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Industrial Resources: Letcher County

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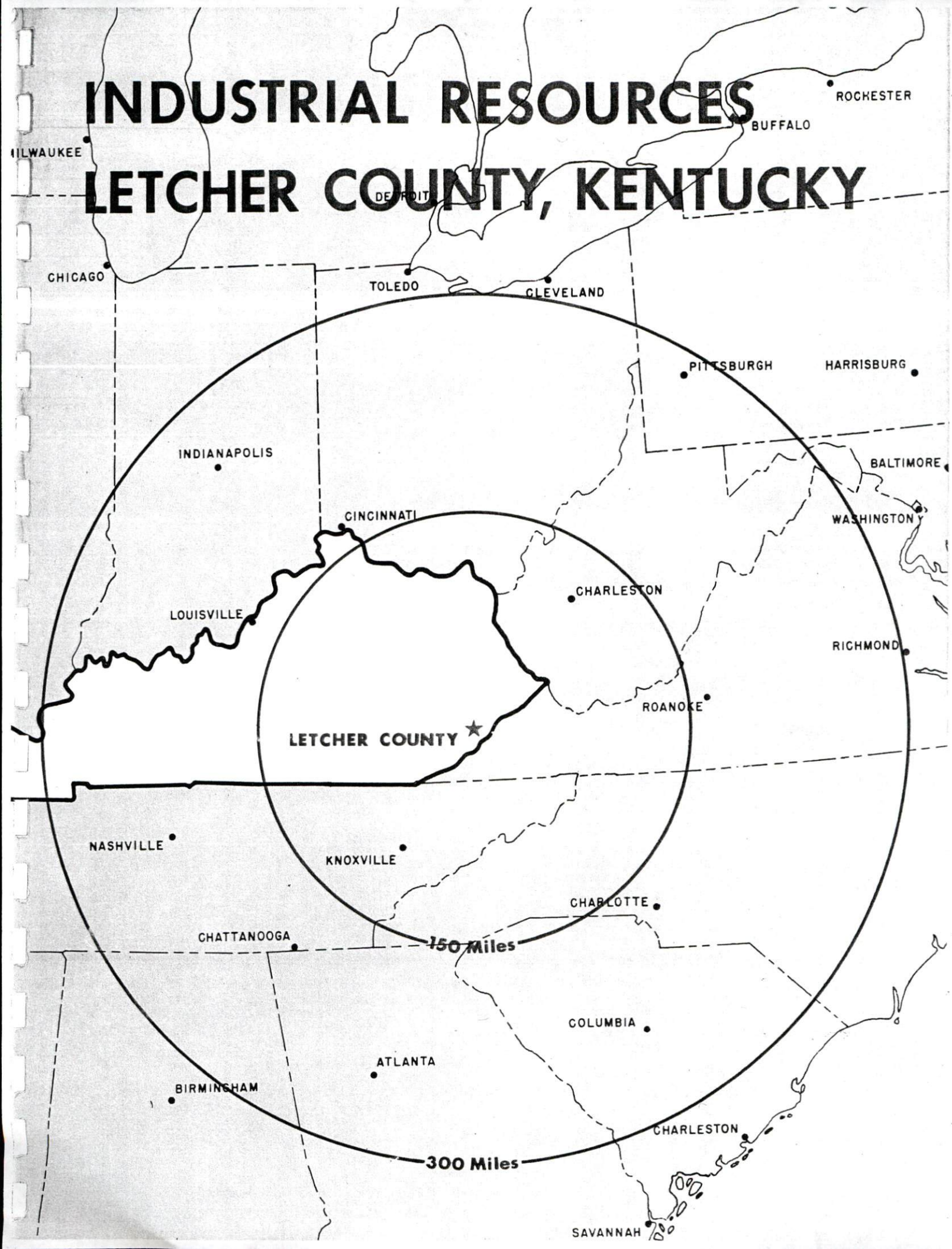
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INDUSTRIAL RESOURCES

LETCHER COUNTY, KENTUCKY



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LETCHER COUNTY, KENTUCKY

Prepared by

The Letcher County Development Association, Inc.
and

The Agricultural and Industrial Development Board of Kentucky

Frankfort, Kentucky

December, 1954

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CONTENTS

	<u>Page</u>
Foreword	1
Summary Data	2
Population and Labor	5
Materials	7
Fuel and Power	9
Water	10
Sites	10
Transportation and Transfer Facilities	10
Markets	13
Local Government	13
Living Conditions	15
Climate	17
Appendices:	
A.	Employment by Industry Division
B.	Economic Characteristics of the Population
C.	Climatic Data
D.	Kentucky Corporation Taxes
E.	City Bond Issues for Industrial Building
F.	Instructions for Filing Articles of Incorporation
G.	Cooperating State Agencies

INDUSTRIAL RESOURCES - LETCHER COUNTY, KENTUCKY

FOREWORD

This report sets forth industrial location data which manufacturers will find useful in considering expansion possibilities of Letcher County, Kentucky.

Letcher County is situated in the extreme eastern section of the state, within 150 to 450 miles from such leading industrial and distribution centers as Atlanta, Birmingham, Chattanooga, Cincinnati, Knoxville, Louisville, Nashville and Pittsburgh. The Cumberland and Black Mountains border the southeast and the Pine Mountains cross a portion of the county. The mountainous terrain accounts for an economy based primarily on mining and to a lesser extent on agriculture.

The statistical and factual data on Letcher County, summarized on the following two pages and explained more fully in the body of this report, cover the following basic industrial location factors: Population and labor supply, transportation, fuel and power, production materials, water, markets, existing industry, industrial sites, community facilities and services.

The report shows that an estimated 4,600 persons are available for industrial jobs in the immediate Letcher County labor supply area. Due to the absence of heavy manufacturing, Eastern Kentucky counties have for many years been prominent suppliers of labor to northern industries. Letcher County is located in one of Kentucky's most productive timber regions. These factors combine with an abundance of high quality mineral resources and contribute to lower production and materials cost.

The Letcher County Development Association and the Agricultural and Industrial Development Board of Kentucky are in a position to supplement the information carried in this report and otherwise to assist manufacturers interested in Letcher County. The Board maintains a staff of engineers and other specialists who are in a position to supply the following information: Topographic maps and aerial photographs of sites; quantitative and qualitative analyses of water supplies; mineral surveys and analyses; power, fuel and freight rates; industrial and consumer market data; tax and other governmental information.

SUMMARY DATA FOR LETCHER COUNTY, KENTUCKY

POPULATION, 1950: Jenkins - 6,921; Neon - 1,055; Whitesburg - 1,393;
Letcher County - 39,522.

LETCHER COUNTY LABOR SUPPLY AREA: Includes Letcher and all adjoining counties. Estimated number of workers available for industrial jobs in labor supply area - 2,600 men and 2,000 women. Number of workers available from Letcher County - 1,900 men and 1,700 women.

AVERAGE WEEKLY MANUFACTURING WAGES IN COVERED EMPLOYMENT, FOURTH QUARTER 1953: Letcher County - \$48.23; Kentucky - \$72.69.

EXISTING INDUSTRY:

Firm	Product	Employment		
		Male	Female	Total
Royal Crown Bottling Co.	Soft drinks	30	2	32
Levisa Stone Corp.	Crushed limestone	19	0	19
Neon Mfg. Corp.	Shirts & apparel	1	8	9
Caudill Lumber Co.	Lumber	10	0	10
Wardrup Provision Co.	Meat packing & slaughtering	-	-	46
Appalachian Marble & Granite Co.	Monuments	5	1	6

SITES: Letcher County has several available and suitable industrial sites.

For example:

Site #1: 10 acres, sloping; road; rail; water and power.

Site #2: 5 acres, sloping; road; rail; water and power.

RAILWAY SERVICE: Louisville and Nashville Railroad and Cincinnati and Ohio Railroad.

TRUCK LINES: Pinson Truck Line; Hazard Express; Conken Transit.

HIGHWAY DISTANCES: From Whitesburg

To	Miles	To	Miles
Atlanta, Ga.	345	Nashville, Tenn.	349
Cincinnati, Ohio	251	Pittsburgh, Pa.	445
Louisville, Ky.	237	St. Louis, Mo.	485

BUS LINES: Hazard Bus Lines, Sparks Brothers Bus Company and Bristol-Norton Line.

AIRPORT: The Tri-City Airport at Bristol, Virginia, served by Capitol and Piedmont Airlines.

POSTAL FACILITIES: Class Post Office - Whitesburg, 2nd; Jenkins, 2nd; Neon, 2nd. Mail received twice daily; mail dispatched twice daily. 1953 postal receipts - Whitesburg - \$22,309; Jenkins - \$12,600; Neon - \$8,300.

TELEPHONE SERVICE: Southern Bell Telephone and Telegraph in Whitesburg and Neon, and Universal Telephone and Telegraph Co. in Jenkins.

TELEGRAPH SERVICE: Western Union.

ELECTRICITY: Kentucky Power Co., transmission lines - two 33 KV, one 44 KV and one 144 KV lines. Large amounts available with prior notice.

WATER: Whitesburg served by Whitesburg Municipal Water Works; Jenkins and Neon served by Kentucky Water Service Co. Source of water - springs, deep wells and mine outflow.

GAS: Not presently available. However, a 10" United Fuel Gas Co. line and a 12" Kentucky-West Virginia Gas Co. line are available in adjoining Knott County.

COAL: Source - local mines. Prices can be contracted with local mine operators.

FUEL OIL: Source - trucked in from Somerset. Very little used at present.

SEWERAGE: Storm and sanitary sewerage systems are available in Jenkins and Neon. Bonds have been issued for constructing a sewerage system at Whitesburg.

PROPERTY TAX RATES: Per \$100, 1953: Whitesburg - \$3.16; Jenkins - \$3.00; Neon - \$3.00; and Letcher County - \$2.25.

LOCAL CONSIDERATIONS: Adequate school facilities; fire and police protection; garbage disposal; some available housing; hospitals and health facilities; supervised recreation and six denominations represented with Churches.

POPULATION AND LABOR

Population

The 1950 population of Letcher County was 39,522. Table 1 shows population figures for Jenkins, Whitesburg and Letcher County since 1900.

Table 1. Population Growth in Jenkins, Whitesburg and Letcher County, 1900-1950.

Year	Jenkins		Whitesburg		Letcher County		Kentucky
	Pop.	% Increase	Pop.	% Increase	Pop.	% Increase	% Increase
1900	-	-	194	-	9,172	-	-
1910	-	-	321	65.5	10,623	15.8	6.6
1920	4,707	-	706	119.9	24,467	130.3	5.5
1930	8,465	79.8	1,805	155.7	35,702	45.9	8.2
1940	9,428	11.4	1,616	- 10.5	40,592	13.7	8.8
1950	6,921	- 26.6	1,393	- 13.8	39,522	- 2.6	3.5
1953(est.) 1/	-	-	-	-	33,843	- 14.4	- 1.1

- The 1950 Population of Neon was 1,055.

Labor Force

Agriculture, Manufacturing and Mining. In 1950 agriculture employed 772 persons in Letcher County as against 2,019 in 1940. This was a decrease of 61.7% for the 10 year period. Manufacturing employed 279 in 1950 and 296 in 1940, a decrease of 5.7%. Mining employed 5,306 in 1950 and 4,376 in 1940, an increase of 21.3%. Thus, mining increased its employment between 1940 and 1950, offsetting the decrease in agriculture and manufacturing. However, since 1950, mining employment has dropped due to a slowdown in the demand for coal.

Available Labor Supply. 2/ The Letcher County labor supply area includes Letcher, Pike, Knott, Perry and Harlan Counties, Kentucky. This is the geographical area from which some commuting workers could be attracted.

Approximately 13,600 men and 10,400 women constitute the current recruitable area labor supply. These figures include 8,000 male claimants for unemployment insurance benefits. Letcher County could probably furnish 1,700 women and 1,900 men, including 1,000 from the unemployed male group.

1/ Source: Kentucky Agricultural Experiment Station, Population Estimates for Kentucky Counties, April 1, 1953 (Lexington, October, 1953)

2/ Source: Kentucky Department of Economic Security, Kentucky Area, June 17, 1954. Labor Supply Statement for Letcher County, Kentucky Area, July 30, 1954. Factors upon which estimates are based: 1) Persons who would shift from low-paying jobs such as farming (mostly men) and new entrants into the labor force (mostly women) when labor force participation rates are low; 2) The current unemployment measured here by unemployment insurance claimants; 3) Future labor supply due to aging of population and measured by boys and girls becoming 18 during the next 10 years.

A combination of distance and fairly rough terrain would detract workers commuting from certain communities. With consideration for these factors an estimated 2,600 men and 2,000 women workers probably could be recruited from the five county area. However, due to present depressed economic conditions in the entire area, a very large number of workers would probably move to new job opportunities in Letcher County.

During the next 10 years 34,700 boys and 33,500 girls in the labor supply area will become 18 years of age. Letcher County has about 5,300 boys and 5,170 girls in this total. This general population increase indicates that the future labor supply will exceed any foreseeable local demands.

Migration. In assessing the potential labor supply the trend in migration is significant. Net out-migration from Letcher County between 1940 and 1950 was 11,528 and 58,188 persons out-migrated from the entire area during this period. More recent migrations estimates reveal that between 1950 and 1953 a total of 45,363 persons out-migrated from the area. Among this total were 8,551 from Letcher County. Kentucky had an out-migration of 303,000 during the 10 years up to 1950 and recent increases in manufacturing have not yet begun to reduce the outflow.

The lack of employment in this heavily dominated coal mining area is a partial explanation for the decline in population. It is obvious that the local supply of jobs has not been adequate to meet the demands of a rapidly increasing labor force.

Wages. Some examples of wages in the area: female store clerks - \$.45 and \$.50 per hour; garment cutter - \$1.00 and \$1.20 per hour; apprentice sewing machine operator - \$.40 per hour; first class radio engineer - \$2.00 per hour; coal miners - \$15.00 and \$22.00 per day.

Average weekly wages in covered employment for the fourth quarter 1953 were \$62.54 for Letcher County and \$68.24 for Kentucky. Wages in manufacturing industries alone for the same period were \$48.23 for Letcher County and \$72.69 for Kentucky. According to the most recent data available, U. S. weekly wages in manufacturing were about \$10.00 higher than in Kentucky. 1/

In 1952 per capita income payments to individuals were \$755 for Letcher County, \$1,130 for Kentucky and \$1,639 for the United States. 2/

Labor-Management Relations. Described locally as excellent.

Existing Firms, Products and Employment. The following list of firms indicates something of the demand for labor and products available in Letcher County:

1/ Ibid., Page 4, footnote 2.

2/ John L. Johnson, Per Capita Income of Kentucky Counties in 1952, Bureau of Business Research, University of Kentucky, February, 1954.

Table 2. Letcher County Manufacturing Firms, Products and Employment.

Firm	Product	Employment		
		Male	Female	Total
Royal Crown Bottling Co.	Soft drinks	30	2	32
Brown Lumber Company	Rough lumber	20	0	20
Levisa Stone Corp.	Crushed limestone	19	0	19
Letcher Stone Co.	Crushed stone	12	0	12
Pine Mountain Sand & Gravel	Sand	12	0	12
Electric Machine & Supply	Machine shop	12	0	12
Caudill Lumber Co.	Lumber	10	0	10
Coca-Cola Bottling Works	Coca-Cola	9	1	10
Dr. Pepper Bottling Co.	Soft drinks	9	1	10
Kentucky & West Virginia Armature Co.	Machine shop	9	1	10
Appalachian Marble & Granite Co.	Monuments	5	1	6
Neon Mfg. Corp.	Shirts and apparel	1	8	9
The Mountain Eagle	Newspaper & job printing	4	2	6
Wardrup Provision Co.	Slaughter & meat packing	-	-	46

MATERIALS

Agricultural Products

Letcher County covers an area of 339 square miles, which represents 216,960 acres. The 1950 census lists 1,722 farms with an average size of 52.1 acres. Tenants operate 10.1% of all farms. Table 3 shows more detailed data for crops and livestock in 1950 and 1951.

Table 3. Agricultural Statistics for Letcher County. ^{1/}

Crops	1950 Production	Farm Value
Corn (bu.)	234,000	\$454,000
Tobacco (lbs.)	12,200	5,000
Alfalfa Hay (tons)	330	11,100
Clo-Tim Hay (tons)	990	29,500
Lespedeza Hay (tons)	150	4,200
Livestock	No. on Farms, 1951	Farm Value
All Cattle and Calves	8,400	\$966,000
Milk Cows	3,000	465,000
Hogs and Pigs	12,900	303,200
Chickens	110,000	126,500
Livestock Products	1950 Production	Farm Value
Eggs (doz.)	1,068,000	\$400,500
Milk (lbs.)	11,367,000	523,000

^{1/} Source: U. S. Department of Agriculture, Kentucky Agricultural Statistics, 1950.

Forests

Kentucky's forests are one of its largest resources. Both the amount of timber cut and the proportion used in manufacture within the state could well be increased. The total annual net growth of Kentucky forests is substantially greater than the amount of drain, and less than one-quarter of the lumber, veneer and bolts produced (611 million board feet in 1948) are used in manufacture in the state.

In Letcher County there were 29 sawmills that produced approximately 16.8 million board feet of lumber in 1947. ^{1/} There are 178,000 acres, or 82% of the county in forested area. The adjoining counties of Pike, Knott and Harlan are also heavily forested areas. The predominant types of timber are the oaks, hickory, beech, yellow poplar and light stands of pine.

Mineral Resources

Letcher County. Coal is by far Letcher County's most important mineral resource. Limestone, sand, sandstone and clay are also present. A limited supply of gravel for local use can be found along major streams.

Coal occurs along the southeastern margin of Eastern Kentucky in the Pine and Cumberland Mountains. In Letcher County, three seams of commercial thickness are present: Elkhorn, No. 4 (Whitesburg) and No. 4 (Hazard). Available information indicates that Letcher County's high volatile coals are low in ash and sulphur content and run about 15,000 BTU value (dry basis). Letcher County ranks sixth among Kentucky coal producing counties and in 1952 produced 4,588,723 tons of coal.

High calcium limestone suitable for agricultural lime and other possible chemical uses is available. Two quarries are currently operated in the county. Alluvial sands suitable for general construction are available. One current operation occurs at Whitesburg. Local sandstone and limestone is used for roadway and building construction. Alluvial clays suitable for ordinary brick and tile manufacture occur along major stream valleys.

Kentucky. In 1950, Kentucky ranked 8th in the nation in the production of minerals. Total production was valued at \$460 million and the principal minerals were coal, petroleum, gas and stone. In addition to the minerals shown in Table 4 significant amounts of lead, zinc and native asphalt are mined.

^{1/} Source: Industrial Possibilities of the Forest Reserve in Kentucky, Frankfort, 1953.

Table 4. Kentucky Mineral Production, 1950. 1/

Mineral	Unit	Amount
Coal	Thousand short tons	78,496
Petroleum	Thousand 42 gal. bbls.	10,381
Natural Gas	Million cubic feet	73,316
Stone (except limestone for cement)	Thousand short tons	7,417
Clays	Thousand short tons	719
Fluorspar	Short tons	80,137
Natural Gas Liquids	Thousand 42 gal. bbls.	1,779
Sand and gravel	Thousand short tons	2,383

FUEL AND POWER

Coal and Coke

There are 258 coal mines in Letcher County, which produced 1,425,769 tons of coal during 1953. The price of yard screenings is \$2.50 to \$3.00 per ton delivered. Stoker coal is \$5.75 per ton delivered and premium stoker (low ash, low sulphur content) is \$6.75 to \$7.25 per ton at the mines. 2/

Coke could be obtained from Ashland, Kentucky or Norton, Virginia. The price of Ashland coke varies from \$17.00 to \$24.00 per ton, plus freight. 2/

Gas

Gas is not presently available, however, a 10" United Fuel Gas Co. line and a 12" Kentucky and West Virginia Gas Co. line are available in adjoining Knott County. 2/

Fuel Oil

Fuel oil is trucked in from Somerset, Kentucky. Very little fuel oil is used locally at present. 2/

Power

Electricity is supplied by the Kentucky Power Company. There are two 33 KV lines, one 44 KV line and one 144 KV line. The supply is practically unlimited and any amount can be made available with prior arrangements. 2/

1/ Source: Minerals Yearbook, 1950 (Bureau of Mines, 1953)

2/ Current prices of coal, coke, gas, fuel oil and electricity will be supplied by the Agricultural and Industrial Development Board.

WATER

Water service is provided by the Whitesburg Municipal Water Works, which obtains water from two deep wells. Pumping capacity is 800,000 gallons per day. Maximum use is 200,000 gallons per day. Average use is 100,000 gallons per day. Storage facilities for 150,000 gallons. Pressure is 90 pounds p. s. i. and the mains are up to eight inches in diameter. Rates: First 2,000 gallons - \$2.00 minimum; next 1,000 gallons - \$1.00 per 1,000 gallons; next 2,000 gallons - \$.85 per 1,000 gallons; next 5,000 gallons - \$.65 per 1,000 gallons; over 10,000 gallons - \$.30 per 1,000 gallons.

Jenkins and Neon, Kentucky are served by the Kentucky Water Company, which obtains water from springs and wells. Pumping capacity is 1,700,000 gallons per day. Average use is 950,000 gallons per day. Pressure is 85-95 pounds p. s. i., and mains are up to 10" in diameter.

SITES 1/

Letcher County has a number of available and suitable sites varying from 5 to 10 acres. Several of these have road, rail, water, sewer and power facilities available. For example:

Site #1. This site has 10 acres of sloping terrain. Access is provided by a paved highway and the L&N Railroad. Utilities available include water and power.

Site #2. This site has 5 acres of sloping terrain. Access is provided by a paved highway and the L&N Railroad. Utilities available include water and power

TRANSPORTATION AND TRANSFER FACILITIES

Railroads

Letcher County is served by the Louisville and Nashville Railroad and the Chesapeake and Ohio Railroad. The L&N operates one freight daily from Neon to Cincinnati and Louisville. The C&O operates one freight daily from Jenkins to Cincinnati and points north. There is no local passenger service. Railway express service is available. The following table shows railway transit time for carload schedules from Neon to important market centers.

1/ More information may be obtained from the Kentucky Agricultural and Industrial Development Board, Frankfort, or the Letcher County Development Association.

Table 5. Carload Transit Time from Neon, Ky. ^{1/}

To	Hours	To	Hours
Atlanta, Ga.	80	New Orleans, La.	122
Chicago, Ill.	75	New York, N. Y.	100
Cleveland, Ohio	69	Pittsburgh, Pa.	80
Detroit, Mich.	97	St. Louis, Mo.	85
Mobile, Ala.	114	Washington, D. C.	108

Motor Carriers

Letcher County is served by U. S. Highways 119 and 23, and by state routes 7, 15, 113, 160, 275, 317 and 588. The transportation map on the next page shows the railroad, major highway, recreation areas and navigable waterways in the Letcher County area.

Table 6. Highway Distances from Whitesburg, Ky.

To	Miles	To	Miles
Atlanta, Ga.	345	Lexington, Ky.	168
Birmingham, Ala.	423	Louisville, Ky.	237
Chicago, Ill.	545	Nashville, Tenn.	349
Cincinnati, Ohio	251	New York, N. Y.	623
Detroit, Mich.	509	Pittsburgh, Pa.	445
Knoxville, Tenn.	153	St. Louis, Mo.	485

Bus Lines. Bus service in Letcher County is provided by the Hazard Bus Lines, Sparks Brothers and the Bristol-Norton Bus Line. Hourly service is provided to Hazard, Pikeville, Kentucky and Bristol, Virginia.

Truck Lines. Common carrier truck service is provided by Pinson Truck Lines, Hazard Express and Conken Transit.

Airways

The nearest commercial airport is Tri-City Airport at Bristol, Virginia, 106 miles from Whitesburg. It is served by Capital and Piedmont Airlines.

Mail Service

The 1953 postal receipts for each city follow: Whitesburg - \$22,309; Jenkins - \$12,600; Neon - \$8,300. All three have second class postal ratings. Mail is received and dispatched twice daily from each town.

^{1/} Source: Industrial Development Department, L&N Railroad.

MARKETS

Letcher County is located in the extreme eastern section of the state. Lexington, Chattanooga, Knoxville, Louisville, and Cincinnati lie within 300 miles of Letcher County. The 1950 population of Kentucky and nine states lying to the south was 28 million. Over 36 million people live in Kentucky and the seven adjacent states.

In 1953 retail sales in Letcher County were estimated at \$20,956,000. Effective buying income was estimated at \$723 per person and \$3,149 per family. 1/

LOCAL GOVERNMENT

Letcher County was established in 1842 out of parts of Perry and Harlan Counties and named in honor of Robert P. Letcher, Governor of Kentucky at the time. It is situated in the extreme eastern section of the state on the headwaters of the Kentucky River.

Whitesburg, the county seat of Letcher County, is a fifth class city and is governed by a mayor, elected for four years and five councilmen, elected for two years. Jenkins, a fourth class city and Neon, a fifth class city, are both governed similarly.

City Services

Fire Protection. The Whitesburg fire department is manned by a full-time chief and ten volunteers. Equipment consists of two pumper trucks with all related fire-fighting apparatus. The insurance rating for fire insurance purposes is sixth class.

Jenkins and Neon have fire departments manned by a total of 45 volunteers. Equipment consists of four pumper trucks and all related fire-fighting apparatus. Jenkins has a seventh class fire insurance rating, and Neon has a tenth class rating.

Police Protection. Jenkins - 4 policemen; Whitesburg - 3 policemen; Neon - 2 policemen.

Streets. Streets are maintained on a contract basis, none of the towns have a full time street cleaning department. However, a truck and a grader are owned by the city of Jenkins. Streets are cleaned weekly in the residential area and daily in the business districts.

1/ Source: Sales Management Magazine (May 10, 1954).

Garbage. Garbage service is provided twice weekly in Whitesburg as a free municipal service. Disposal at a city dump and fill. Jenkins and Neon have weekly garbage service which is provided by private contractors. Rates are determined by the amount collected.

Sewerage. Jenkins and Neon have adequate storm and sanitary sewerage systems. Disposal is by gravity flow into a nearby creek. Whitesburg has no sewerage system at present, however, bonds have been issued and bids are being accepted.

Taxes. Table 7 shows the property taxes applying in Whitesburg, Jenkins, Neon and Letcher County for 1953.

Table 7. Property Tax Rates Per \$100 Assessed Value: Whitesburg, Jenkins, Neon and Letcher County, 1953.

	Whitesburg	Jenkins	Neon	Letcher County
State	\$.05	\$.05	\$.05	\$.05
County	.70	.70	.70	.70
City	.91	.75	.75	---
School	1.50	1.50	1.50	1.50
Total	\$ 3.16	\$ 3.00	\$ 3.00	\$ 2.25

The ratio of assessment to market value is 40% for Whitesburg, Jenkins, Neon and Letcher County. This means that the effective tax on property in Whitesburg is \$1.26 per \$100, for Jenkins and Neon, \$1.20 per \$100 and for Letcher County, \$.90 per \$100. The total assessed value for Letcher County is \$22,265,190, for Whitesburg, \$1,300,000, Jenkins, \$4,050,000 and Neon, \$655,000.

Total 1953 city income for Whitesburg was \$30,824; city expenditures, \$30,907 and bonded indebtedness, \$19,000. Total 1953 city income for Jenkins was \$31,633; expenditures were estimated as approximately the same as the income figure. Jenkins has no bonded indebtedness. Neon had an income of \$12,800 and expenditures of \$10,000 in 1953. Neon has no bonded indebtedness.

The 1953-54 budget for Letcher County shows expenditures of \$162,431. Income was estimated to be approximately the same as expenditures figure.

LIVING CONDITIONS

Housing

In June, 1954, there were eight houses advertised for rent in the local papers. A modern two-bedroom house rents for \$40 to \$50 per month and costs \$5,000 to \$7,000 to construct.

Recreation

Recreation facilities for Letcher County include three supervised swimming pools, a golf course, country club, several theatres, a new drive-in theatre that has an enclosed section with 200 seats, athletic field and gymnasium.

Area facilities include: Cumberland National Forest; Dewey Lake; Dale Hollow; Cumberland Gap and the Breaks of the Big Sandy River.

Health

Fleming Hospital and Sharon Heights Hospital, which have approximately sixty beds each are located in Letcher County. There are thirteen physicians and six dentists in Letcher County. A new United Mine Workers Hospital is now under construction.

The Letcher County Health Department service includes: Communicable disease, venereal disease, and tuberculosis control programs; child health and crippled children's programs; and general sanitation, laboratory services and health education.

Education

Graded Schools. The following table shows the number of schools, enrollment and number of teachers for the schools in Letcher County. The Kentucky Department of Education gives a high school rating of "A" to four schools and a rating of "B" to two schools in the Letcher County system.

Table 8. Letcher County Enrollment and No. of Teachers.			
School System	No. of Schools	Enrollment	No. of Teachers
City	5	1,819	52
County	15	7,607	252
Parochial	1	42	1

Vocational Education. Kentucky's vocational education program utilizes thirteen specialized regional schools, which are partly integrated with secondary education. These special area trade schools prepare Kentuckians for a variety of trade and industrial occupations.

Letcher County is provided vocational education facilities by the Hazard Vocational School at Hazard, Kentucky. The enrollment in November 1953 was 220. As of April 1, 1952 the following courses were available: Auto mechanics, electricity, machine shop, mining mechanics, woodwork and welding. It should be noted that courses are subject to change as business and industrial needs require.

Colleges. Colleges in the vicinity include: Union College, Barbourville, 94 miles; Cumberland Junior College, Williamsburg, 114 miles; Pikeville College, Pikeville, 55 miles; Lees Junior College, Jackson, 78 miles; Sue Bennett College, London, 124 miles. (Distances from Whitesburg).

Churches

Churches of the following denominations are found in Letcher County: Methodist, Catholic, Baptist, Presbyterian, Church of God and Church of Christ.

Newspaper and Radio

The Mountain Eagle, a ten-page weekly, serves Letcher County.

WCTW, the local radio station, is independently owned.

Telephone and Telegraph

Whitesburg and Neon are provided telephone service by the Southern Bell Telephone and Telegraph Co., while Jenkins is provided service by the Universal Telephone and Telegraph Co.

Telegraph service is provided by local Western Union offices.

Hotels and Motels

Overnight accommodations are provided by the following: The Jenkins Hotel, Recreation Hotel, Ladd Hotel, Lakeside Hotel, Bently Hotel, Johnson Motel, Pine Mountain Hotel and Daniel Boone Hotel.

Clubs and Organizations

The various clubs and civic organizations include: Lions, Rotary, Kiwanis, Women's Club, Junior Chamber of Commerce, Women's Club, Junior Women's Club, Civic Women's Club, P-TA, Boy Scouts, Girl Scouts, Masons, Eastern Star, Knights of Columbus, Moose, American Legion and VFW.

CLIMATE

The average annual precipitation in Kentucky ranges from 38-40 inches in the northern part of the state to 50 inches or more in the south-central part. Late summer is normally the driest part of the year.

Winter is usually relatively open with midwinter days averaging 32 degrees F. in the northern parts to 40 degrees F. in the southern for about six weeks duration. Midsummer days average 74 degrees F. in the cooler uplands, to 79 degrees F. in the lowland and southern areas. The growing season varies from 180 days in the North to 210 in the South. Seasonal heating degree days average about 4,500 for the state.

Winds from the South and West prevail most of the year, but in winter, North winds may prevail for short periods.

Sunshine prevails for an average of at least 52% of the year, and increases to 60% or more to the southwest. Humidity is moderately high throughout the year.

Kentucky's climate is temperate. The climatic elements of sunlight, heat, moisture, and winds are all in moderation without prolonged extremes. Rainfall is abundant and fairly regular throughout the year. The seasons differ markedly yet warm to cool weather prevails with only short spells of extreme heat and cold.

APPENDIX

Employment by Industry Division	Appendix A
Economic Characteristics of the Population	Appendix B
Climatic Data	Appendix C
Kentucky Corporation Taxes	Appendix D
City Bond Issue for Industrial Building	Appendix E
Instructions for Filing Articles of Incorporation	Appendix F
Cooperating State Agencies	Appendix G

Table 9. Covered Employment by Major Industry Division, Letcher County, Ky., December, 1953.

Industry	Letcher County		Kentucky
	Number	Percent	Percent
All Industries	4, 109	100. 0	100. 0
Mining and Quarrying	3, 164	77. 0	9. 8
Contract Construction	20	0. 5	9. 0
Manufacturing	189	4. 6	36. 6
Food and products	68	1. 7	6. 1
Tobacco	0	0. 0	3. 8
Clothing and textiles	0	0. 0	5. 4
Lumber and furniture	113	2. 7	3. 4
Printing and paper	7	0. 2	1. 9
Chemicals, petroleum, etc.	0	0. 0	2. 9
Stone, clay and glass	1	0. 0	1. 1
Primary metals	0	0. 0	1. 7
Machinery and metal products	0	0. 0	9. 5
Other	0	0. 0	0. 8
Transportation and Utilities	34	0. 8	6. 7
Wholesale and Retail Trade	577	14. 0	27. 0
Finance and Real Estate	20	0. 5	3. 5
Service	105	2. 6	7. 1
Other	0	0. 0	0. 3

Economic Characteristics of the Population for Letcher County and Kentucky: 1950				
Subject	Letcher County		Kentucky	
	Male	Female	Male	Female
Total population	19,942	19,580	1,474,987	1,469,819
EMPLOYMENT STATUS				
Persons 14 years old & over	12,234	11,981	1,039,654	1,048,459
Labor force	8,538	1,010	799,094	214,162
Civilian labor force	8,531	1,009	777,155	213,916
Employed	8,053	919	748,658	206,328
Private wage & salary	6,518	552	437,752	156,377
Government workers	222	235	45,354	28,787
Self-employed	1,119	108	235,407	15,104
Unpaid family workers	194	24	30,145	6,060
Unemployed	478	90	28,497	7,588
Experienced workers	475	90	28,082	7,281
New workers	3	0	415	307
Not in labor force	3,696	10,971	240,560	834,297
Keeping house	54	8,614	5,495	665,564
Unable to work	756	237	70,583	38,564
Inmates of institutions	---	---	14,764	7,223
Other and not reported	2,886	2,120	149,718	122,946
14 to 19 years old	1,806	1,641	84,410	85,890
20 to 64 years old	882	413	47,447	28,942
65 and over	198	66	17,861	8,104
MAJOR OCCUPATION GROUP OF EMPLOYED PERSONS				
All employed	8,053	919	748,658	206,328
Professional & technical	204	189	34,405	25,410
Farmers and farm mgrs.	466	8	169,728	2,264
Mgrs., officials and props.	539	93	57,432	9,706
Clerical and kindred workers	220	157	33,228	47,520
Sales workers	193	166	35,141	20,534
Craftsmen and foremen	809	5	107,292	3,096
Operatives and kindred workers	4,823	47	152,280	37,609
Private household workers	2	72	1,584	21,408
Service workers	108	133	30,522	28,000
Farm laborers, unpaid fam.	185	6	29,165	3,260
Farm laborers, other	99	2	38,358	788
Laborers, ex. farm and mine	316	5	49,848	1,843
Occupation not reported	89	36	9,675	4,890

Source: Bureau of the Census, 1950 Census of Population (Washington, 1952),
Vol. II, Part 17, Tables 25, 28 and 43.

CLIMATIC DATA FOR LETCHER COUNTY, KENTUCKY.

Month	Temperature Norm. <u>1/</u>	Total Prec. Norm. <u>2/</u>	Average Relative Humidity Readings. <u>3/</u>			
	Degrees Fahrenheit	Inches	1:30 AM	7:30 AM	1:30 PM	7:30 PM (E. S. T.)
January	36.9	3.63	82	85	67	74
February	38.5	3.39	77	83	56	62
March	49.0	4.32	73	79	52	58
April	52.7	3.60	71	78	53	57
May	67.1	3.78	86	86	54	65
June	75.0	4.34	88	87	58	68
July	77.6	4.60	85	91	60	73
August	77.0	4.19	93	92	59	75
September	70.6	2.88	90	92	57	73
October	59.9	2.69	86	91	53	69
November	47.1	2.78	78	82	55	66
December	37.8	3.47	78	82	57	67
Annual Norm:	57.8	43.67				

1/ Thirty year norm: Station location - Pikeville, Pike County, Kentucky.

2/ Thirty year norm: Station location - Pikeville, Pike County, Kentucky.

3/ Length of record: 1:30 AM - 3 years; 7:30 AM - 3 years; 1:30 PM - 3 years; 7:30 PM - 3 years.
 Station location - Bristol, Tennessee.

Days cloudy or clear: (14 yr. rec.) - 85 clear; 124 partly cloudy; 156 cloudy.

Percent of possible sunshine: Not available.

Days with precipitation over 0.01 inch: (14 yr. rec.) - 134 days.

Days with 1.0 or more snow, sleet, hail: (8 yr. rec.) - 3 days.

Days with thunderstorms: (8 yr. rec.) - 53 days.

Days with heavy fog: (8 yr. rec.) - 50 days.

Prevailing wind: (11 yr. rec.) - West.

Seasonal Heating Degree Days: (14 yr. rec.) - approximate long-term means, 4,272 degree days.

KENTUCKY CORPORATION TAXES

Corporation Organization Tax

Domestic corporations having capital stock divided into shares are required to pay an organization tax to the Secretary of State at the time of corporation. The tax is based upon the number of shares authorized:

	<u>Rate Per Share (Par Value)</u>	<u>Rate Per Share (No Par Value)</u>
First 20,000 shares	1¢	1/2¢
20,001 through 200,000 shares	1/2¢	1/4¢
Over 200,000 shares	1/5¢	1/5¢

The minimum tax is \$10. If additional shares are authorized the tax is computed on the basis of the total number of shares, as amended, and the tax due in excess of that already paid must be paid at the time the amendment to the articles of incorporation is filed.

The tax applies to the capital of foreign corporations in case of merger or consolidation with a Kentucky corporation.

Corporation License Tax

All corporations except foreign insurance companies, domestic life insurance companies, building and loan associations, banks and trust companies, race track corporations, and franchise paying corporations are liable for the state corporation license tax of 70¢ on each \$1,000 value of capital stock represented by property owned or business transacted in Kentucky. The minimum license tax is \$10. An annual report of facts concerning the corporation and its business is required to be filed with the Department of Revenue not later than the 15th day of the 4th month following the close of the corporation's taxable year. The amount of the tax is computed from this return. The corporation income and license tax returns have been consolidated. Tax payment is due within 30 days after certification of the assessment of its capital stock.

Corporation Income Tax

The corporation income tax of 4 1/2% applies to the entire net income allocable to this state. Federal income taxes are allowed as a deduction. State and national banks, trust companies, domestic building and loan associations, insurance companies, and non-profit corporations are exempt from the tax. Payment is due on the 15th day of the fourth month after the close of the tax year. Payment of one-third of the tax may be deferred until the 15th day

of the seventh month and an additional one-third until the 15th day of the 11th month following the close of the tax year without interest.

Interest, dividends, rents and royalties, and capital gains not received in connection with the regular business of a corporation are subject to taxation by this state only when such income is received from sources within this state.

Kentucky's portion of taxable corporate income derived from public utilities and the manufacture and sale of tangible property is determined by applying to net income an average of the ratios of the value of tangible property, payroll, and amount of sales in this state to the total value of tangible property, payroll, and amount of sales of the corporation.

In general, this same method is used for allocating taxable income of corporations engaged in other types of business.

Franchise Company Taxes

Property of franchise companies (public service companies, railroad companies, common carrier trucking companies, etc.) is subject to taxation at the following rates per \$100 value: real, 5¢; tangible personal, 50¢; non-operating intangible property, 25¢; manufacturing machinery, 50¢; franchise and rolling stock of car line companies, \$1.50; and franchise (value over and above the actual value of tangible property), 50¢. With the exception of manufacturing machinery, franchise and rolling stock of car line companies, and non-operating intangibles, such property is also subject to local taxation.

Franchise companies must, between January 1 and March 31, file an annual report of its operations during the past calendar year. Assessment of franchise property is made by the Department of Revenue as of December 31 of each year. The total over-all value of the company is fixed by various means, among which are (1) capitalizing net utility operating income and (2) determining the market value of the company's stocks and bonds.

Tax payment is due within 30 days after the department's assessment becomes final.

General Property Taxes

Kentucky's constitution provides that all property, unless specifically exempt, shall be subject to property taxation. Assessments are required to be at fair cash value. Classification is provided. Kentucky courts have consistently held that uniformity takes precedence over full value. The state-wide assessment level on real estate is not more than 40%, on tangible personalty considerably less than 40% generally, and on intangible personalty approximately full value.

Both foreign and domestic corporations, other than franchise companies, must pay general property taxes on tangible property situated within this state and on intangible property which has acquired a situs in Kentucky at the following rates per \$100 value: real property, 5¢; agricultural products, 25¢; other tangible personalty, 50¢; bank deposits, 10¢; brokers accounts receivable, 10¢; and other intangible property, 25¢. Manufacturing machinery, all intangibles except bank shares, and livestock are exempt from local taxation. Agricultural products in storage may be taxed by counties at the rate of 15¢ per \$100. Real estate and all other tangible personalty are subject to full local levies.

County rates have a maximum of 70¢ but average about 65¢; school rates average \$1.45 with a maximum of \$1.50 except for special voted levies not to exceed 50¢. City rates average about 75¢ with a maximum of \$1.50 for cities over 15,000 population.

The Department of Revenue assesses bank deposits in Kentucky banks as of September 1 and distilled spirits and marginal accounts as of January 1. Tax payment is due on bank deposits on or before November 1 following the assessment date and on marginal accounts within 30 days after the department renders its tax bill to the taxpayer. The tax on distilled spirits may be paid tri-annually on January 1, May 1, and September 1, or annually between September 1 and January 1.

Other property is assessed for state, county, and county school taxes by county tax commissioners, and must be listed as of January 1 between January 1 and March 1. Tax payment is due between the following September 15 and January 1; if rendered before November 1 a discount of 2% applies. Exceptions are money in hand, deposits in out-of-state banks, and tobacco, which are assessed as of September 1; tax payments are due the second succeeding September 15.

City and city school assessment and payment dates vary.

Special Taxes

Banks and trust companies, building and loan associations, and insurance companies, which are exempt from corporation license and income taxes, are subject to special taxes.

Banks -- Each bank and trust company is required to pay for its stockholders an annual state tax of 50¢ per \$100 value of its capital stock. An annual report to the Department of Revenue and to the assessing officer of the county, city, and school district in which it is located is required by February 1. Tax payment, subject to a 2% discount if paid by November 1, is due between September 15 and December 31 following the assessment date. The assessed value of tangible property may be deducted from the total value of its shares.

Maximum local rates per \$100 are: counties, 20¢; cities, 20¢; and school districts, 40¢.

Building and Loan Associations -- A state tax of 10¢ per \$100 is levied on capital stock of domestic building and loan associations in lieu of all other state and local taxes. A report to the Department of Revenue as of January 1 is required by January 31 of each year. Tax payment is due by July 1 of the same year. Shares of borrowing members where the amount borrowed equals or exceeds the amount paid in by those members are exempt from taxation.

Foreign building and loan associations are required to pay an annual tax of \$3 on each \$100 received from shareholders residing in this state, less the amount loaned to shareholders residing in the state. A report must be filed with the Department of Banking on January 1 each year.

KENTUCKY REVISED STATUTES
1948

103.200 - 103.280

INDUSTRIAL BUILDINGS FOR CITIES GENERALLY

103.200 Definitions for KRS 103.200 to 103.280. As used in KRS 103.200 to 103.280, "industrial building" means any building or structure suitable for and intended for use as a factory, mill, shop, processing plant, assembly plant, or fabricating plant, to be rented or leased to an industrial concern by the city by which it is acquired.

103.210 Issuance of Bonds. In order to promote the reversion to peace-time economy, to relieve the conditions of unemployment, to aid in the rehabilitation of returning veterans and to encourage the increase of industry in this state, any city may borrow money and issue negotiable bonds for the purpose of defraying the cost of acquiring any industrial building, either by purchase or construction, but only after an ordinance has been adopted by the legislative body of the city specifying the proposed undertaking, the amount of bonds to be issued, and the maximum rate of interest the bonds are to bear. The ordinance shall further provide that the industrial building is to be acquired pursuant to the provisions of KRS 103.200 to 103.280.

103.220 Interest on Bonds; terms. (1) The bonds may be issued to bear interest at a rate not to exceed six percent per annum, payable either annually or semi-annually, and shall be executed in such manner and be payable at such times not exceeding twenty-five years from date thereof and at such place or places as the city legislative body determines.

(2) The bonds may provide that they or any of them may be called for redemption prior to maturity, on interest payment dates not earlier than one year from the date of issuance of the bonds, at a price not exceeding 103 and accrued interest, under conditions fixed by the city legislative body before issuing the bonds.

103.230 Bonds negotiable; disposal; payable only from revenue. Bonds issued pursuant to KRS 103.200 to 103.280 shall be negotiable. If any officer whose signature or countersignature appears on the bonds or coupons ceases to be such officer, before delivery of the bonds, his signature or countersignature shall nevertheless be valid and sufficient for all purposes the same as if he had remained in office until delivery. The bonds shall be sold in such manner and upon such terms as the city legislative body deems best, or any contract for the acquisition of any industrial building may provide that payment shall be made in such bonds. In no event shall any bonds be negotiated on a basis to yield more than 6% except as provided in subsection (2) in KRS 103.220. The bonds shall be payable solely from the revenue derived from the building, and shall not constitute an indebtedness of the city within the meaning of the Constitution.

It shall be plainly stated on the face of each bond that it has been issued under the provisions of KRS 103.200 to 103.280 and that it does not constitute an indebtedness of the city within the meaning of the constitution.

103.240 Use of proceeds of bonds. All money received from the bonds shall be applied solely for the acquisition of the industrial building, and the necessary expense of preparing, printing and selling said bonds, or to advance the payment of interest on the bonds during the first three years following the date of the bonds.

103.250 Receiver in case of default. If there is any default in the payment of principal or interest of any bond, any court having jurisdiction of the action may appoint a receiver to administer the industrial building on behalf of the city, with power to charge and collect rents sufficient to provide for the payment of any bonds or obligations outstanding against the building, and for the payment of operating expenses, and to apply the income and revenue in conformity with KRS 103.200 to 103.280 and the ordinance referred to in KRS 103.210.

103.260 Application of revenue; charges for use. (1) At or before the issuance of bonds the city legislative body shall, by ordinance, set aside and pledge the income and revenue of the industrial building into a separate and special fund to be used and applied in payment of the cost thereof and in the maintenance, operation and depreciation thereof. The ordinance shall definitely fix and determine the amount of revenue necessary to be set apart and applied to the payment of principal and interest of the bonds, and the proportion of the balance of the income and revenue to be set aside as a proper and adequate depreciation account, and the remaining proportion of such balance shall be set aside for the reasonable and proper operation and maintenance of industrial building.

(2) The rents to be charged for the use of the building shall be fixed and revised from time to time so as to be sufficient to provide for payment of interest upon all bonds and to create a sinking fund to pay the principal thereof when due, and to provide for the operation and maintenance of the building and an adequate depreciation account.

103.270 Depreciation account. (1) If a surplus is accumulated in the operating and maintenance funds equal to the cost of maintaining and operating the industrial building during the remainder of the calendar, operating or fiscal year, and during the succeeding like year, any excess over such amount may be transferred at any time by the city legislative body to the depreciation account, to be used for improvements, extensions or additions to the building.

(2) The funds accumulating to the depreciation account shall be expended in balancing depreciation in the industrial building or in making new constructions, extensions or additions thereto. Any such accumulations may be invested as the city legislative body may designate, and if invested the income from such investment shall be carried into the depreciation account.

103.280 Additional Bonds. (1) If the city legislative body finds that the bonds authorized will be insufficient to accomplish the purpose desired, additional bonds may be authorized and issued in the same manner.

(2) Any city acquiring any industrial building pursuant to the provisions of KRS 103.200 to 103.280 may, at the time of issuing the bonds for such acquisition, provide for additional bonds for extensions and permanent improvements, to be placed in escrow and to be negotiated from time to time as proceeds for that purpose may be necessary. Bonds placed in escrow shall, when negotiated, have equal standing with the bonds of the same issue.

(3) The city may issue new bonds to provide funds for the payment of any outstanding bonds, in accordance with the procedure prescribed by KRS 103.200 to 103.280. The new bonds shall be secured to the same extent and shall have the same source of payment as the bonds refunded.

The Following Amendment was made to KRS 103.200 to 103.280 by the 1952 Kentucky Legislature.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE COMMONWEALTH OF KENTUCKY:

Section 103.200 of the Kentucky Revised Statutes is amended to read as follows:

As used in KRS 103.200 to 103.280, "industrial building" or "buildings" means any building or structure suitable for and intended for use as a factory, mill, shop, processing plant, assembly plant, or fabricating plant, and/or the necessary operating machinery and equipment, to be rented or leased to an industrial concern by the city by which it is acquired.