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## Industrial Resources: Harlan County - Harlan

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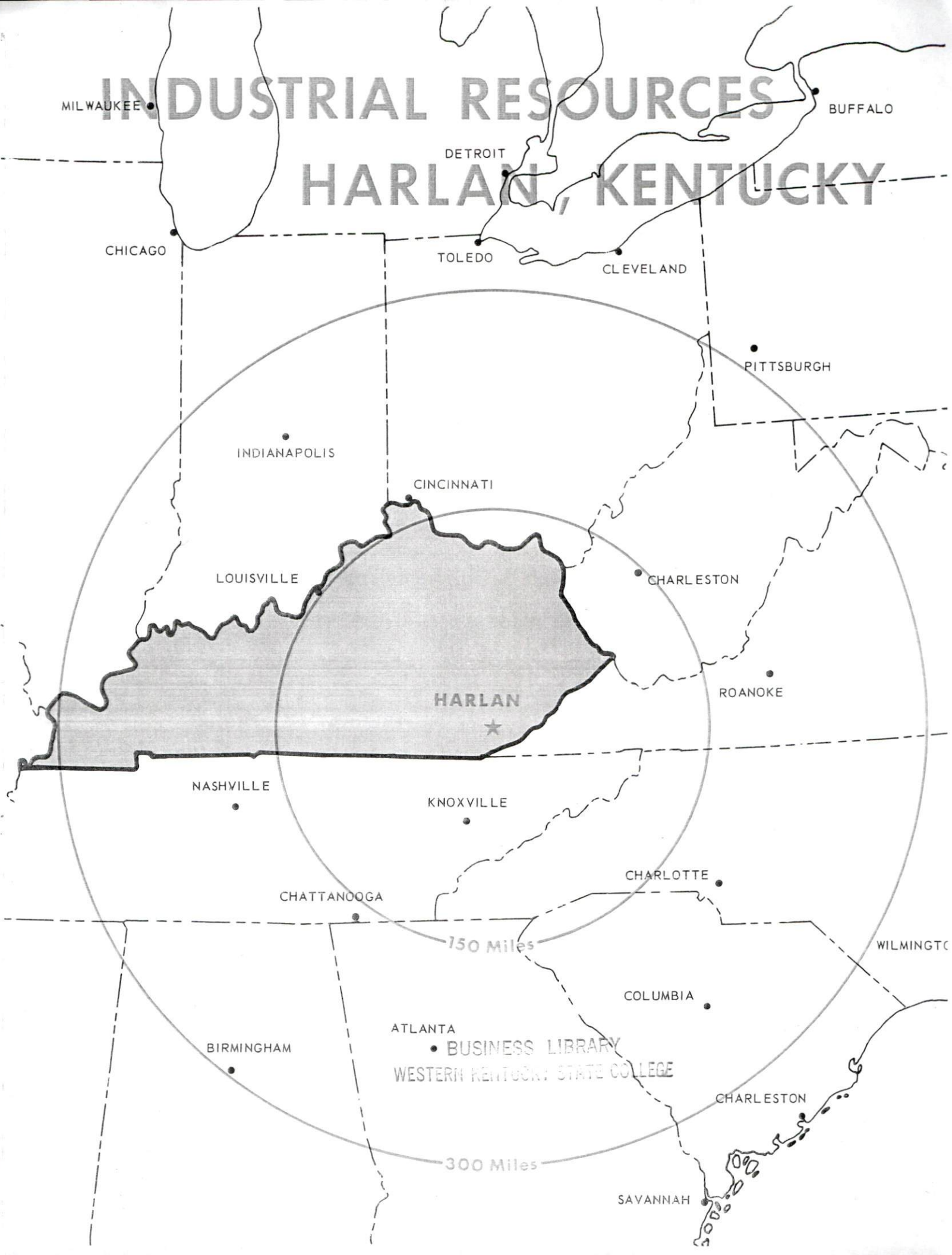
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# INDUSTRIAL RESOURCES HARLAN, KENTUCKY



INDUSTRIAL RESOURCES

HARLAN, KENTUCKY

Prepared by

The Harlan County Chamber of Commerce

and

The Kentucky Department of Commerce

Frankfort, Kentucky

January, 1964

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# INDUSTRIAL RESOURCES

## HARLAN, KENTUCKY

### TABLE OF CONTENTS

<u>Chapter</u>	<u>Page</u>
SUMMARY DATA. . . . .	1 - 2
POPULATION AND LABOR MARKET. . . . .	3 - 7
Population . . . . .	3
Economic Characteristics . . . . .	3
Labor Market. . . . .	4
Supply Area . . . . .	4
Labor Potential Defined . . . . .	4
Numbers Available . . . . .	4
Future Labor Supply . . . . .	5
Area Employment Characteristics . . . . .	6
LOCAL MANUFACTURING . . . . .	7 - 8
Prevailing Wage Rates . . . . .	8
Unions. . . . .	8
TRANSPORTATION . . . . .	9 - 11
Railroads . . . . .	9
Highways . . . . .	9
Truck Service . . . . .	10
Bus Lines . . . . .	10
Air. . . . .	11
UTILITIES AND FUEL . . . . .	11 - 12
Electricity. . . . .	11
Natural Gas . . . . .	11
Coal and Coke. . . . .	11
Fuel Oil. . . . .	12
WATER AND SEWERAGE . . . . .	12 - 13
Public Water Supply. . . . .	12
Water Resources . . . . .	13
Surface Water . . . . .	13
Ground Water . . . . .	13
Sewerage System . . . . .	13



<u>Chapter</u>	<u>Page</u>
INDUSTRIAL SITES . . . . .	13
LOCAL GOVERNMENT AND SERVICES . . . . .	14 - 15
Type Government . . . . .	14
City . . . . .	14
County. . . . .	14
Laws Affecting Industry . . . . .	14
Property Tax Exemption . . . . .	14
Business Licenses . . . . .	14
Planning and Zoning . . . . .	14
Fire Protection . . . . .	14
Police Protection . . . . .	15
Garbage and Sanitation. . . . .	15
Financial Information . . . . .	15
TAXES . . . . .	15 - 16
Property Taxes . . . . .	15
Real Estate Assessment Ratios . . . . .	16
Net Assessed Value of Property . . . . .	16
OTHER LOCAL CONSIDERATIONS. . . . .	16 - 21
Educational Facilities . . . . .	16
Graded Schools . . . . .	16
Vocational Schools . . . . .	17
Colleges . . . . .	17
Health. . . . .	18
Hospitals . . . . .	18
Public Health . . . . .	18
Housing . . . . .	18
Communication . . . . .	18
Telephone and Telegraph. . . . .	18
Postal Facilities . . . . .	18
Newspapers . . . . .	18
Radio . . . . .	18
Television. . . . .	18
Libraries . . . . .	19
Churches. . . . .	19
Financial Institutions . . . . .	19
Hotels and Motels . . . . .	19
Clubs and Organizations . . . . .	19
Recreation . . . . .	19
Local . . . . .	19
Area . . . . .	20

<u>Chapter</u>	<u>Page</u>
Community Improvements . . . . .	20
Recent. . . . .	20
Under Construction. . . . .	20
Planned . . . . .	21
NATURAL RESOURCES. . . . .	21 - 26
Agriculture. . . . .	21
Minerals . . . . .	23
Forests. . . . .	26
MARKETS . . . . .	26 - 27
CLIMATE . . . . .	28 - 29
APPENDIX	
A. History	
B. Employment by Industry Division	
C. Economic Characteristics of the Population	
D. Kentucky Corporation Taxes	
D. - 1 Taxes Applicable to a Manufacturing Concern	
E. City Bond Issues for Industrial Buildings	
F. Instructions for Filing Articles of Incorporation	
G. Cooperating State Agencies	
H. Map Section	

## SUMMARY DATA

### POPULATION:

1960: Harlan - 4,177

Harlan County - 51,107

### HARLAN LABOR SUPPLY AREA:

Includes Harlan and all adjoining counties. Estimated number of workers available for industrial jobs in the labor supply area: 4,162 men and 9,609 women. Number of workers available from Harlan County: 666 men and 2,901 women.

### TRANSPORTATION:

Railroads: Harlan is served by the Cumberland Valley Division of the Louisville and Nashville Railroad Company operating between Corbin, Kentucky, and Norton, Virginia, via Harlan.

Air: The nearest commercial air service is at London, Kentucky, 70 miles, the McGhee-Tyson Municipal Airport, Knoxville, Tennessee, 120 miles, and Tri-City Airport, 84 miles. The Tucker-Guthrie Memorial Airport in Harlan offers chartered plane service and facilities for private planes.

Trucks: Harlan is served by six common carrier truck lines.

Bus Lines: Southeastern Greyhound Bus Lines, Black Brothers Bus Lines, Cumberland Coach Lines, and VTC serve Harlan.

### HIGHWAY DISTANCES FROM HARLAN, KENTUCKY, TO:

<u>Town</u>	<u>Miles</u>	<u>Town</u>	<u>Miles</u>
Atlanta, Ga.	300	Lexington, Kentucky	156
Chicago, Ill.	517	Louisville, Kentucky	219
Cincinnati, Ohio	239	Nashville, Tenn.	301
Detroit, Mich.	497	New York, N. Y.	702
Knoxville, Tenn.	120	St. Louis, Mo.	483

### Electricity

Electric power is provided Harlan by the Kentucky Utilities Company.

### Natural Gas

There is no natural gas distribution system in Harlan.

### Water

Water is provided by the Harlan Municipal Water Works, whose source of supply is the Cumberland River.

### Sewerage

There is no central sewerage system in Harlan. Septic tanks are utilized by residents for sewage disposal. A sewerage plant is in the planning stage, and construction is to begin in the summer of 1964.



## POPULATION AND LABOR MARKET

### Population

Harlan has shown a large increase in population since 1910, the largest being in the second decade. Harlan had a decrease in population during the 5th and 6th decades.

Harlan County has followed much the same pattern as Harlan, showing a net increase in population for the past six decades, and a decrease in the 5th and 6th decades.

TABLE 1

POPULATION DATA FOR HARLAN AND HARLAN COUNTY  
WITH COMPARISONS TO THE KENTUCKY RATE OF CHANGE, 1910-60

<u>Year</u>	<u>Harlan</u>		<u>Harlan County</u>		<u>Kentucky</u>
	<u>Population</u>	<u>% Change</u>	<u>Population</u>	<u>% Change</u>	<u>% Change</u>
1910	657		10,566		6.6
1920	2,647	302.9	31,546	189.6	5.5
1930	4,327	63.5	64,557	104.6	8.2
1940	5,122	18.4	75,275	16.6	8.8
1950	4,786	- 6.6	71,751	- 4.7	3.5
1960	4,177	-12.7	51,107	-28.8	3.2

Percent nonwhite population in Harlan: 16.4

Percent nonwhite population in Harlan County: 7.9

### Economic Characteristics

Mining and quarrying accounts for the largest employment group in Harlan County. There were 2,802 people employed in this industry in September of 1962. The next largest groups are wholesale and retail trade with 1,106 workers, and services with 882 workers. Total employment at that time in all industries was 5,991, excluding those directly employed in agriculture.

Wage rates in Harlan County are slightly below the state average. The average weekly earnings during 1961 were \$83.20 for all industries and \$71.32 for manufacturing. During this same period the state average was \$83.44 for all industries and \$96.07 for manufacturing.

In 1960 per capita personal income for Harlan County was \$1,424; per capita income for Kentucky was \$1,573, far below the national average of \$2,223. It should be noted that Harlan County ranked 31st among Kentucky's 120 counties, and Kentucky ranked 46th among the 50 states.\*

Retail sales during 1962 were \$31,467,000.\*\*

#### Labor Market

Supply Area: The Harlan labor supply area is defined for the purpose of this statement to include Harlan County and the adjoining counties of Bell, Leslie, Letcher and Perry. Harlan also would attract a large labor supply from Lee and Wise Counties, Virginia.

Labor Potential Defined: The total estimated labor supply is composed of three major groups. The first two are currently available for industrial employment, the third group describes the potential for future years.

1. The current unemployed, measured here by unemployment insurance claimants.
2. Men who would shift from low paying jobs such as agriculture and women who would enter the labor force if jobs were available.
3. The future labor supply due to aging of the population and measured here by the number of boys and girls becoming 18 years of age during the 1960's.

Numbers Available: The population of the Harlan labor supply area was reported to be 162,447 by the 1960 U.S. Census of Population, which was a decrease of 58,521 persons since the 1950 census count of 220,968.

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\*Per Capita Personal Income in Kentucky, 1958-1960

\*\*Sales Management, Survey of Buying Power, June 10, 1963



TABLE 2

DISTRIBUTION OF THE CURRENT ESTIMATED LABOR SUPPLY WITH  
COMPONENTS, HARLAN AREA, JUNE, 1963\*

	<u>Total</u>		<u>Total</u>	<u>Labor Supply**</u>		<u>Unemployed</u>	
	<u>Male</u>	<u>Female</u>		<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>
Area Total:	4,162	9,609	13,771	2,342	9,492	1,820	117
Harlan	666	2,901	3,567	194	2,867	472	34
Bell	809	2,084	2,893	306	2,047	503	37
Leslie	653	831	1,484	507	820	146	11
Letcher	911	1,862	2,773	610	1,847	301	15
Perry	1,123	1,931	3,054	725	1,911	398	20

Future Labor Supply: The future labor supply will include some proportion of the 21,277 boys and 20,421 girls who will become 18 years of age by 1970.

The type of local employment available will probably be the most important internal factor with respect to the number of these children that will enter the area labor force.

TABLE 3

DISTRIBUTION OF THE FUTURE LABOR SUPPLY, HARLAN  
AREA, BASED ON 1960 U. S. CENSUS OF POPULATION DATA

	<u>18 Years of Age by 1970</u>	
	<u>Male</u>	<u>Female</u>
Area Total:	21,277	20,421
Harlan	6,712	6,422
Bell	4,476	4,275
Leslie	1,430	1,358
Letcher	4,061	3,888
Perry	4,598	4,478

\*Kentucky Department of Economic Security

\*\*Men who would shift from low paying jobs such as farming and women who would enter the labor force if jobs were available.

Area Employment Characteristics: The following three tables reveal the Harlan area employment in agriculture and the covered employment of manufacturing and all industries, respectively.

TABLE 4  
HARLAN AREA AGRICULTURAL EMPLOYMENT  
FALL, 1959\*

	<u>Family Workers</u>	<u>Hired Workers**</u>	<u>Total</u>
Area Total:	1,514	31	1,545
Harlan	267	15	282
Bell	215	15	230
Leslie	311	0	311
Letcher	341	0	341
Perry	380	1	381

TABLE 5  
HARLAN AREA MANUFACTURING EMPLOYMENT\*\*\*  
SEPTEMBER, 1962

	<u>Area Total</u>	<u>Harlan</u>	<u>Bell</u>	<u>Leslie</u>	<u>Letcher</u>	<u>Perry</u>
Total manu- facturing	1,774	489	869	130	125	161
Food & kindred products	624	274	189	0	84	77
Tobacco	4	1	2	0	0	1
Clothing, textile & leather	151	0	151	0	0	0
Lumber & furniture	675	191	268	130	17	69
Print., pub. & paper	64	23	31	0	10	0
Chemicals, petroleum & rubber	63	0	63	0	0	0
Stone, clay & glass	46	0	32	0	14	0
Primary metals	0	0	0	0	0	0
Machinery, metal products & equipment	147	0	133	0	0	14
Other	0	0	0	0	0	0

\*U. S. Census of Agriculture

\*\*Regular Workers (Employed 150 days or more)

\*\*\*Includes only those workers covered by unemployment insurance.

TABLE 6

HARLAN AREA COVERED EMPLOYMENT,\*  
ALL INDUSTRIES, SEPTEMBER, 1962

	<u>Area Total</u>	<u>Harlan</u>	<u>Bell</u>	<u>Leslie</u>	<u>Letcher</u>	<u>Perry</u>
Mining & Quarrying	8,311	2,802	608	899	2,048	1,954
Contract						
Construction	559	199	177	0	22	161
Manufacturing	1,774	489	869	130	125	161
Transportation, Communication & Utilities	1,104	386	436	14	52	216
Wholesale & Retail Trade	3,479	1,106	1,024	55	496	798
Finance, Ins. & Real Estate	432	127	154	6	40	105
Services	2,129	882	477	1	287	482
Other	5	0	5	0	0	0
Total	17,793	5,991	3,750	1,105	3,070	3,877

LOCAL MANUFACTURING

The following list of manufacturing firms indicates something of the demand for labor and the products available in Harlan, Kentucky.

TABLE 7

HARLAN MANUFACTURING FIRMS WITH PRODUCTS  
AND EMPLOYMENT, 1962

<u>Firm</u>	<u>Product</u>	<u>Employment</u>		
		<u>Male</u>	<u>Female</u>	<u>Total</u>
Beck Electrical Repair Co., Inc.	Armature and field coils	20	2	22
Chappell's Dairy, Inc.	Dairy products	89	6	95
Coca-Cola Bottling Works	Soft drinks	18	1	19
Enterprise Publishing Co., Inc.	Newspaper, commercial printing	21	4	25

\*Includes only workers covered by unemployment insurance

Source: Kentucky Department of Economic Security



<u>Firm</u>	<u>Product</u>	<u>Employment</u>		
		<u>Male</u>	<u>Female</u>	<u>Total</u>
Gaines Brothers Lumber Co.	Lumber	25	0	25
Gaines Wood Preserving Co.	Treated wood	4	0	4
Harlan Builders Supply	Concrete blocks	15	0	15
Harlan Ice & Refrigerating Co.	Ice, ice cream	18	0	18
Harlan Hardwood Co.	Hardwoods	25	0	25
Harlan Wood Products	(Under construction)	(Estimated)		125
Jeffery Manufacturing Co.	Electric coils	10	1	11
Kieley Electric Co.	Field coils	10	0	10
Marshall Lumber Co.	Hardwood lumber	25	0	25
Modern Bakery, Inc.	Bakery products	135	9	144
Muncy Printing Co.	Job printing	3	1	4
National Electric Service Corp.	Electrical repairs	90	4	94
Nehi Bottling Co.	Bottled soft drinks	10	1	11
Smith Bottling Works, Inc.	Bottled soft drinks	7	1	8
Wardrup Packing Co.	Meat products	49	6	55
Young & Hubbard, Inc.	Lumber	45	0	45
Young Lumber Company	Lumber	30	0	30

#### Prevailing Wage Rates

Some examples of wages in the area are as follows:

<u>Classification</u>	<u>Wages Per Hour</u>
Clerical & Secretarial	\$ .75 to \$1.50
Semiskilled	1.25 to 2.00
Skilled	2.00 to 4.00
Laborer	1.00 to 1.50
Electricians	2.00 to 3.50
Welder	1.75 to 2.00
Maintenance	2.89 to 3.14
Truck Driver	1.00 to 1.50

#### Unions

Unions represented in Harlan are the United Mine Workers of America and the United Construction Workers (A F of L).

## TRANSPORTATION

### Railroads

Harlan is served by the Cumberland Valley Division of the Louisville and Nashville Railroad Company operating between Corbin, Kentucky, and Norton, Virginia, via Harlan. There is one local freight each way daily. Switching service is provided daily, except Sundays, with 10 tracks to accommodate 50 cars. There is no passenger service. There are no outbound carloads leaving Harlan; however, the average number of inbound carloads per month is 100, consisting mostly of food products and building materials.

TABLE 8

RAILWAY TRANSIT TIME FROM HARLAN, KENTUCKY TO:\*

<u>Town</u>	<u>Arrive</u>		<u>Town</u>	<u>Arrive</u>	
	<u>CL**</u>	<u>LCL***</u>		<u>CL**</u>	<u>LCL***</u>
Atlanta, Ga.	35 1/2	4	Louisville, Ky.	20 1/2	3
Birmingham, Ala.	40	4	Los Angeles, Calif.	104	8
Chicago, Ill.	57	5	Nashville, Tenn.	32	2
Cincinnati, Ohio	19 1/2	2	New Orleans, La.	65	5
Cleveland, Ohio	63 1/2	4	New York, N. Y.	63	7
Detroit, Mich.	61	4	Pittsburgh, Pa.	46 1/2	5
Knoxville, Tenn.	15	2	St. Louis, Mo.	54 1/2	4

### Highways

Highways serving Harlan are U. S. Routes 119 and 421, and Kentucky Routes 38 and 72.

Table 9 shows the mileage from Harlan to selected market centers.

\*Louisville & Nashville Railroad Company, Louisville, Kentucky  
 \*\*CL time in hours  
 \*\*\*LCL time in days

TABLE 9

## HIGHWAY DISTANCES FROM HARLAN, KENTUCKY, TO:

<u>Town</u>	<u>Miles</u>	<u>Town</u>	<u>Miles</u>
Atlanta, Ga.	300	Lexington, Ky.	156
Birmingham, Ala.	368	Louisville, Ky.	219
Chicago, Ill.	517	Nashville, Tenn.	301
Cincinnati, Ohio	239	New York, N. Y.	702
Detroit, Mich.	497	Pittsburgh, Pa.	444
Knoxville, Tenn.	120	St. Louis, Mo.	483

Truck Service: Harlan is served by six common carrier truck lines. McDuffee Motor Freight, Inc., has a terminal in Harlan. Other lines are Cumberland Motor Freight, Inc., Lexington, Kentucky; Hayes Freight Lines, Inc., Indianapolis, Indiana; Point Express, Inc., Charleston, West Virginia; Silver Fleet Motor Express, Inc., Louisville, Kentucky; and Railroad Express Agency, Inc., New York, New York.

TABLE 10

TRUCK TRANSIT TIME FROM HARLAN, KENTUCKY, TO SELECTED  
MARKET CENTERS\*

<u>Town</u>	<u>Delivery Time(Days)</u>		<u>Town</u>	<u>Delivery Time(Days)</u>	
	<u>LTL</u>	<u>TL</u>		<u>LTL</u>	<u>TL</u>
Atlanta, Ga.	2	2	Louisville, Ky.	1	1
Birmingham, Ala.	2	2	Los Angeles, Calif.	6	5
Chicago, Ill.	2	2	Nashville, Tenn.	2	2
Cincinnati, Ohio	2	1	New Orleans, La.	3	2
Cleveland, Ohio	2	2	New York, N. Y.	3	2
Detroit, Mich.	2	2	Pittsburgh, Pa.	3	2
Knoxville, Tenn.	1	1	St. Louis, Mo.	2	2

Bus Lines: Harlan is served by Southeastern Greyhound Bus Lines, operating between Pineville and Harlan; Black Brothers Bus Lines, operating between Harlan and Richmond; Cumberland Coach Lines, operating between Harlan, Hazard and Whitesburg; and VTC serving outlying communities in Harlan County.

\*Cumberland Motor Freight, Inc., Lexington, Kentucky



## Air

The nearest commercial airports are London Municipal Airport, 70 miles, served by Piedmont Airlines; Tri-City Airport, 84 miles, served by Piedmont and United Airlines; and the McGhee-Tyson Municipal Airport, Knoxville, Tennessee, 120 miles, served by American, Eastern, United, Piedmont, Delta and Southern Airlines.

The Tucker-Guthrie Memorial Airport, Harlan, has a 3,200-foot runway, of which 2,700 feet is paved, and will eventually be extended to 6,000 feet. This field has facilities for chartered plane service and private planes. Eight hangers were recently constructed at the cost of \$26,000.

Plans are being made for the construction of an administration building.

## UTILITIES AND FUEL

### Electricity

Electric power is provided by Kentucky Utilities Company.

Kentucky Utilities Company provides electric service in 78 Kentucky counties. The Company has a generating capacity of 740,000 KW in its five generating stations which are located in eastern, central, and western Kentucky. The Company also has major interconnections with its neighboring utilities - Louisville Gas and Electric, Ohio Power Company, Kentucky Power Company, Electric Energy, Inc., Ohio Valley Electric Corporation, Central Illinois Public Service Company, and TVA. These interconnections provide a means of interchanging substantial blocks of electricity when desired. Rates for industry will be furnished by the Company's Industrial Development Department in Lexington, Kentucky.

### Natural Gas

There is no natural gas distribution system in Harlan.

### Coal and Coke

The Eastern Kentucky Coal Field consists of 2,037 mines located in 31 counties. The 1960 average production was 17,800 tons per mines, and a combined total of 36,260,000 tons, a 6 percent increase over 1959. Underground mines produced 88 percent, auger mines 7 percent, and strip mines 5 percent of the total output. The average value was \$4.84 per ton in 1960, f.o.b. mine. Shipments were 82 percent by rail and water and 18 percent by truck.

Captive tonnage was 20 percent of the total.\*

Kentucky has three coke plants located in Ashland, Calvert City, and Dawson Springs. Border state operations supplement this supply.

### Fuel Oil

Kentucky has three fuel oil refineries located in Catlettsburg, Louisville and Somerset. Kentucky's fuel supply is supplemented by border state operations.

Delivered prices of the various grades may be obtained from the Kentucky Department of Commerce.

## WATER AND SEWERAGE

### Public Water Supply

Water is supplied by the Harlan Municipal Water Works, whose source of supply is the Cumberland River. Pumping capacity is 1,000,000 gallons per day. Storage facilities consist of three underground concrete storage tanks with a total capacity of 550,000 gallons. The average daily use is 600,000 gallons and the maximum daily use has been 800,000 gallons. The average pumping time to meet daily requirements is 18 hours at 730 gpm. Pressure is maintained at 100 psi. Mains vary from 4 to 12 inches. Water is treated with chlorine, lime and alum.

Water rates are as follows:

First	1,000 gallons	\$1.50 (Minimum)
Next	3,000 gallons	.80 per M gallons
Next	5,000 gallons	.70 per M gallons
Next	5,000 gallons	.60 per M gallons
Next	10,000 gallons	.50 per M gallons
Next	20,000 gallons	.40 per M gallons
Balance		.30 per M gallons

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\*The Mineral Industry of Kentucky, University of Kentucky, Series X, 1962



## Water Resources

Surface Water: The Cumberland River is the largest source of water for both industrial and domestic use. The average discharge of this river near Harlan is 662 cfs (USGS, 22-year record). The average discharge of Poor Fork at Cumberland is 142 cfs (USGS, 22-year record).

Ground Water: The occurrence of ground water is primarily from rocks of the Pennsylvanian System except along the Pine Mountain fault where Devonian and Mississippian rocks are aquifers. This has been summarized in Hydrologic Investigations Atlas HA-10 (U. S. Geological Survey) as follows:

### DEVONIAN AND MISSISSIPPIAN SYSTEM, UNDIFFERENTIATED

"The outcrop areas of the Devonian and Mississippian systems are along the Pine Mountain thrust fault. The limestone yields water to springs, one of which is used for public supply."

### PENNSYLVANIAN SYSTEM

"Where sandstone, siltstone, or conglomerate crops out in broad uplands or in valleys, it yields enough water for domestic use to most drilled wells. A number of wells yield more than 50 gpm for public and industrial supplies. Some water is obtained from limestone and coal beds. Little water is available from shale. Sandstone and conglomerate yield water to numerous springs and seeps, but most of the springs are small and go dry in late summer."

Because of local variations, the above conditions may not apply to any given locality but should serve only as a guide to the general ground water conditions in these systems.

## Sewerage System

There is no central sewerage system in Harlan. Most sewage is disposed of by means of septic tanks. Where septic tanks are not used, the raw sewage is piped into the Cumberland River.

The construction of a sewerage plant is in the planning stage at the estimated cost of \$764,000. Work is to begin in the summer of 1964.

## INDUSTRIAL SITES

There are a few industrial sites available in Harlan. For information on these sites contact the Harlan Industrial Foundation.

## LOCAL GOVERNMENT AND SERVICES

### Type Government

City: Harlan is governed by a mayor who is elected for a four-year term, and seven councilmen elected for four-year terms.

County: Harlan County is governed by a fiscal court composed of a county judge elected for a four-year term, and five magistrates elected for four-year terms.

### Laws Affecting Industry

Property Tax Exemption: As provided by state law, Harlan may allow a five-year property tax exemption to new industry. The exemption cannot be extended beyond this five-year term.

Business Licenses: Business and occupational licenses are required in Harlan. Fees vary from \$3 to \$471, depending on the type of business or occupation.

### Planning and Zoning

The City of Harlan recently established a Municipal Planning Commission which is presently in the process of preparing plans to guide the future growth and development of the city. The city has contracted with the Kentucky Department of Commerce, Division of Planning and Zoning, for technical assistance in preparing the plans. At the present time, the city has completed a base map, a land-use survey and map, and are presently working on population and economic studies.

Harlan County has recently shown a strong interest in planning and zoning and is presently organizing for a planning program. They are planning to form a joint city-county program whereby the city and county plans can be closely coordinated. Harlan County will be the first county in southeastern Kentucky to establish such an overall county program.

### Fire Protection

The fire department personnel includes a chief, 6 full-time firemen, and 12 volunteers. Mobile equipment consists of: a GMC truck with a 500-gpm Hale pump, 1,200 feet of 2 1/2-inch hose, and 1,400 feet of 1 1/2-inch hose; a Chevrolet truck with a 500-gpm Hale pump and 1,000 feet of 2 1/2-inch hose; and a Diamond-T truck with a 300-gpm Barton pump, and 300 feet of 2 1/2-inch hose. Alarm is by two boxes and a telephone system. Harlan has a Class-6 fire insurance rating. The basic insurance rate for masonry or wooden

dwellings located inside the city limits is 14¢ and 20¢, respectively. The rate for the same type dwellings located outside the city limits is 42¢ and 62¢, respectively.

#### Police Protection

The Harlan Police Department is staffed with a chief and seven patrolmen. Equipment consists of two patrol cars which are equipped with two-way radios.

#### Garbage and Sanitation

Municipal garbage collection is twice weekly in the residential area and daily in the business district. The residential rate is \$2 per month and the business rate varies according to the amount of garbage. Disposal is by means of a city-owned incinerator.

#### Financial Information

The following is a summary of the financial position of Harlan and Harlan County.

##### City Income, Expenditures and Bonded Indebtedness, 1962:

City Income	-	\$132,330.00
City Expenditures	-	105,458.69
City Bonded Indebtedness	-	50,000.00 (Recreation)

##### County Budget and Bonded Indebtedness:

County Budget (62-63)	-	\$195,919.00
Bonded Indebtedness	-	-0-

### TAXES

#### Property Taxes

Table 11 shows property tax rates applying to property located in Harlan and Harlan County. A more detailed explanation of taxes is shown in Appendix D.



TABLE 11

PROPERTY TAX RATES PER \$100 OF ASSESSED VALUE FOR  
HARLAN AND HARLAN COUNTY, 1962

<u>Taxing Unit</u>	<u>Harlan</u>	<u>Harlan County</u>
City	\$ .80	\$
County	.50	.50
State	.05	.05
School	<u>2.00</u>	<u>1.50</u>
Total	\$3.35	\$2.05

Real Estate Assessment Ratios

Harlan	-	35%
Harlan County	-	26%

Net Assessed Value of Property

Harlan	-	\$ 4,921,240
Harlan County	-	40,000,718

OTHER LOCAL CONSIDERATIONS

Educational Facilities

Graded Schools: The Harlan Independent School System has a total enrollment of 854 elementary and 504 secondary students. The student-teacher ratio is approximately 28-1 in the elementary grades and approximately 22-1 in the high schools. The estimated budget for 1963-64 is \$440,000.

The Harlan County School System has a total enrollment of 7,088 elementary and 2,980 secondary students. The estimated budget for 1963-64 is \$2,250,000.



TABLE 12

SCHOOLS, ENROLLMENT, NUMBER OF TEACHERS, STUDENT-  
TEACHER RATIO IN HARLAN AND HARLAN COUNTY

<u>School</u>	<u>Enrollment</u>	<u>No. of Teachers</u>	<u>Student- Teacher Ratio</u>
Harlan Elementary (total)	854	31	28
Harlan High School (total)	504	23	22
Harlan County Elementary (total)	7,088	301	24
Harlan County High (total)	2,980	133	23
Holy Trinity School (Par)	51	2	25

Vocational Schools: Kentucky's vocational education program utilizes fourteen highly specialized schools, partly integrated with regular secondary education. These special area trade schools prepare Kentuckians for work in a variety of trade and industrial occupations.

Harlan is served by the Harlan County Area Vocational School. Courses offered include: auto mechanics, auto body mechanics, general industrial electricity, machine shop, and woodworking and carpentry.

The trade preparatory courses listed above are normally two years in length. In addition, short unit courses are offered on a continuous basis for the upgrading of employed workers. Other short unit courses are provided in all occupations of an industrial nature as needs arise or upon request, when facilities permit.

Colleges: Institutions of higher learning in the area include:

Union College, Barbourville, Kentucky, 49 miles  
 Cumberland College, Williamsburg, Kentucky, 72 miles  
 Sue Bennett College, London, Kentucky, 70 miles  
 Pikeville College, Pikeville, Kentucky, 97 miles  
 Berea College, Berea, Kentucky, 125 miles  
 Eastern Kentucky State College, Richmond, Kentucky, 137 miles  
 University of Kentucky, Lexington, Kentucky, 156 miles  
 Transylvania College, Lexington, Kentucky, 156 miles  
 Centre College, Danville, Kentucky, 160 miles  
 Cumberland Extension of the University of Kentucky, Cumberland,  
 Kentucky, 23 miles

## Health

Hospitals: The Harlan Hospital Association, a privately owned hospital with 61 beds and 8 bassinets, has a professional staff of three doctors, three registered nurses, laboratory and X-ray technicians.

The Harlan Appalachian Regional Hospital has 154 adult beds, 25 pediatric beds and 18 bassinets. This hospital has complete, modern facilities, including laboratory, radiology, physical therapy, pharmacy, and other necessary and essential patient care departments. The hospital conducts an approved school for professional nurses and anesthetists. The open, professional staff of local physicians, including many certified specialists, are engaged in a wide variety of medical research programs as well as an approved residency training program for physicians.

Public Health: The Harlan County Health Center is staffed with a part-time health officer, two nurses, two sanitarians, and two clerks. The health program comprises: maternal and child health, vital statistics, health education, communicable disease control, sanitation, and laboratory services.

## Housing

There are several housing units for rent or sale in Harlan and surrounding communities. The rental range for a two-or three-bedroom house is \$50 to \$100 per month. Construction costs for a two-or three-bedroom house range from \$12,000 to \$18,000, depending on the type of construction and materials used.

## Communication

Telephone and Telegraph: Telephone and telegraph service is provided by Southern Bell Telephone and Telegraph Company.

Postal Facilities: Harlan has a first-class post office with 18 employees. Mail is received and dispatched twice daily. Postal receipts in 1962 totaled \$99,000.

Newspapers: The Harlan Daily Enterprise, a daily paper except Saturdays, has a circulation of 6,020. Newspapers are received daily from Lexington and Louisville, Kentucky, and Knoxville, Tennessee.

Radio: Harlan and the surrounding area is served by WHLN with 5,000 watts.

Television: Television reception is described locally as excellent from Knoxville, Bristol, and Johnson City, Tennessee; Asheville, North Carolina; and WLEX in Lexington, Kentucky.



### Libraries

The Harlan Public Library serves both the city and the county. There are 18,500 volumes available, and the annual circulation is approximately 27,800. A bookmobile serves the county.

### Churches

The following denominations are represented in Harlan: Baptist, Christian, Catholic, Church of God, Church of Christ, Methodist, Jewish, Presbyterian, and Episcopal.

### Financial Institutions

	<u>Statement as of June 30, 1963</u>	
	<u>Assets</u>	<u>Deposits</u>
The Bank of Harlan	\$7,912,149.13	\$6,650,565.42
Harlan National Bank	8,716,008.23	7,661,623.31

### Hotels and Motels

Lewallen Hotel	115 rooms
Ackley Hotel	50 rooms
Jones Motel	24 units
Bays Motel	15 units
Mountain Aire Motel	12 units

### Clubs and Organizations

Civic: Harlan County Chamber of Commerce, Jaycees, Kiwanis, Lions, Harlan County Industrial Foundation and the Harlan Baseball Club.

Fraternal: American Legion, Masonic and VFW.

Women's: VFW Auxiliary, American Legion Auxiliary, Woman's Club, Garden Club, DAR, Woman's Civic Club, Business & Professional Women's Club and Eastern Star.

Youth: Boy Scouts, Girl Scouts, 4-H, Cubs, Brownies, Little League Baseball and Little League Football.

### Recreation

Local: Local recreational facilities include: Huff Memorial Park with a lighted baseball and football field, tennis courts, swimming pool, and equipped playgrounds which are supervised in summer months; a country club

with a nine-hole golf course, swimming pool, and archery club; and three local fishing lakes. Two scout camps (Boy and Girl Scouts) are located within 8 miles of Harlan.

Area: Nearby parks which offer excellent facilities are: Pine Mountain State Park, 33 miles; Cumberland Gap National Historical Park, 47 miles; and Cumberland Falls State Park, 82 miles. All of these parks provide excellent facilities for tourists and vacationists. Buckhorn Dam State Park, 50 miles, provides excellent facilities for fishing, boating, and camping sites. Cranks Creek, 13 miles, provides facilities for fishing, boating, camping sites, cabins, and recreation facilities.

### Community Improvements

#### Recent:

1. The Police Department recently purchased a new car.
2. Three downtown stores have remodeled and doubled in size.
3. A 16-lane bowling alley was recently completed at the estimated cost of \$480,000.
4. A total of 25 new homes were constructed in the past year.
5. Repairs and alterations were made to the home for the aged at an estimated cost of \$24,500.
6. A Girl Scout headquarters building was constructed at the cost of \$20,000.
7. The 12-unit Mountain Aire Motel was recently completed at the cost of \$150,000.
8. The Harlan County School System has spent \$45,000 this past year for improvement of their schools.
9. Cranks Creek was recently converted into a park and recreation center.
10. Eight hangers were built at the airport at the cost of \$26,000.
11. Mercury vapor lights were recently installed.

#### Under Construction:

1. Southern Bell Telephone and Telegraph Company is constructing a dial office building for the conversion to the dial system for Harlan and surrounding communities. The estimated cost of the building is \$175,000. It is to be completed in May, 1964.

2. Additional telephone lines are being installed to accommodate the dial system at the estimated cost of \$150,000.
3. The Harlan Wood Products Corporation is constructing a building and will soon be in operation. They will employ approximately 125 people.
4. An \$81,106 improvement is being made to the Harlan Airport.
5. A new vocational school is being constructed at the cost of \$1,429,000.

Planned:

1. The Harlan County School System is planning to build a new consolidated high school at the estimated cost of \$1,200,000.
2. The Harlan Independent School System is planning to build a new high school at the cost of \$400,000.
3. The city is planning to spend \$80,000 for the extension of their water mains, enlargement of their filtration plant and installing twelve 12-inch valves at various points to better control their water system.
4. A sewage disposal plant is in the planning stage at the estimated cost of \$764,000. Work is to begin in the summer of 1964.
5. The Harlan Airport is planning to construct an administration building and to extend its runway to 6,000 feet.
6. Three new service stations are to be constructed in Harlan.

## NATURAL RESOURCES

### Agriculture

In 1959 there were 358 farms in Harlan County covering 33,472 acres, an average of 93.5 acres per farm. The following table shows some agricultural statistics for Harlan County and Kentucky.



TABLE 13

AGRICULTURAL STATISTICS FOR HARLAN COUNTY AND KENTUCKY  
1959\*

<u>Crops</u>	<u>Acres Harvested</u>	<u>Yield Per Acre</u>	<u>Total Production</u>
<u>Corn:</u>			
Harlan County (bu)	1,097	29.9	32,812
Kentucky (bu)	1,649,000	42.5	70,184,000
<u>Alfalfa Hay:</u>			
Harlan County (tons)	72	1.7	124
Kentucky (tons)	289,000	2.1	620,000
<u>Clo-Tim Hay:</u>			
Harlan County (tons)	399	1.2	480
Kentucky (tons)	427,000	1.3	582,000
<u>Lespedeza Hay:</u>			
Harlan County (tons)	126	1.1	143
Kentucky (tons)	549,000	1.2	703,000

TABLE 14

LIVESTOCK STATISTICS FOR HARLAN COUNTY AND KENTUCKY  
1959\*

<u>Livestock</u>	<u>Number on Farms as of January 1, 1960</u>
<u>All Cattle and Calves:</u>	
Harlan County	1,113
Kentucky	1,947,000
<u>Milk Cows:</u>	
Harlan County	309
Kentucky	466,000
<u>Sheep:</u>	
Harlan County	143
Kentucky	546,000

\*Kentucky Agricultural Statistics, Kentucky Crop and Livestock Reporting Service, 1960.

## Minerals

Coal is by far the most important mineral resource of Harlan County. Other minerals of importance include petroleum and natural gas, limestone, sandstone, glass sand, and clay. Gravel suitable for general construction purposes occurs locally along the Cumberland River and its larger tributaries. The total value of mineral production in 1961 was \$19,403,493 from coal (Minerals Yearbook, 1961).

Coal Production: Harlan County is one of the outstanding coal producers in Kentucky. In 1962 a total of 6,025,673 short tons was produced from 26 rail mines and 183 truck mines (Kentucky Dept. of Mines and Minerals). Harlan County leads the state in accumulative coal production through 1962 with a total of over 470 million tons.

Coal Quality: Harlan County coals are classified as high volatile bituminous and rank among the nation's best. They are low in sulphur and ash content and have a high B.t.u. value. Typical analyses of the more important seams are given below:

Seams	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
Highsplint	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. Bureau of Mines

Coal Reserves: Total remaining reserves, as of January 1, 1952, for Harlan County, are estimated at 3,048.39 million short tons by the U. S. Geological Survey, "Coal Reserves of Eastern Kentucky." This includes measured, indicated and inferred resources in beds 14 inches or more in thickness.

Petroleum and Natural Gas: The only reported oil production in Harlan County came in 1958 and 1960 when 73 and 146 barrels, respectively, were secured. Commercial amounts of natural gas have also been found. Further exploration, however, is needed to determine the economic potential of these important minerals.

Limestone: Mississippian limestone formations have been brought to the surface along the Pine Mountain thrust fault. Some zones within these formations contain high-calcium stone (95 percent or more  $\text{CaCO}_3$ ) which has potential for use in the chemical industry. One quarry was producing crushed stone for general construction purposes in early 1963.

Sandstone and Glass Sand: Local sandstone deposits have been used for building and highway purposes. Recent investigation of a high-silica sandstone and conglomerate deposit in the Lee formation on Pine Mountain near Elkhorn City has opened a new source of raw material for the glass industry. This formation forms the crest of Pine Mountain beginning near Elkhorn City and extending southwestward into Tennessee. Washed samples of this sandstone near the top of Pine Mountain, approximately 3 miles north of Harlan and 1 mile west-northwest of Cumberland, show the following chemical analyses:

Location	SiO <sub>2</sub>	Fe <sub>2</sub> O <sub>3</sub>	Al <sub>2</sub> O <sub>3</sub>	CaCO <sub>3</sub>	MgCO <sub>3</sub>
Near Harlan	97.880%	.079%	1.511%	.090%	.030%
Near Cumberland	97.795%	.056%	1.644%	.070%	.054%

Source: Kentucky Geological Survey

Clay: Recent investigations indicate the presence of residual clays suitable for the manufacture of heavy clay products such as building brick. Deposits in the Wallins vicinity, ranging from 10 to 22 feet in thickness, have been sampled and analyzed. No quantitative data are available.

In 1960, Kentucky ranked fifteenth in the nation in value of mineral production including natural gas liquids with a total of \$413,517,000. In order of value, the minerals produced were coal, petroleum, stone, natural gas, natural gas liquids, sand and gravel, clays and fluorspar. Kentucky ranked second among the states in the production of bituminous coal and ball clay, and third in the production of fluorspar. Fuels constituted 88 percent of the total value, with coal accounting for 68 percent, petroleum - 15 percent, and natural gas - 5 percent. Stone represented 5 percent, sand and gravel - 1 percent, and clay - 1 percent. All other minerals, which include natural gas liquids, fluorspar, barite, lead, silver, zinc, cement, crushed sandstone and gem stone, accounted for 5 percent.



TABLE 15

KENTUCKY MINERAL PRODUCTION 1960 (1)  
(Units in short tons unless specified)

<u>Mineral</u>	<u>Quantity</u>	<u>Value</u>
Barite	(2)	\$ (2)
Clays	951,000 (3)	2,646,000 (3)
Coal	66,846,000	282,395,000
Fluorspar	25,855	1,173,000
Gem Stones	(4)	(5)
Lead (recoverable content of ores, etc.)	558	131,000
Natural Gas (cubic feet)	75,329,000,000	18,389,000
Natural Gas Liquids:		
Natural Gasoline (gallons)	(2)	(2)
LP Gases (gallons)	(2)	(2)
Petroleum (crude-barrels)	21,144,000 (6)	60,260,000 (6)
Sand and Gravel	5,113,000	5,763,000
Silver (recoverable content of ores, etc. --troy ounces)	-----	-----
Stone (7)	15,810,000	21,493,000
Zinc (recoverable content of ores, etc.)	869	224,000
Value of items that cannot be disclosed: Cement, ball clay (1960), crushed sandstone, and values indicated by footnote 2.	-----	22,080,000

(1) Mineral Industry of Kentucky, Minerals Yearbook, 1960. Production as measured by mine shipments, sales, or marketable production (including consumption by producers).

(2) Figure withheld to avoid disclosing individual company confidential data.

(3) Excludes ball clay; included with "Value of items that cannot be disclosed."

(4) Weight not recorded.

(5) Less than \$1,000.

(6) Preliminary figure.

(7) Excludes crushed sandstone; included with "Value of items that cannot be disclosed."



### Forests

There are approximately 273,000 acres of forested land in Harlan County which comprise 91 percent of the total land area. The principal tree types found are oak, hickory, beech, yellow poplar and pine.

Kentucky's forests are one of its largest resources. Both the amount of timber cut and the proportion used in manufacturing within the state could well be increased. The total annual net growth of Kentucky forests is substantially greater than the amount of drain. Less than one-quarter of the lumber, veneer and bolts produced (500 to 600 million board feet per year) is used in manufacturing in the state.

Kentucky's forests are protected from fire by a radio-interconnected network of 144 fire towers.

### MARKETS

Kentucky's economic growth is credited in part to its location at the center of the Eastern Market Area. A line drawn along the borders of Minnesota, Iowa, Missouri, Arkansas, and Louisiana divides the country into two parts designated the Eastern and Western Market Areas. The Eastern Market Area is smaller in land area, but contains almost 75 percent of the national population.

Kentucky is also at the center of a seventeen-state area containing over 2/5 of the nation's population, personal income, and retail sales. This area is composed of those states within an approximate 400-mile radius of the Kentucky border. This is shown in greater detail in the following table.

TABLE 16

## CONSUMER MARKET POTENTIAL

	Population (1) Percent of U. S.	Personal Income (2) Percent of U. S.	Retail Sales (3) Percent of U.S.
Alabama	1.8	1.2	1.2
Arkansas	.9	.6	.7
Delaware	.3	.3	.2
Georgia	2.1	1.6	1.7
Illinois	5.6	6.6	6.4
Indiana	2.7	2.5	2.5
KENTUCKY	1.6	1.2	1.2
Maryland	1.8	1.9	1.6
Michigan	4.3	4.6	4.4
Missouri	2.4	2.4	2.5
North Carolina	2.6	1.8	1.9
Ohio	5.4	5.7	5.5
Pennsylvania	6.3	6.4	6.1
South Carolina	1.3	.8	.8
Tennessee	1.9	1.4	1.6
Virginia	2.1	1.8	1.8
West Virginia	1.1	.8	.9
REGIONAL TOTAL	44.2	41.6	41.0

(1) U. S. Census of Population, 1960

(2) Survey of Current Business, U. S. Department of Commerce

(3) Census of Business, 1958, Retail Trade

In 1960 per capita personal income for Harlan County was \$1,424; per capita income for Kentucky was \$1,573, far below the national average of \$2,223.\*

Retail sales during 1962 were \$31,467,000.\*\*

\*Per Capita Personal Income in Kentucky, 1958-60

\*\*Sales Management, Survey of Buying Power, June 10, 1963

## CLIMATE

The average annual precipitation in Kentucky ranges from 38 to 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 relatively open, with midwinter days averaging 32 degrees in the northern parts to 40 degrees in the southern, for about six weeks' duration.

Midsummer days average 74 degrees in the cooler uplands to 79 degrees 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. Warm-to-cool weather prevails, with only short periods of extreme heat and cold.



TABLE 17

## CLIMATIC DATA FOR HARLAN, HARLAN COUNTY, KENTUCKY

	<u>Temp. Norm.*</u> <u>Deg. Fahrenheit</u>	<u>Total</u> <u>Prec. Norm.*</u> <u>Inches</u>	<u>Av. Relative</u> <u>Humidity Readings**</u> <u>7:00 A.M. 7:00 P.M. (EST)</u>	
January	28.9	3.82	79	69
February	43.5	5.60	79	62
March	48.9	4.83	76	68
April	48.3	6.41	80	49
May	58.1	4.39	90	55
June	62.2	3.67	89	61
July	73.5	7.56	91	61
August	72.0	4.59	88	59
September	70.0	3.19	88	64
October	56.2	3.88	88	67
November	49.6	2.89	85	68
December	40.1	5.77	80	65
Annual Norm.	54.8	56.60		

\*Station Location: Benham, Kentucky

\*\*Station Location: Bristol, Tennessee

Length of Record: 7:00 A.M. readings 29 years;  
7:00 P.M. readings 29 years.

Days cloudy or clear: (29 yrs. of record) 89 clear, 171 cloudy, 105 partly cloudy.

Percent of possible sunshine: NA

Days with precipitation of 0.01 inch or over: (29 yrs. of record) 140

Days with 1.0 inch or more snow, sleet, hail: (29 yrs. of record) 11

Days with thunderstorms: (29 yrs. of record) 45

Days with heavy fog: (29 yrs. of record) 38

Prevailing wind: (29 yrs. of record) NNW

Seasonal heating-degree days: (29 yrs. of record) Approximate long-term means 4,386 degree days.

## APPENDIX

History	Appendix A
Employment by Industry Division	Appendix B
Economic Characteristics of the Population	Appendix C
Kentucky Corporation Taxes	Appendix D
Taxes Applicable to a Manufacturing Concern	Appendix D-1
City Bond Issues for Industrial Buildings	Appendix E
Instructions for Filing Articles of Incorporation	Appendix F
Cooperating State Agencies	Appendix G
Map Section	Appendix H

## HISTORY

Harlan County became the sixtieth in the order of formation, erected by act of the General Assembly in 1819. Formed out of parts of Knox and Floyd Counties, it was named in honor of Major Silas Harlan, a young Virginian who commanded a company of scouts in the Illinois campaigns of 1779 against the Indians under General George Rogers Clark. He was a major at the Battle of Blue Licks, in which he died bravely fighting at the head of his command.

The first white settlers of Harlan County were the Howard family, who settled in this area in 1796. They built a camp for a temporary home where Harlan is located today. Life was hard for them at first. Clearing fields for cultivating was difficult. Some corn was grown but frost prevented it from ripening. However, game was plentiful. They raised some sheep, made woolens, and tanned leather for their own shoes. Trading was difficult and roads in the winter were impassible.

The first courthouse in Harlan County was built upon a mound in Harlan, which was called at that time "Mount Pleasant." The courthouse was completed in 1808. In August, 1838, a new courthouse was erected upon the same mound, requiring a deeper foundation and more digging--with these discoveries: Human bones, several skulls, teeth, beads, ornaments, pottery, and tools. In 1870, more human bones were dug from it, together with nicely polished weights and some pipes.

During the Civil War, Harlan County suffered greatly in the loss of some of her best citizens, among them the clerk of the county court. The courthouse and many valuable papers and documents in the clerks' offices, the jail, and a number of the other homes in Mount Pleasant and elsewhere were burned by either soldiers or guerrillas. When the Civil War arrived, the people of Harlan County were divided in sentiment. Certain sections were Northern, others Southern. The natives suffered from the pillaging of both the Federal and Confederate troops, as well as from the plundering of the third and even more dangerous and dreaded gang, the guerrilla band. And although the opposing major armies never met in battle in this county, the natives were in continuous skirmishes with both Federal and Confederate invaders.

The first industry of any importance to the Harlan people was the logging industry. This industry has brought hundreds of thousands of dollars into Harlan, and thus many men of Harlan have accumulated small fortunes from the lumber business.

In the latter part of the nineteenth century, and the first decade of the next, "wagoning" in Harlan County was one of the chief enterprises. "Teamsters" with a team of mules or horses and a covered wagon, made regular trips over the rough roads from Harlan to Jonesville or Hagan, Virginia, loaded with hides,



## Appendix A

furs, ginseng, wool, and a few other articles, and returned to Harlan with flour, sugar, dry goods, and notions, and a variety of other merchandise.

The Louisville and Nashville Railroad was finally induced to extend its railroad into Harlan County, which was accomplished in 1910. This marked the beginning of the rapid development of one of the leading coal fields in the United States. Harlan County quickly emerged from an obscure, backwoods mountain county to an industrial field recognized all over the country for its superior grade of coal. Low in ash and sulfur, Harlan coal takes its place as the best all-round coal in the world.

In the 1930's considerable trouble came to the mines of Harlan County when the unionization movement was being pressed. It was during those years that Harlan, both the town and the county, received most of the unfortunate publicity that haunts it to the present. Actually the trouble was no more violent than that of the other coal fields in Colorado, Pennsylvania and other states.

In 1934, the city of Harlan was described thusly: "The city of Harlan, the county seat, has practically new concrete and asphalt streets, a large, modern city hall, the best incinerator of any town of its size in Kentucky, the most modern and complete water plant in southeastern Kentucky, and better than that of most towns of twice its size. It has one of the best equipped and best managed graded and high schools in eastern Kentucky, ranking as double A. Harlan's present population is approximately 5,000."

The history of Harlan County would be strikingly incomplete without some slight mention of the unfortunate, widely-spread feuds which resulted in a miniature civil war, and which prevailed not long ago in that area of Kentucky. The feuding was brought to a sudden stop by a fearful parricide, and the prompt but legal punishment of the criminal. Law and order was established, backed by the authority of the good citizens of the county, and now Harlan is as peaceful and law-abiding as any county of the state.

COVERED EMPLOYMENT BY MAJOR INDUSTRY DIVISION  
HARLAN COUNTY AND KENTUCKY

<u>Industry, September, 1962</u>	<u>Harlan County</u>		<u>Kentucky</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
All Industries	5,991	100.0	462,955	100.0
Mining & Quarrying	2,802	46.7	29,566	6.3
Contract Construction	199	3.3	40,318	8.7
Manufacturing	489	8.1	175,305	37.8
Food & kindred products	274	4.6	25,120	5.4
Tobacco	1	.01	9,355	2.0
Clothing, tex. and leather	0	0	27,115	5.8
Lumber and furniture	191	3.1	14,910	3.2
Printing, pub. and paper	23	5.4	10,616	2.2
Chemicals, petroleum, coal and rubber	0	0	14,885	3.2
Stone, clay and glass	0	0	5,874	1.2
Primary metals	0	0	9,223	1.9
Machinery, metals and equip.	0	0	55,197	11.9
Other	0	0	3,010	.6
Transportation, Communication and Utilities	386	6.4	33,912	7.3
Wholesale and Retail Trade	1,106	18.5	120,897	26.1
Finance, Ins. and Real Estate	127	2.1	21,618	4.6
Services	882	14.7	39,466	8.5
Other	0	0	1,873	.4

**ECONOMIC CHARACTERISTICS OF THE POPULATION FOR HARLAN COUNTY  
AND KENTUCKY, 1960**

<u>Subject</u>	<u>Harlan County</u>		<u>Kentucky</u>	
	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>
Total Population	25,221	25,886	1,508,536	1,529,620
<b>EMPLOYMENT STATUS</b>				
Persons 14 years old & over	16,178	17,222	1,036,440	1,074,244
Labor force	9,508	2,954	743,255	219,234
Civilian labor force	9,496	0	705,411	290,783
Employed	8,184	2,788	660,728	275,216
Private wage and salary	6,948	2,015	440,020	208,384
Government workers	501	525	58,275	44,462
Self-employed	716	191	156,582	16,109
Unpaid family workers	19	57	5,851	6,261
Unemployed	1,312	166	44,683	15,567
Not in labor force	6,670	14,268	293,185	783,010
Inmates of institutions	80	9	15,336	8,791
Enrolled in school	2,384	2,431	94,734	97,825
Other and not reported	4,206	13,600	183,115	676,394
Under 65 years old	2,691	10,354	91,626	539,838
65 and over	1,515	3,246	91,489	136,556
<b>MAJOR OCCUPATION GROUP OF EMPLOYED PERSONS</b>				
All employed	8,184	2,788	660,728	275,216
Professional and technical	565	579	46,440	36,879
Farmers and farm mgrs.	72	4	91,669	2,339
Mgrs., officials, and props.	707	165	58,533	10,215
Clerical and kindred workers	305	502	35,711	66,343
Sales workers	401	425	39,837	25,265
Craftsmen and foremen	440	15	114,003	2,836
Operatives and kindred workers	3,777	92	140,192	45,305
Private household workers	11	387	1,123	25,183
Service workers	289	537	29,844	40,156
Farm laborers & farm foremen	31	0	33,143	2,046
Laborers, ex. farm & mine	368	0	44,227	1,671
Occupation not reported	210	82	26,006	16,978

Source: Bureau of the Census, 1960 Census of Population (Washington, 1962)  
General Social and Economic Characteristics of Kentucky, Tables 52,  
56, 57, 83 and 84.



## 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

Every corporation owning property or doing business in Kentucky is liable for corporation license tax. This provision does not apply to banks and trust companies, foreign and domestic insurance companies, foreign and domestic building and loan associations, and corporations that, under existing laws, are liable to pay a franchise tax.

The license tax return, Form 41A820, is due on or before the 15th day of the 4th month following the close of the corporation's taxable year. The tax rate is 70¢ per \$1,000 value of capital stock employed in this state. The minimum liability is \$10.

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 nonprofit corporations are exempt from the tax. Payment is due on the 15th day of the fourth month after the close of the tax year, except for those corporations required to make a declaration.

Every corporation whose estimated tax liability will exceed \$5,000 must file a declaration of estimated tax due. The declaration must be filed on either May 15, September 15, or December 15, whichever date first succeeds the determination that an estimate must be filed. The estimated tax due in excess of \$5,000 will be paid in equal installments on the dates prescribed. Taxpayers using a fiscal year accounting period must substitute the corresponding dates.

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.

#### Public Service Company Taxes

Property of public service companies including railroad companies and common carrier trucking companies is subject to taxation at the following rates per \$100 value: real, 5¢; tangible personal, 50¢; nonoperating intangible property, 25¢; manufacturing machinery, 50¢; rolling stock of car line companies and irregular route common carrier truck companies, \$2.50. With the exception of manufacturing machinery, and rolling stock of car line and irregular route common carrier truck companies, and nonoperating intangibles, such property is also subject to local taxation.

Public service companies must, between January 1 and March 31, file an annual report of their operations during the past calendar year. Assessment of their 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.

State 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 1962, the statewide assessment level on real estate and tangible personalty is slightly under 30 percent, 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	.001	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 and irregular route common carrier truck companies	2.50	No	No	No
Distilled spirits	.50	Full 1/	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	.05	No	No	No
Intangibles, public service company	.50	Full	Full	Full
Intangibles, public service company 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 2/	.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.

MAJOR 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, after 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 taxes range from 2% of the first \$3,000 of net income to 6% on net income in excess of \$8,000 after the deduction of Federal individual income tax payments, which is reduced by a tax credit of \$20 for each exemption.	There are no local individual income (occupational) taxes levied outside the corporate limits of Kentucky cities except in Jefferson County.												
Real Estate	Five cents on each \$100 of assessed valuation. The average county assessment ratio is approximately 30 percent of current market value.	Local rates vary within limits imposed by law.												
Machinery & Equipment	Fifty cents on each \$100 of assessed valuation. The average assessment ratio is approximately 30 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 30 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	Three percent retail sales and use tax with broad exemptions for industry.	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>1/10 of</td><td>1¢ per \$100</td></tr><tr><td>Stocks &amp; Bonds</td><td>100%</td><td></td><td>25¢ per \$100</td></tr><tr><td>Accounts Receivable</td><td>85%</td><td></td><td>25¢ per \$100</td></tr></table>	Bank Deposits	100%	1/10 of	1¢ per \$100	Stocks & Bonds	100%		25¢ per \$100	Accounts Receivable	85%		25¢ per \$100	No local taxing jurisdiction allowed to impose a property tax on intangible property.
Bank Deposits	100%	1/10 of	1¢ per \$100											
Stocks & Bonds	100%		25¢ per \$100											
Accounts Receivable	85%		25¢ per \$100											



KENTUCKY REVISED STATUTES  
1962

103.200 - 103.285

INDUSTRIAL BUILDINGS FOR CITIES AND COUNTIES

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

103.210 Issuance of bonds. In order to promote the reconversion to peacetime 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 or county 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 or the fiscal court of the county, as the case may be, 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 semiannually, 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 or the fiscal court of the county, as the case may be, 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 or the fiscal court of the county, as the case may be, 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 or the fiscal court of the county, as the case may be, 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 six percent, except as provided in subsection (2) of 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 or county 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 or county 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 or county, as the case may be, 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 or the fiscal court of the county, as the case may be, 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, or the fiscal court of the county, as the case may be, 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, or the fiscal court of the county, as the case may be, 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, or the fiscal court of the county, as the case may be, 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 or county 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 or county 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.

103.285 Property acquired under KRS 103.200 to 103.280 exempt from taxation. All properties, both real and personal, which a city or county may acquire to be rented or leased to an industrial concern according to KRS 103.200 to 103.280, shall be exempt from taxation to the same extent as other public property used for public purposes, as long as the property is owned by the city or county.



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 is 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 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 Commerce, 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 Commerce "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 1961, highway expenditures for the improvement and maintenance of Kentucky's highways and bridges totaled \$183,467,844. 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 aptitude tests for approximately 500 different occupations as a part of the recruitment process. The General Aptitude Test Battery is used. These tests facilitate getting the "round peg" into the "round hole" thereby helping to reduce worker turnover and training time.

The Kentucky Department of Labor 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 Commerce 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.