining in warehouse at the end of the tri-monthly period. If all the spirits deposited during that period have been withdrawn, no bond will be required; but the collector will, in such case, certify upon the entry that such spirits have been withdrawn upon the payment of the tax, giving the dates of the withdrawals, and the amount of the tax collected on each. When a portion only of the spirits deposited during the tri-monthly period is withdrawn prior to the entry for deposit, the bond will be taken for the quantity remaining in warehouse at the end of the tri-monthly period, and the collector will make a like certificate covering the quantity withdrawn.

Bonds and Withdrawal Entries to Be Stamped.

All warehousing bonds must be properly stamped, and the duplicate must be stamped as an original bond. Every entry for withdrawal (original and duplicate) must have affixed a 50-cent internal revenue stamp.

The Bonded Account.

The bonded account will be kept and reported as heretofore directed in Series 3, No. 9, pages 70 and 71, until otherwise ordered.

Filling up While in Bond Illegal.

If the question had not been frequently asked whether casks of spirits in distillery warehouses cannot be filled up before withdrawal, with spirits taken directly from the cistern, it would scarcely be necessary to state that such filling up is contrary to law, and whoever does, permits, or connives at the act, is guilty of a fraud upon the government.

Payment of Tax Within One Year.

As the law requires the tax to be paid within one year from the date of the bond, collectors are cautioned to keep the entries, accounts, and dates in such manner that the specified lots covered by each bond can be readily identified, and this provision of law promptly enforced. It is hardly necessary to add that this provision applies exclusively to distilled spirits produced since July 20, 1868.

Custody of Warehouse.

The storekeeper will have charge of the warehouse to which he may be assigned, under direction of the collector controlling the same. The warehouse will be in the joint custody of the storekeeper and the proprietor thereof, and kept securely locked. The storekeeper will retain the key of the government lock, and will not permit the same at any time to go into the possession of such proprietor, and the warehouse must at no time be unlocked or remain open unless in the presence of the storekeeper.
GAUGERS.

One or more internal revenue gaugers will be appointed (section 58) in every district where it may be necessary, who are to be sworn and give bond in not less than five thousand dollars, for the faithful discharge of their duties. Gaugers will inspect, brand, and stamp all spirits required by law to be inspected, and all spirits which have been inspected, when directed so to do by the collector. No gauger can be appointed a storekeeper, nor can he deputize or allow another person to act for him. Returns of inspections are to be made daily, in duplicate, to the assessor and collector, containing a true account, in detail, on Form No. 59.

GAUGERS' FEES.

The fees for gauging are to be collected by the collector of the district, and on the first day of each month he will pay to each gauger the amount of fees due him for the work done during the preceding month, not exceeding, however, $250 in any month. The accounts of the gaugers are to be settled and closed monthly. It was not intended that money earned by one gauger should be given to another who did not earn so much; nor, if a gauger's fees amount to more than $250 in any one month, can the balance be carried forward and paid to him in any succeeding month, when the aggregate fees for the month do not amount to that sum.

Under the clause in section 58, providing that fees for gauging shall be prescribed by the Commissioner, "to be paid to the collector by the owner or producer of the articles to be gauged and inspected," it is held that the collector may require prepayment of the fees before issuing the order to the gauger to gauge and inspect. This may not be practicable in the case of inspection at the distillery, as the number of packages cannot be precisely known until they are filled from the cistern, but in such cases prepayment will not generally be necessary in order to secure the fees. But in other cases, such as withdrawals from warehouse, and inspections for rectifiers, wholesale liquor dealers, &c., the number of packages may be known before the order for gauging is given. But whether this or any other course is pursued for the collection of gauging fees, the collector is required to report and retain all amounts received as such fees, until paid to the gaugers as directed by the regulations.

The collector will report monthly to this office, on Form No. 108, the amount of fees collected by him during the month, the amounts paid to the several gaugers, accompanied by the receipt of each gauger for the amount paid him, and the balance remaining in his hands on the last day of the month. The balance must be deposited to the credit of the Treasurer of the United States with the general collections, and be reported on Form No. 51 in an item by itself, the same as the monthly list, and on Form No. 22, using a new number, 168. The collector should charge himself with the balance thus deposited and reported on his quarterly account, Form No. 79.

From the daily returns of the gaugers, on Form No. 59, the assessor will transmit monthly to this office, on Form No. 109, a consolidated report, showing the number of packages gauged, and the fees earned by each gauger during the month. Both reports from the collector and assessor must be made promptly at the end of each month.

Collectors in districts where fees have not already been prescribed under the present law, are desired forthwith to recommend to this office what fees should be allowed for gauging in the respective districts.

Whenever it is found that the amount received by the collector for gaugers' fees exceeds the amount paid, it will be the duty of the collector to make a specific report of the facts to the Commissioner, and recommend such a change in the rate of fees as prescribed as will bring the receipts as nearly as possible to balance the expenditures, as it was not the intention of the law that this should be made a source of revenue to the government. While it is impossible to regulate the scale of fees so as to produce an accurate balance each month, they will be so regulated as to produce as little excess as possible.

LABOR AND EXPENSE OF GAUGING.

Section 58 also provides that "all necessary labor and expense attending the gauging of any article shall be borne by the owner or producer of such articles." Under this clause the labor of handling and moving barrels or packages, and the cost of branding-irons, furnaces, brushes, paste, and varnish, used in marking and stamping, are to be borne by the owner or producer. Each distiller should keep the articles named on hand. Travelling expenses do not seem to be included, and gaugers cannot be authorized to collect them as part of the expense of gauging.

INSTRUMENTS FOR GAUGERS.

Hydrometers are the only instruments furnished by the government for gaugers, and these must be obtained, used, and disposed of as directed in Series 2, No. 11, and Special No. 55. Every gauger must obtain, at his own expense, the calipers.
and other gauging instruments described in Series 2, No. 11, and must be used in the manner therein prescribed.

Collectors who have not been supplied with a sufficient number of hydrometers, or manuals for inspectors containing correction tables, &c., should send their orders for the same, with proper explanations, to the Commissioner.

**SACCHAROMETERS.**

No saccharometer having been yet adopted, distillers may use such saccharometers for ascertaining the gravity of beer as are in good repute and general use among brewers and distillers. The name of the scale used should, however, always be noted on the yeasting book.

**DISTILLERS TO KEEP BOOKS.**

Every distiller (section 19) is required to make true and exact entry daily, in books to be kept for that purpose, in the form and manner set forth in Forms Nos. 12, 13, 25, and 28, which forms are hereby prescribed, of all matters therein contained; and to render an account in duplicate on Form No. 14, taken from such books, on the first, eleventh, and twenty-first days of each month, or within five days thereafter, to the assistant assessor. No materials of a kind for which a special column is provided in Form No. 13 should be entered under the head of other materials; and in Form No. 12 every kind of material purchased must be specified.

Each account must be verified under oath or affirmation by the owner, agent, or superintendent of the distillery. The oath of a clerk or other employé is not sufficient.

Upon the receipt of the return, the assistant assessor should satisfy himself, by personal examination of the books and premises, of the accuracy of the entries made, and will then transmit the same to the assessor.

**ASSESSMENTS ON FORM NO. 89.**

On the receipt of the distiller's first return in each month, assessors will promptly make the computation required in section 20, and report their action to this office on Form 89, whether any additional assessment is made or not for any deficiency in the return of spirits produced. The additional special tax of $4 per barrel for each barrel in excess of 100 barrels is to be made on Form No. 89, as determined by the production, and the per-diem capacity-tax is to be entered on the same form. The survey made under section 10 is the basis for the assessment of the per-diem capacity-tax, and no return is required of the distiller therefor, as the assessment is to be made from the assessor's official records. The assessments made on Form No. 89 will be entered on the monthly lists and transmitted to the collector for collection.

Assessors and collectors will see that the various reports required to be made to them by storekeepers and other officers are promptly made, and any failure should be at once reported to the Commissioner.

**INSTRUCTIONS AS TO REPORTS ON FORM NO. 89.**

In order to secure correctness and uniformity in the monthly reports of assessors on Form No. 89, the following instructions are issued, and assessors will give them careful consideration and be governed strictly in accordance therewith in making up those reports.

The first question to be determined is whether or not the distiller has returned and accounted for all the spirits produced by him during the month. If the assessor finds that the distiller has not done this, then he will, from the best evidence he can obtain, estimate and determine the quantity of spirits produced ever and above the quantity returned, and this, added to the quantity returned, will be the quantity which should be entered on Form No. 89 as the required product or amount to be accounted for. If the assessor finds that the whole quantity produced has been returned and accounted for, this will agree with the reported product. It cannot be less than the reported product, unless the assessor is prepared to certify that the distiller has actually returned and accounted for more than he has produced. The assessor will be understood to certify that the distiller has actually produced the quantity of spirits entered on Form No. 89 as the required product or amount to be accounted for.

Under the provisions of section 20, the assessor is required to make this investigation personally, and in so doing he is not concluded by the reports of the distiller or storekeeper, but should use every other means in his power to test the correctness of the returns.

In ascertaining and determining the quantity of materials used from the quantity of mash made, the rule laid down in the law is that 45 gallons of mash from grain shall represent not less than one bushel of grain, and mash from molasses shall represent not less than one gallon of molasses; that is, 45 gallons of mash must represent not less than a bushel of grain, but may represent more. If the distiller
UNITED STATES INTERNAL REVENUE.

actually makes but 35 or 40 gallons of mash from a bushel of grain, then 35 or 40 is the divisor to be used instead of 45.

Under the amendatory act of April 10, 1869, in distilleries in which grain or meal is mashed by hand, and without the use of steam, and which have a producing capacity of less than 100 gallons of spirits in 24 hours, 60 gallons of mash or beer brewed or fermented from grain will represent not less than one bushel of grain.

The number of distilleries within this provision is comparatively small, and in making the surveys or computations on Form No. 89, assessors will follow the instructions hereinbefore given, starting with 60 instead of 45 gallons of mash as representing not less than a bushel of grain. In all cases the inquiry should be what is the usual and average quantity of mash made from a bushel of grain.

It must be remembered that this provision applies only to distilleries where grain or meal is mashed by hand without the use of steam, the actual producing capacity of which is less than 100 gallons in 24 hours.

In ascertaining or testing the correctness of the quantity of spirits reported as produced by comparison with the quantity of material found to have been used, the assessor, if he have no more definite means, will determine what quantity of spirits should be produced from a bushel of material of the kind and quality used. Suppose, for instance, the assessor finds from the reports and other evidence that the distiller has used for the month 425,925 gallons of mash from grain. This, at 45 gallons to the bushel, would call for 9465 bushels of grain; but if the distiller actually used a thicker mash, so that 40 gallons would represent a bushel, then it would call for 10,645½ bushels of grain. Suppose, then, the assessor finds that, under all the circumstances, the distiller has actually produced, and should be charged with, a product of 14 quarts to the bushel; he would then enter on Form No. 89, under the head of “amount charged with, a product of 14 quarts to the bushel,” 40,8327½ gallons, at 45 gallons of mash to the bushel, or 87,285½ gallons, at 40 gallons to the bushel.

Again, suppose that the distiller’s fermenting period is fixed at 72 hours; adding the 24 hours during which each tub must remain empty, no one of the tubs can be filled oftener than once in four days. If the assessor finds that the distiller actually ferments but 48 hours 48 hours, he must necessarily use more material than could have been used with 72 hours fermentation, and, of course, must have produced more spirits.

The importance of these computations as a means of testing the correctness of the returns of the distiller can be readily seen, and they all contain elements material to be considered in the determination of the question what is the quantity of spirits which has been actually produced by the distiller during the month.

After having determined this question, the assessor will calculate the 80 per cent. of the capacity as estimated under the provisions of the act. To determine the 80 per cent. of the capacity, the assessor will take the number of gallons fixed by the survey as the product for 24 hours, multiply this by the number of days for which the per diem capacity-tax should be assessed; 80 per cent. of this product is 60 per cent. of the capacity as determined by the survey, and this amount should be entered on Form No. 89. This is a matter of arithmetical computation, and errors are hardly excusable.

If the 80 per cent. exceeds the reported product, then an assessment must be made on the balance. If the amount actually produced is found to be correctly reported, and the amount so reported is less than 80 per cent. of the capacity as determined from the survey, the difference between the reported product and 80 per cent. must be assessed. On this point the law is imperative. But if the amount actually produced and reported equals or exceeds the 80 per cent. no assessment is to be made. Where, however, the assessor finds that the distiller has actually produced more than he has reported or accounted for, and this amount exceeds the 80 per cent., the assessment is to be made upon the difference between the amount so found and the reported product, even though the reported product exceeds the 80 per cent., because the distiller should pay upon all the spirits produced by him.

Suppose the actual product is found to be 5000 gallons; reported product 5000 gallons; 80 per cent. capacity 6000 gallons, the distiller would be assessed upon 1000 gallons as a deficiency.

Suppose, however, the actual product is found to be 6500 gallons; reported product 5000 gallons; 80 per cent. capacity 6000 gallons, the difference between the reported product and 80 per cent. is 1500 gallons, and between the reported product and actual product is 1500 gallons, upon which last amount the assessment should be made.

When the difference between the actual product and the reported product is greater than the difference between the 80 per cent. and the reported product, the assessment will be upon the former quantity. When the reported product equals or