Pipe Line Company Sought.

Jan. 24,1035

Earl R. Wiseman, state commissioner of revenues, filed suit in Chancery Court yesterday against the Arkansas-Louisiana Pipe Line Company, seeking to collect \$42,469.30 alleged due the state as severance taxes on natural gas sold by the company to the Arkansas Western Gas Company between February 1, 1930, and September 30, 1934. The suit charged that the gas was delivered from the wells of the Arkansas-Louisiana company at Clarks-ville, Johnson county, and sold and distributed to residents of Fayetteville, by the Arkansas Western Gas Company. A severance tax of 2 1-2 per cent on 1,698,272,000 cubic feet of gas, valued at 10 cents per 1,000 cubic feet at the wells, is due the state, the commission's claim sets forth.

Guiana for the past five years. He said that the company uses boats to get the ore to the sea for shipment to mills.

Other company officials present were: J. W. Lewellen, chief clerk; Harry McDermott, general mine foreman and athletics director; Roy Miller, mill foreman; Clifford Jessup, chief engineer; George Cole, Bauxite city manager; Jeff Davis, chief of police; A. C. Reagan, school superintendent; W. A. Waggoner, superintendent; J. A. Waggoner, superintendent of the Bauxite and Northern Railway; John Doyle, agent for the Bauxite and Northern, and Lee Herring, conductor and yard-master.

The meeting was one of a series that the club is holding to familiarize members with products hauled by the rail-road. President Frank McCrory presided.

sas-Louisiana Pipe Line Company to collect \$42,469.30 alleged due as severance taxes between February 1, 1930, and September 30, 1934, was dismissed by Chancellor Dodge in Pulaski Chancery Court yesterday. The court sustained a demurrer contending that the suit could be brought only by the attorney general in the name of the state and that Wiseman had no authority to maintain the action. The defendant also attacked the suit on the ground it was not authorized by the Arkansas Corporation Commission but Chrisp & Nixon, special attorneys for the Revenue Department, filed an amendment citing authorization of the Corporation Commission. tion Commission.

Dismissal of Severance Tax Suit

Appealed.

May 26, 1935

An appeal was filed in the Arkansas Supreme Court yesterday by state Revenue Commissioner Earl R. Wiseman to determine the right of the commissioner to maintain a suit against the Arkansas-Louisiana Pipe Line Company for approximately \$43,000 in past due Taxes collected included the follows. er to maintain a suit against the Ar-kansas-Louisiana Pipe Line Company for approximately \$43,000 in past due

The suit was filed in Pulaski Chancery Court January 28 by Chrisp & Nixon, Little Rock law firm composed of Representative Robert W. Chrisp and Chrisp Alvan Chrisp Alvan Chrisp Alvan Chrisp and Chrisp Alvan Chrisp Alvan Chrisp and Chrisp Alvan Chrisp A Otis Nixon, as special attorneys appointed in December by the then attorney general, Walter L. Pope, and appropriate the special attorney general, walter L. Pope, and appropriate the special attorney general, walter L. Pope, and appropriate the special attorney general, walter L. Pope, and appropriate the special attorney are special attorneys appropriate the special attorneys

proved by Governor Futrell.

Attorney General Carl E. Bailey filed a motion soon after the suit was filed seeking to dismiss the special lawyers contending that his office was ready to handle the suit without paying special

This motion never was acted upon, but the defendant company filed a demurrer to the suit contending that the revenue commissioner has no authority to maintain the action, that the at-torney general is the only official who can institute back tax suits and that he can file such suits only after being authorized so by the Arkansas Corpora-

tion Commission. This demurrer was sustained by Chancellor Dodge and Chrisp & Nixon filed an appeal.

## Severance Tax Said to Have Hurt Arkansas

The heavy severance tax placed on bauxite by the 1923 Arkansas legislature forced the Republic Mining and Manufacturing Company to look for other fields of bauxite, with the result that large deposits have been found in Dutch Guiana in Central America, officials of the company said at a meeting of the Ark-La Club of the Rock Island Lines at the Hotel Marion last night. They said that because of the severance tax, the output of the mines at Bauxite was reduced from approximately 493,000 tons in 1923 to 89,779 tons in 1932.

L. R. Branting, superintendent of the mines at Bauxite, declared that talk that Arkansas has a monopoly in bauxite has done the state much harm and was partially responsible for the severance tax

He said the company could not afford place itself at the mercy of the Arkansas legislature and in self-defense had to look for other fields.

Arkansas's Per Cent Small. Gilber McCullach, personal relations manager for the company mines in the state, explained processes through which the bauxite ore is sent before the finshed aluminum is produced.

He said that Arkansas mines produce only 37 per cent of bauxite used and only 9.4 per cent of the world's

supply.

Frank B. Cuff of White Plains, N. " vice president of the company who visiting offices at Bauxite, made a brief talk. He has been in Dutch

## Revenue Commissioner Can't \$22,215 Back Bring Suit, Court Holds. 5/15/1935 The suit of Revenue Commissioner Earl R. Wiseman against the Arkansas-Louisiana Pipe Company to collect \$42,469,30 elleged during to

The report was forwarded to the state comptroller's office and will be included later in the geologist's annual report to the governor

Taxes collected included the follow-

Stone, \$568.39. Timber, \$499.37.

Timber, \$499.37.
Concerns audited for a five-year period, as far back as the state can go to collect back taxes, included three oil producers, five bauxite firms, two stone producers, and nine natural gas gasoline extraction plants.

Mr. Brown said in his report that he had received co-operation from all the firms audited and that all recoveries have been without litigation. He said he had found few cases where there had been an evasion of taxes with intention to defraud.

tention to defraud.