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Industrial Resources: Harlan County - Cumberland

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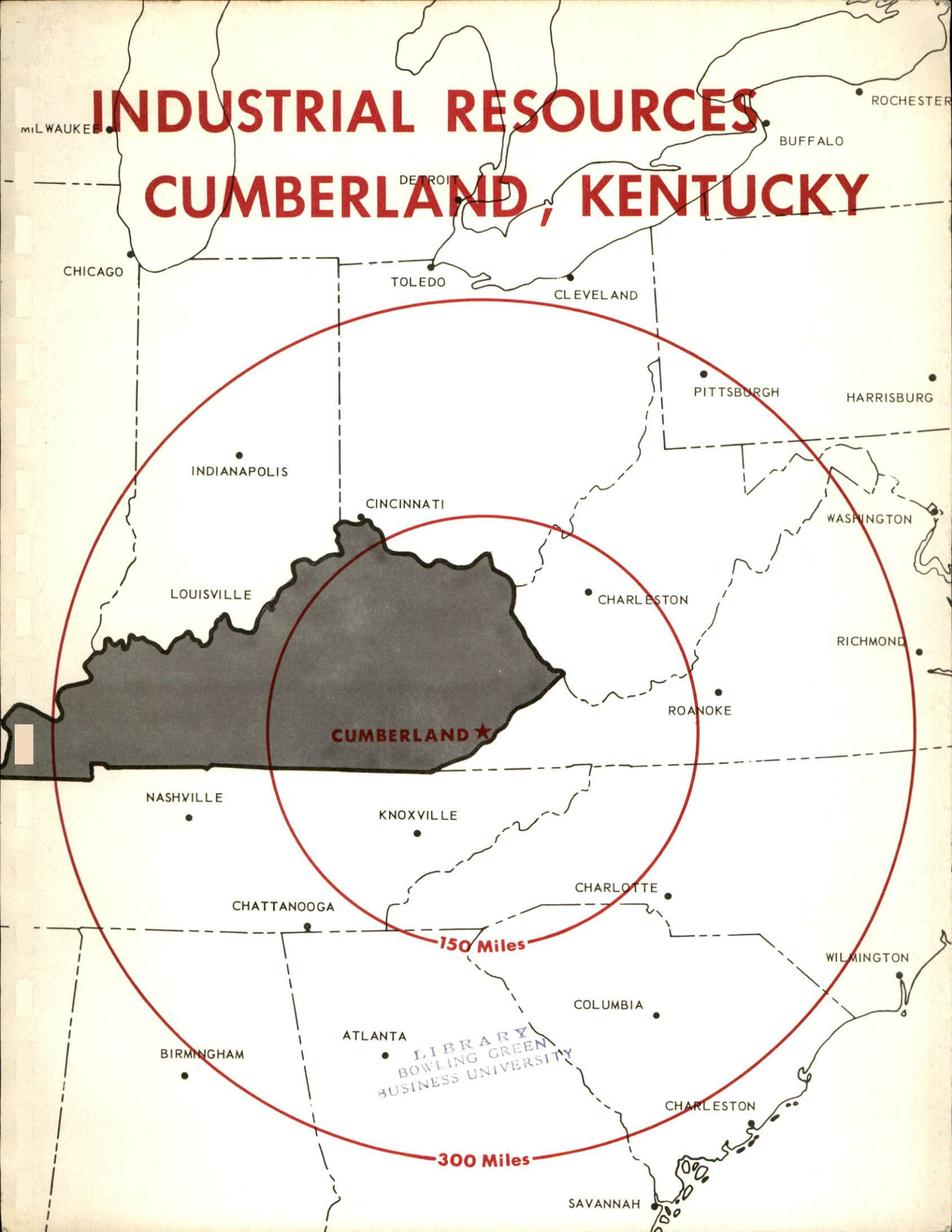
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INDUSTRIAL RESOURCES CUMBERLAND, KENTUCKY



INDUSTRIAL RESOURCES
CUMBERLAND, KENTUCKY

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Prepared by
Cumberland Planning & Zoning Commission
and
The Kentucky Department of Economic Development
Frankfort, Kentucky
January, 1959

INDUSTRIAL RESOURCES - CUMBERLAND, KENTUCKY

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SUMMARY DATA FOR CUMBERLAND, KENTUCKY

POPULATION, 1950: Cumberland - 4,249; Harlan County - 71,751.
1957 (Est.) Harlan County - 52,612.

CUMBERLAND LABOR SUPPLY AREA: Includes Harlan and all adjoining counties. Estimated number of workers available for industrial jobs in the labor supply area - 4,250 men and 10,700 women. Number of workers available from Harlan County - 1,912 men and 3,317 women.

TRANSPORTATION:

Railroads: Louisville and Nashville Railroad, Cumberland Valley Division, operating between Harlan and Lynch, serves Cumberland.

Air: Nearest commercial airports are at London, Kentucky, and Bristol, Tennessee, a distance of 90 miles. An airport for small aircraft is located near Harlan.

Trucks: Five truck lines serve Cumberland. The nearest terminal is in Harlan.

Bus Lines: Cumberland Coach Line.

HIGHWAY DISTANCES: From Cumberland

To	Miles	To	Miles
Atlanta, Ga.	322	Lexington, Ky.	174
Birmingham, Ala.	400	Louisville, Ky.	249
Chicago, Ill.	499	Nashville, Tenn.	326
Cincinnati, Ohio	258	New York, N. Y.	646
Detroit, Mich.	479	Pittsburgh, Pa.	443
Knoxville, Tenn.	130	St. Louis, Mo.	492

UTILITIES:

Electricity: Kentucky Utilities Company with a present generating capability of 519,000 kilowatts serves Cumberland.

Natural Gas: There is no natural gas distribution system in Cumberland.

Water: Water is supplied by the municipally owned water system.

Sewerage: Storm and sanitary sewers serve the city with the raw sewage being dumped into the North Fork of the Cumberland River. Plans are under way for the building of a sewage disposal plant.

POPULATION AND LABOR

Population

The 1950 population of Cumberland was 4,249. Table 1 shows population and recent rates of growth in Cumberland, Harlan County, and Kentucky.

Table 1. Population Growth in Cumberland, Harlan County and Kentucky, 1900-1950

Year	Cumberland		Harlan County		Kentucky
	Population	%Increase	Population	%Increase	%Increase
1900			9,838		
1910			10,566	7.4	6.6
1920	300		31,546	198.6	5.5
1930	2,639	779.7	64,557	104.6	8.2
1940	4,149	57.2	75,275	16.6	8.8
1950	4,249	2.4	71,751	-4.7	3.5
1957 (est.) 1/			52,612	-26.7	.4

Percent of Negro Population in City and County - 7.6%.
 Percent of Foreign Born Population in City and County - .5%.

Labor Force 2/

Location and Population Trend. Cumberland, Kentucky is situated in the southeastern part of the state, about 70 miles northeast of Cumberland Gap where Kentucky joins Tennessee and Virginia. For purposes of labor market analysis, the Cumberland area includes all of Harlan County plus the following adjoining Kentucky Counties: Bell, Leslie, Letcher and Perry.

The population of the Cumberland area was 220,978 in the 1950 Census of Population. In 1956 it was 182,061 showing a slight decrease of population over the six-year span.

There was a net out-migration of 38,917 with 13,835 of these from Harlan County. This is a definite indication that the supply of jobs in the area is not adequate to absorb the constantly growing labor supply.

Economic Characteristics of the Area. The most important industry in the area in the terms of the number of employees is the bituminous coal mining industry which had a total employment covered by unemployment insurance of 5,066 in Harlan County in March 1958 and 13,097 in the five-county area in the same month. The 1950 Census shows 4,088 farm employees in the five counties with 572 of this number in Harlan County. Covered manufacturing in March 1958 totaled about 1,746 with 830 of this in the lumber and furniture industry.

In terms of per capita income, Harlan County had an estimate of \$1,143, with a range of \$500 in Leslie County to \$974 in Perry. As a comparison the Kentucky State average was \$1,339 and \$1,940 for the United States. The United States average is usually \$10 higher than the State of Kentucky income.

During the first quarter of 1958 the average weekly wages in industry covered by unemployment insurance was \$83.05 while the average wage in manufacturing industries was \$60.35. The statewide average weekly wage during the same quarter was \$74.61 for all industries and \$84.34 in manufacturing.

Estimated Labor Supply for Industrial Jobs. There are three major components of the area labor supply.

1. The current unemployed, measured here by unemployment insurance claimants.
2. Persons who would shift from low paying jobs such as farming and new entrants into the labor force (mostly women).
3. Future labor supply due to aging of population and measured here by boys and girls becoming 18 years of age during the next 10 years.

It is estimated that at least 4,250 men and 10,700 women could be recruited for industrial jobs from the five county Cumberland area including about 2,174 men and 147 women now claiming unemployment insurance benefits. Due to distances involved all of this labor supply would not be available for jobs located at Harlan on a commuting basis. It is estimated that at least 1,912 of the men and 3,317 of the women could be attracted to jobs at Cumberland.

In addition to the current estimated labor supply about 20,310 boys and 28,330 girls in the area will become 18 years of age during the next 10 years with 9,470 boys and 9,015 girls from Harlan County. It is likely that at least 80 percent of the boys and 40 percent of the girls will want jobs.

Wages. Some examples of wages in the area are: Clerical and secretarial - \$.75 to \$1.00 per hour; Laborer - \$1.00 per hour; Semi-skilled - \$1.10 to \$1.50 per hour; Skilled - \$2.10 to \$2.25 per hour.

Labor-Management Relations. Labor-management relations in Cumberland are described locally as excellent.

EXISTING INDUSTRY

Existing Firms, Products and Employment

The following list of manufacturing firms indicates something of the demand for labor and products available in the immediate area of Cumberland.

Table 2. Manufacturing Firms, Products and Employment

Firm	Product	Employment		
		Male	Female	Total
Creech Lumber Company	Lumber	16	2	18
Edward Morris	Mine timbers	7	0	7
Hurricane Gap Sand & Gravel	Sand & gravel	30	0	30
Tri-City Printing Co.	Newspaper publishing and job printing	6	1	7

Unionization

Unions represented in this area are the AFL-CIO and UMW.

TRANSPORTATION

Railroads

The Louisville and Nashville Railroad, Cumberland Valley Division, operating between Corbin and Lynch, serves Cumberland with 3 freights daily. No passenger trains serve Cumberland. Facilities include switching service, enough track for 15 cars, and railway express. Outbound loads per month average 18 cars of coal and lumber, and the inbound loads per month average 5 cars of cement and building supplies. Railway Express provides delivery service.

Table 3. Railway Transit Time from Cumberland, Kentucky 3/

To	Arrive (Hrs.)	To	Arrive (Hrs.)
Atlanta, Ga.	35 1/2	Louisville, Ky.	32
Birmingham, Ala.	59 1/2	Los Angeles, Calif.	160 1/2
Chicago, Ill.	56 1/2	Nashville, Tenn.	53
Cincinnati, Ohio	32	New Orleans, La.	77
Cleveland, Ohio	75	New York, N. Y.	84
Detroit, Mich.	76 1/2	Pittsburgh, Pa.	59
Knoxville, Tenn.	28 1/2	St. Louis, Mo.	50

Highways

Highways serving the town are U. S. 119 and State Route 160.

Truck Lines. Trucking service is provided by Cumberland Motor Transit, Pinson, Railway Transit, Conken Freight Lines, with an office in Harlan, and Silver Fleet, Inc., with an office in Middlesboro. The nearest terminal is in Harlan, 22 miles distant.

Bus Lines. Cumberland is the headquarters of the Cumberland Coach Line which operates 4 buses daily to and from Harlan; 1 bus daily to and from Whitesburg and Jenkins. Greyhound connections are made in Harlan.

Table 4. Highway Distances from Cumberland

To	Miles	To	Miles
Atlanta, Ga.	322	Lexington, Ky.	174
Birmingham, Ala.	400	Louisville, Ky.	249
Chicago, Ill.	499	Nashville, Tenn.	326
Cincinnati, Ohio	258	New York, N. Y.	646
Detroit, Mich.	479	Pittsburgh, Pa.	443
Knoxville, Tenn.	130	St. Louis, Mo.	492

Airways

The nearest commercial airports are the London Airport and the Tri-City Airport at Bristol, Tennessee, both of which are 90 miles distant. The London Airport has one runway 100 feet wide and 4,000 feet long. The field is equipped for night operations and has a CAA radio, weather station. Piedmont Airlines serves the airport with three flights daily.

The Harlan County Airport is located between Harlan and Combs, 15 miles distant. This airport provides services for small aircraft only.

UTILITIES

Electricity

Electricity is supplied by Kentucky Utilities Company which serves all or part of 76 counties in the state. It has a generating capability of 519,000 kilowatts. In 1959, the company will add a 120,000 KW, \$15,443,000 generating unit at its Green River Generating Station near Central City, bringing the total

capability to 639,000 kilowatts. The company has interconnections with Louisville Gas and Electric Company, Ohio Power Company, Kentucky Power Company, Electric Energy, Inc., Central Illinois Public Service Company, T. V. A., and through Louisville Gas and Electric Company with Ohio Valley Electric Corporation. Present rates will be supplied by the Kentucky Department of Economic Development.

Natural Gas

Cumberland has no natural gas distribution facilities.

Water

Water is supplied by the Cumberland Water Works. The source is the North Fork of the Cumberland River. The storage capacity is 300,000 gallons, in a steel tank and an additional 50,000 gal. deep well. The water facilities have been extended recently to the community of Fields Creek. The pumping capacity of the system is 600,000 gals. per day and the maximum daily use is 250,000 gallons. The average pumping time to meet requirements is 12 hours and average pressure is maintained at 85 psi. The mains are 8", 6", and 4". There is a water surplus of 350,000 gals.

<u>Rates:</u>	<u>Domestic</u>		
	First	2,000 gal.	\$2.00 minimum
	From 2,000 -	8,000 gal.	.40 per thousand gal.
	Over	8,000 gal.	.35 per thousand gal.
	<u>Commercial</u>		
	First	22,000 gal.	\$6.40
	Over	22,000 gal.	.30 per thousand gal.

FUEL

Fuel Oil

There are several nearby sources of fuel oil for industrial and commercial users. On request, prices will be furnished by the Department of Economic Development.

Coal and Coke

Cumberland is located near the center of Kentucky's Eastern Coal Field region. This region produced 45,410,855 tons of high volatile bituminous coal in 1957. Harlan County's production for that year was 9,274,632 tons, of which 778,207 tons were produced from truck mines. 4/

On request, the Department of Economic Development will furnish current delivered prices of coal and coke.

COMMUNICATIONS

Postal Facilities

Cumberland has a second class post office with 6 full time employees. Mail is received and dispatched twice daily. Postal receipts for 1957 totaled \$24,671.97.

Telephone and Telegraph

The Cumberland Telephone Company provides manually operated telephone service. They serve 750 subscribers and long distance service is described as being good.

Western Union Telegraph Company serves the area.

INDUSTRIAL SITES

Site No. 1. Contains 30 acres of land with frontage on State Route 160. The Louisville and Nashville Railroad runs across this site affording excellent rail transportation. Water and power are available.

Site No. 2. This site contains 7 acres of level land bounded by State Route 160. The Louisville and Nashville Railroad parallels the site across the highway. Water and power are available.

LOCAL GOVERNMENT AND SERVICES

Type Government

Cumberland is governed by a mayor, elected every four years, and seven councilmen, elected every two years.

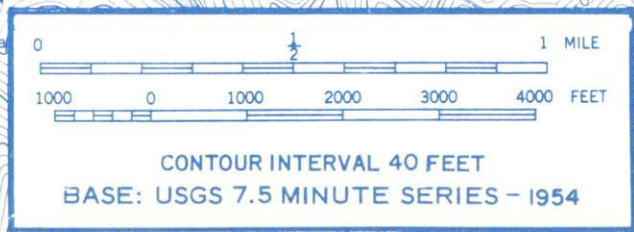
Laws Affecting Industry

Exemption to Industry. As provided by Kentucky Revised Statute 92.300, Cumberland may allow a five year property tax exemption to new industry that cannot be extended beyond the five year period.

LEGEND:
W - WATER
E - ELECTRICITY

SITE 1-30A.
W, E

SITE 2-9A.
W, E



Business Licenses. Business and occupational licenses are required.

Planning and Zoning. Recognizing the fact that Cumberland and its surrounding area will be faced with business and residential expansion, the Mayor and City Council of Cumberland established by ordinance a Planning Commission in October of 1957.

The Membership of the City Planning Commission is composed of citizens of the community who have accepted the appointment as a civic responsibility and who devote many hours to planning work. The job of planning, however, required many details which the members of the Planning Commission could not be expected to do. For this reason, the city officials and the Planning Commission requested the service of a trained and qualified City Planner to aid in the completion of their planning program. The city then requested the services of the Department of Economic Development, Division of Planning and Zoning to obtain the service of a City Planner. The City contracted for these services in July of 1958.

Realizing that the growth which will occur is either sound, efficient and economical, or not, depends upon planning and the execution of the resultant plan, the Planning Commission has prepared a schedule of work to plan for the development and redevelopment of the community to this objective.

The development program set forth by the Planning Commission consists of a number of related plans designed to serve as a guide for the physical growth and development of the community. The specific plans considered as a part of the over-all development plan include: Base Maps, Existing Land Use Studies, Zoning Ordinance and Map, Subdivision Regulations, Major Thoroughfare Plan, Future Land Use Plan, Capital Improvement Program, Community Facilities Plan, Annexation Studies.

In connection with the planning studies of the City, the City Government has become aware of the need for public low rent housing and has applied to the Housing and Home Finance Agency for federal aid to construct these units of public housing. In order to qualify for the federal aid, certain requirements have to be fulfilled by the City. Many studies planned by the Planning Commission are prerequisite to approval of the federal aid for Housing. The Mayor has appointed a Housing Commission to administer the housing project.

City Services

Fire Protection. The fire department personnel consists of a chief, assistant chief, and 12 volunteers. Equipment includes one 750 gallon per minute pumper truck and one 500 gallon per minute pumper truck. Both trucks

are fully equipped with 1,200 feet of 2 1/2" hose and 400 feet of 1 1/2" hose. An alarm is given by telephone and central siren. Cumberland has a Class 7 fire insurance rating.

Police Protection. Police protection is provided by a chief, assistant chief, and four patrolmen. Equipment consists of two patrol cars and one two-way radio. Radio transmission is relayed through the telephone company.

Garbage and Sanitation. Municipal collection is made daily in the business area and weekly in the residential areas. Collection charge is \$1.00 per month. Disposal is by the sanitary fill method.

Sewerage. The sewer system has separate storm and sanitary sewers. Storm sewer mains are 24"; sanitary mains are 6", 8", and 48". Raw sewage is discharged into the North Fork of the Cumberland River. The city has plans for a \$500,000 sewage disposal plant in the near future. Sewers cover 75% of the city and some septic tanks are now in use.

TAXES

Table 5 shows the property taxes applying in Cumberland and Harlan County for 1958.

Table 5. Property Tax Rates per \$100 of Assessed Value; Cumberland and Harlan County for 1958.

	Cumberland	Harlan County
County	\$.72	\$.72
State	.05	.05
City	.95	
School	1.50	1.50
Total	\$3.22	\$2.27

Ratio of Assessment. Cumberland - 25%
Harlan County - 30%

Total Assessment. Cumberland - \$2,220,465.00
Harlan County - \$40,524,893.00

City Income, 1957. \$ 72,465.67

City Expenditures, 1957. \$ 72,465.67

<u>City Bonded Indebtedness.</u>	\$ 40,000 (general obligation)
<u>County Income, fiscal year, 1956-57.</u>	\$310,000.00
<u>County Expenditures, fiscal year, 1956-57.</u>	\$328,080.09
<u>County Bonded Indebtedness, 1957.</u>	\$438,500.00

LOCAL CONSIDERATIONS

Housing

The housing facilities are limited at the present time; however, more housing units are anticipated in the near future. The rental range for apartments is \$25-\$50 per month and \$35-\$100 for 2 and 3 bedroom houses. Construction costs of 2 and 3 bedroom homes are \$8,500 - \$15,000 depending on type of construction. The New York addition, a modern sub-division, has recently been developed.

Health

Hospitals. The community is served by Notre Dame Hospital located at Lynch, and Benham Hospital, 5 and 2 miles respectively. Notre Dame is owned and operated by the Sisters of Notre Dame and is a fully accredited institution with 65 beds. It has a staff of 12 doctors, 4 of whom are specialty board certified, and a full-time x-ray and laboratory technician. Benham Hospital has a capacity of 25 beds and has a staff of 3 general practitioners as well as laboratory and x-ray facilities. This hospital is owned and operated by International Harvester Company.

The Cumberland Clinic located in Cumberland serves the area with a fully equipped out-patient clinic with a staff of 12 physicians. The clinic has x-ray, laboratory, and emergency room facilities. It is operated by the Cumberland Valley Medical Group. Cumberland and the surrounding area have 12 physicians, 5 dentists, 2 optometrists, and 15 registered nurses.

County Public Health Service. The county public health service is located in Harlan. The department's staff of one doctor, four nurses, three clerks and two sanitarians provides various health programs and general sanitation and laboratory services for Harlan County.

Education

Graded Schools. The school system is composed of two buildings; one has the first six grades and the other the last six grades. Twenty-three classrooms were added to the elementary school in 1957. At the present time the elementary school has 28 rooms and the high school has 27 rooms. The elementary school has an enrollment of 752 students with 28 teachers, and the high school has an enrollment of 724 students with 27 teachers. The facilities include gym, cafeteria, and industrial arts. The school system is not integrated.

Table 6. Schools, Enrollment and Number of Teachers in Cumberland and Harlan County, 1957-58 5/

System	Enrollment	Number of Teachers
Harlan County Elementary (total)	10,063	334
Harlan County High (total)	3,261	130
Harlan City Elementary (total)	1,417	37
Harlan City High (total)	498	14
Lynch City Elementary (total)	883	18
Lynch City High	375	12
Benham Holy Trinity Mission (parochial)	39	2
Benham St. Stephens (parochial)	65	3
Resurrection (parochial)	74	2

Vocational Schools. Kentucky's vocational program utilizes thirteen regional schools which are partly integrated with secondary education. These special area schools help prepare Kentuckians for a variety of trade and industrial occupations. The Harlan Area Vocational School offers courses in auto mechanics, machine shop, auto body repair, drafting, woodwork and electricity.

Colleges. Colleges in the area include Union College, Barbourville, 49 miles; Cumberland College, Williamsburg, 72 miles; Sue Bennett College, 77 miles at London; Pikeville College, Pikeville, 97 miles; Berea College, Berea, 125 miles; Eastern State College, Richmond, 137 miles; University of Kentucky and Transylvania College, Lexington, 163 miles; Centre College, Danville, 160 miles. The University of Kentucky has plans to build a two year extension school which will eventually go to four years. The school is to have a ten member faculty and facilities are to include laboratory space, offices, library, snack bar, lounge and recreation area, and book store. Initial construction money has already been appropriated.

Libraries

The school system libraries are available to the public.

Churches

The eight denominations represented in Cumberland are Baptist, Methodist, Catholic, Nazarene, Christian, Church of God, Pentecostal and Episcopal.

Banks

	Statement as of September, 1958	
	<u>Total Resources</u>	<u>Total Deposits</u>
Guaranty Deposit Bank	\$2,133,646.07	\$1,927,149.81

Hotel and Motel Accommodations

Cumberland Motel	15 units
Gilliam Motel	6 units
Benham Hotel	25 rooms
Lynch Hotel	100 rooms

Newspapers, Radio and Television

Newspapers. The local newspaper is the Tri City News which is published weekly. Daily papers from Knoxville, Louisville, Lexington, and Harlan are available.

Radio Stations. The local radio station is WCPM, an independent daytime station operating on 1,000 watts. Other reception is from WHLN, Harlan; WTCW, Whitesburg; and WNVA, Norton, Virginia.

Television. Television reception comes from Asheville, Huntington, Bristol, Johnson City, Knoxville, and Charleston by means of a co-axial cable.

Clubs and Organizations

Civic. Lions Club, Rotary Club, Tri-City Improvements Association, and P. T. A.

Fraternal. V. F. W., American Legion, Masons, F.O.P., Rod and Gun Club, and Redskin Athletic Council.

Women's Clubs. Eastern Star, Women's Club, Homemakers Club, B. S. P., and Lonesome Pine Garden Club.

Youth Clubs. Boy and Girl Scouts.

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Recreation

There is a 7 hole golf course at the Lynch Country Club, and a 9 hole course at the Cumberland Country Club. The city park has a playground, swimming pool, picnic tables and shelters, and tennis courts. Both Little League and Babe Ruth League teams play at the school baseball diamond. The school also has a lighted football field and playground. During the summer months a Youth Center is conducted at the school. Theatres that are available include two movies downtown and one drive-in. A privately owned park, 10 miles distant, provides swimming, boating, fishing and picnicking. Nearby parks which offer excellent facilities are Stone Mountain Park, Pine Mountain State Park, Cumberland Gap National Historical Park, Cumberland Falls State Park, and the Great Smoky Mountains National Park.

RESOURCES

Agricultural Products

Of the 300,160 acres in Harlan County, approximately 44,342 acres, or 14.8%, were farmed in 1954. The average size farm was 47 acres with the average acre being valued at \$68.47. The following table shows some agricultural statistics for Harlan County and Kentucky.

Table 7. AGRICULTURAL STATISTICS FOR HARLAN COUNTY, 1955 6/

Crops	Acres Harvested	Yield Per Harvested Acre	Total Production
Corn (bu.)	2,700	32.0	86,000
Burley Tobacco (lbs.)	3	1,800.0	5,000
Alfalfa Hay (tons)	200	2.0	400
Clo-Tim Hay (tons)	350	1.3	460
Lespedeza Hay (tons)	250	1.2	300
Product	Value of Farm Product Sold 1954		
Crops		\$59,000	
Livestock		94,000	
Dairy		14,000	
Poultry		26,000	
Forest		11,000	

LIVESTOCK STATISTICS FOR KENTUCKY

Livestock	No. on Farms, Jan. 1, 1957	Total Value (Dollars)
All cattle and calves	1,863,000	165,807,000
Milk cows	654,000	76,518,000
All hogs and pigs	1,239,000	25,895,000
Sheep and lambs	605,000	11,616,000
Chickens	8,745,000	7,958,000
Turkeys	70,000	308,000

Forests

The 273,000 acres of forests in Harlan County represent approximately 91% of the total area. Principal types of trees found are beech, hickory, oak, pine and yellow poplar.

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) is used in manufacture in the state.

Mineral Resources

Harlan County. Coal is, by far, the most important mineral resource of Harlan County. Limestones, clays, sandstones, and gravels also occur.

Coal. In production, Harlan County ranks first among the Eastern Kentucky Coal Field counties and second among the coal counties of the State. Production statistics for 1957 are as follows:

Rail Mines	-	Underground tonnage	8,189,564
		Strip tonnage	132,300
		Auger tonnage	183,330
		Total	<u>8,505,194</u>
Truck Mines	-	Underground tonnage	726,707
		Strip tonnage	36,900
		Auger tonnage	14,600
		Total	<u>778,207</u>
Total County Tonnage			9,283,401

A very thick section of coal Measure Strata, exhibiting many commercial coals, occurs in this area. The Harlan, Kellioka, High Splint and Darby are among the outstanding seams.

Quality: Harlan County coals, like those elsewhere in this section of the State, are among the nation's best. They are low in ash and sulphur content and high in B. t. u. value. Typical analyses of some of the more important seams are given on the following page.

Seam	Moisture	Volatile Matter	Fixed Carbon	Ash	Sulphur	B. t. u. Dry Basis	Ash Softening Temp. F
Harlan	2.5	37.3	57.2	3.0	.6	15,140	2,720
High Splint	4.1	37.9	54.7	3.3	.6	15,000	2,300
Darby	3.5	37.3	57.4	1.8	.5	15,020	2,170

Source: U. S. Department of the Interior, Bureau of Mines, Technical Paper 652, 1944.

Limestones. Limestones are present along the northwest flank of Pine Mountain where they have been brought to the surface by the Pine Mountain fault. High calcium stones occur in quantity and quality sufficient for agricultural lime and other possible chemical uses. Most of the county's stone is currently used for roadway construction. Analyses of selected high calcium, (95% or more CaCO_3 content) or near high calcium ledges, from a quarry near Harlan, are given below:

Insol. Res. %	$\text{R}_2\text{O}_3\%$	$\text{CaCO}_3\%$	$\text{MgCO}_3\%$	Ledge Thickness
1.34	0.26	94.15	3.73	15
1.18	0.22	96.60	1.70	8
2.20	0.34	96.00	0.35	17

Source: Kentucky Geological Survey, Report of Investigations - No. 2, 1949.

Clays. Clays of quality suitable for ordinary brick and tile manufacture are available. Several deposits in the Wallins vicinity have recently (1950-51) been analyzed. Deposits ranging between 10 and 22' in thickness have been sampled.

Sandstones and Silica Sands. Local sandstone deposits have been used for building and highway construction. Analyses of a sample of the Lee sandstone near the top of Pine Mountain, about 3 miles north of Harlan, indicate a SiO_2 content of 97.880%, Fe_2O_3 content of .079%, and Al_2O_3 content of 1.511%.

Gravels. Gravels suitable for limited local uses, occur along the Cumberland River and its tributaries.

Kentucky. In 1954, Kentucky ranked 11th in the nation in the production of minerals. Total production was valued at \$327 million and the principal minerals were coal, petroleum, gas and stone. In addition to the minerals shown in Table 8, significant amounts of lead, zinc and native asphalt are mined.

Table 8. Kentucky Mineral Production, 1954 7/

Mineral	Unit	Amount
Coal	Short tons	59,964,408
Petroleum	Thousand 42 gal. bbls.	13,791
Natural Gas (Marketed Production)	Million cubic feet	72,713
Stone (except limestone for cement)	Short tons	10,129,725
Clays	Short tons	571,481
Fluorspar	Short tons	35,481
Sand and gravel	Short tons	4,729,606
Natural gas liquids	Thousand gal.	218,190

MARKETS

Cumberland is one of the secondary retail trading centers of Harlan County. Cities which lie within a 300 mile radius of Cumberland include Atlanta, Birmingham, Cincinnati, Louisville, Lexington and Nashville.

In 1957, retail sales in Harlan County were estimated at \$30,641,000; effective buying income was \$1,030 per capita and \$4,384 per household. 8/

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 southcentral 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. Sunshine prevails for an average of at least 52 percent of the year, and increases to 60 percent or more to the southwest.

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, though warm to cool weather prevails with only short periods of extreme heat and cold.

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APPENDIX

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HISTORY

Harlan County was formed in 1819, becoming the 60th in the state. It was named for Major Silas Harlan, an Indian fighter who fell at the Battle of Blue Licks.

The City of Cumberland, located in the northeast section of Harlan County on the Poor Fork of the Cumberland River, was first settled in 1895 and incorporated in 1917.

The principal source of employment is coal mining which employs approximately 2,300 people in the immediate area. In 1950 the population of Cumberland was 4,300 and a recent estimate (1957) indicates that it is the largest city in the county with 5,100 people.

Appendix B

Covered Employment by Major Industry Division Harlan County, Kentucky				
Industry, December, 1957	Harlan County		Kentucky	
	Number	Percent	Number	Percent
All Industries	10,221	100	454,964	100
Mining & Quarrying	5,239	51.3	39,643	8.7
Contract Construction	226	2.2	28,050	6.2
Manufacturing	454	4.4	172,876	37.9
Food and kindred products	187	1.8	24,703	5.4
Tobacco	--	--	18,419	4.0
Clothing, Tex. & Leather	--	--	24,041	5.3
Lumber & furniture	227	2.2	14,456	3.2
Printing, Pub. and paper	29	.3	9,726	2.1
Chemicals, petroleum, coal & rubber	5	.05	13,288	2.9
Stone, clay & glass	--	--	4,884	1.1
Primary metals	--	--	7,539	1.7
Machinery, metal & equip.	--	--	53,150	11.7
Other	6	.05	2,670	.6
Transportation, Communication & Utilities	283	2.8	32,346	7.1
Wholesale & Retail Trade	1,705	16.7	126,699	27.8
Finance, Ins. & Real Estate	173	1.7	18,509	4.1
Services	2,141	20.9	35,517	7.8
Other	--	--	1,324	.3

Economic Characteristics of the Population for Harlan County and Kentucky: 1950				
Subject	Harlan County		Kentucky	
	Male	Female	Male	Female
Total Population	36,440	35,311	1,474,987	1,469,819
EMPLOYMENT STATUS				
Persons 14 years old & over	22,605	22,137	1,039,654	1,048,459
Labor force	16,928	2,561	799,094	214,162
Civilian labor force	16,921	2,560	777,155	213,916
Employed	16,133	2,421	748,658	206,328
Private wage & salary	14,291	1,609	437,752	156,377
Government workers	468	497	45,354	28,787
Self-employed	1,268	250	235,407	15,104
Unpaid family workers	106	65	30,145	6,060
Unemployed	788	139	28,497	7,588
Experienced workers	769	127	28,082	7,281
New workers	19	12	415	307
Not in labor force	5,677	19,576	240,560	834,297
Keeping house	131	15,788	5,495	665,564
Unable to work	1,713	569	70,583	38,564
Inmates of institutions	55	9	14,764	7,223
Other and not reported	3,778	3,210	149,718	122,946
14 to 19 years old	2,919	2,602	84,410	85,890
20 to 64 years old	699	515	47,447	28,952
65 and over	160	93	17,861	8,104
MAJOR OCCUPATION GROUP OF EMPLOYED PERSONS				
All employed	16,133	2,421	748,658	206,328
Professional & technical	461	473	34,405	25,410
Farmers & farm mgrs.	339	19	169,728	2,264
Mgrs., officials & props.	843	133	57,432	9,706
Clerical & kindred wkrs.	531	377	33,228	47,520
Sales workers	563	478	35,141	20,534
Craftsmen and foremen	2,007	11	107,292	3,096
Operatives & kindred wkrs.	10,018	148	152,280	37,609
Private household wkrs.	10	304	1,584	21,408
Service workers	337	379	30,522	28,000
Farm laborers, unpaid fam.	84	12	29,165	3,260
Farm laborers, other	142	3	38,358	788
Laborers, ex. farm & mine	642	11	49,848	1,843
Occupation not reported	156	73	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 CUMBERLAND, HARLAN COUNTY, KENTUCKY

Month	Temperature Norm <u>1/</u> Degrees Fahrenheit	Total Prec. Norm <u>1/</u> Inches	Average Relative Humidity Readings <u>2/</u> 6:30 AM	6:30 PM (CST)
January	38.1	4.43	85	74
February	39.8	4.20	83	62
March	48.4	5.30	79	58
April	56.9	4.38	78	57
May	64.3	4.05	86	65
June	72.5	4.56	87	68
July	75.5	4.84	91	73
August	74.5	4.17	92	75
September	69.9	2.61	92	73
October	57.4	2.49	91	69
November	46.2	3.37	82	66
December	39.2	4.48	82	67
Annual Norm	56.9	48.87		

1/ Station Location: Middlesboro, Bell County, Kentucky

2/ Station Location: Bristol, Tennessee

Length of record - 6:30 AM readings - 3 years; 6:30 PM readings - 3 years.

Days Cloudy or Clear: (14 years of record) - 85 days clear; 124 days partly cloudy; 156 days cloudy.

Percent of Possible Sunshine: Not available.

Days with Precipitation over 0.01 Inch: (14 years of record) - 134 days.

Days with 1.0 or More Snow, Sleet, Hail: (8 years of record) - 3 days.

Days with Thunderstorms: (8 years of record) - 53 days.

Days with Heavey Fog: (8 years of record) - 50 days.

Prevailing Wind: (11 years of record) - West.

Seasonal Heating Degree Days: (14 years of record) 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 rate is 5% on the first \$25,000 of taxable net income and 7% on all over \$25,000 taxable net income. Taxable net

income is that portion of the corporation's entire net income which is attributable to Kentucky operations. Federal income taxes are allowed as a deduction in arriving at taxable net income to the extent that such Federal income tax is applicable to Kentucky operations.

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.

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 corporation 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 their 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. Classification is provided and assessments are required to be at fair cash value. However, Kentucky courts have consistently held that uniformity takes precedence over full value. As of 1955, the statewide assessment level on real estate and tangible personalty is about 35 per cent, and on intangible personalty is approximately full value.

State ad valorem tax rates, applicable to the various classes of property are shown on the table below. Property which may be taxed locally, subject to constitutional or statutory limits, is indicated by the designation "full" or by the maximum rate which may be levied on a particular class of property.

	Rate Per \$100 Assessed Value			
	State	County	City	School
Annuities	\$.05	\$No	\$No	\$ No
Bank deposits	.10	No	No	No
Bank shares	.50	.20	.20	40
Brokers accounts receivable	.10	No	No	No
Building and loan association capital stock	.10	No	No	No
Car lines	1.50	No	No	No
Distilled spirits	.50	Full <u>1/</u>	Full	Full
Farm products in storage	.05	.05 (tobacco) .15 (other)	.05 (tobacco) .15 (other)	No
Farm products in the hands of producers or agent	.25	No	No	No
Intangibles, franchise	.50	Full	Full	Full
Intangibles, franchise nonoperating	.25	No	No	No
Intangibles, not elsewhere specified	.25	No	No	No
Livestock and poultry	.50	No	No	No
Machinery, agricultural and manufacturing	.50	No	No	No
Raw materials and products in course of manufacture	.50	No	No	No
Real property	.05	Full	Full	Full
Tangible personalty, not elsewhere specified <u>2/</u>	.50	Full	Full	Full

1/ County rates have a maximum of 70¢ but average 62¢; school rates average \$1.56 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.

2/ Includes automobiles and trucks, merchants inventories and manufacturers finished goods, business furniture and fixtures, etc.

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 STATE AND LOCAL TAXES
APPLICABLE TO A MANUFACTURING CONCERN**

	<u>State</u>	<u>Local</u>									
Business Taxes	<p>1. Corporation income tax of 5% on first \$25,000 and 7% on all over \$25,000 of taxable net income which is allocated to Kentucky, <u>after</u> deduction of Federal corporation income tax attributable to Kentucky operations.</p> <p>2. Corporation license tax of 70 cents on each \$1,000 of that part of the value of capital stock represented by property owned or business transacted in Kentucky; minimum tax \$10.</p>	There are no local taxes levied on business firms outside corporate limits of Kentucky cities.									
Personal & Individual	Individual income tax consisting of: (1) a normal tax which ranges from 2% on the first \$3,000 of net income to 6% on net income in excess of \$8,000 <u>after</u> the deduction of Federal individual income tax payments, which is reduced by a tax credit of \$12 for each exemption; and (2) a surtax which ranges from 10% on the first \$25 normal tax to 30% on all over \$100 normal tax.	There are no local individual income taxes levied outside the corporate limits of Kentucky cities.									
Real Estate	Five cents on each \$100 of assessed valuation. The average county assessment ratio is approximately 33 percent of current market value.										
Machinery & Equipment	Fifty cents on each \$100 of assessed valuation. The average assessment ratio is approximately 33 percent of current market value.	No local taxing jurisdiction allowed to impose a property tax on manufacturing machinery and equipment.									
Inventory	Fifty cents on each \$100 of assessed valuation. The average assessment ratio is approximately 33 percent of current market value.	No local taxing jurisdiction is allowed to impose a property tax on manufacturing inventories, raw materials and goods in process.									
Sales & Use	None	None									
Intangible Property	<p>The assessment ratios and tax rates per \$100 of assessed value for the various classes of intangible property are as follows:</p> <table> <tr> <td>Bank Deposits</td><td>100%</td><td>10¢</td></tr> <tr> <td>Stocks & Bonds</td><td>100</td><td>25</td></tr> <tr> <td>Accounts Receivable</td><td>85</td><td>25</td></tr> </table>	Bank Deposits	100%	10¢	Stocks & Bonds	100	25	Accounts Receivable	85	25	No local taxing jurisdiction allowed to impose a property tax on intangible property.
Bank Deposits	100%	10¢									
Stocks & Bonds	100	25									
Accounts Receivable	85	25									

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 reconversion 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.

COMMONWEALTH OF KENTUCKY
DEPARTMENT OF STATE
Secretary of State, Frankfort, Kentucky

INSTRUCTIONS FOR FILING ARTICLES
OF
INCORPORATION FOR FOREIGN CORPORATIONS
IN KENTUCKY

1. Original articles of incorporation and all existing and subsequent amendments to original articles must be filed with the Secretary of State of Kentucky, certified by the Secretary of State of the state of incorporation, as of the current date, in chronological order. A \$25.00 filing fee for original articles and amendments is required. A fee of \$10.00 is required for recording articles and amendments.

2. A statement of corporation designating a process agent and place of business in Kentucky required, for which the filing fee is \$5.00. Our Constitution requires that the process agent reside at the place of business.

3. Photostatic copies will be accepted for filing and recording, if they are PLAINLY LEGIBLE and in proper legal form with respect to size, durability, etc., and of such size and quality as to permit them to be rephotostated.

For further information write to

Thelma L. Stovall,
Secretary of State,
Commonwealth of Kentucky.

COOPERATING STATE AGENCIES

As a state, Kentucky realizes the importance of industry in developing her many resources. In addition to the Department of Economic Development, which was created for the express purpose of promoting the economic development of the Commonwealth, there are many state agencies actively engaged in programs which, directly or indirectly, contribute materially to the solution of problems which affect our industrial growth. Since it is a statutory function of the Department of Economic Development "to coordinate development plans," contact with the following state agencies and others concerned may be established through this agency.

The Kentucky Highway Department, in planning its program of development and expansion, gives every consideration to the needs of existing and proposed industries. During the year 1955, 2,560 miles of highway and bridges were placed under contract at a total cost of \$49,133,000. This figure does not include \$30,000,000 which was spent on a new turnpike opened in August 1956, between Louisville and Elizabethtown, Kentucky. Kentucky has ranked in the upper fourth of all states in recent years in both the number of miles of highway construction and in the amount of money spent.

The Department of Economic Security will furnish data regarding potential labor supply, prevailing wage rates, characteristics of labor supply and employment and economic characteristics for any area in the State. The Department's Division of Employment Service with offices in 24 cities in the State is available at all times to assist in recruitment of workers for industry both old and new. All local offices in the State are equipped to administer specific aptitude tests for 270 different occupations as a part of the recruitment process. These tests facilitate getting the "round peg" into the "round hole" thereby helping to reduce worker turnover and training time.

The Kentucky Department of Industrial Relations has been highly successful in its relations with both management and labor. Representatives of this department are available at all times to consult with industries on any matter in which they can be of service.

The Kentucky Department of Revenue offers the services of its tax consultants to industries seeking locations within the state, as well as to resident industries.

The Kentucky Department of Economic Development takes pride, not only in the services it has to offer to industries seeking locations in Kentucky, but in the service it attempts to render on a continuing basis to existing industry. Established industries have found the state to be considerate of their welfare and we welcome the opportunity to introduce representatives of prospective new industries to our present family of industries.