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## Look at the burley price support system

By Jim Smith  
The manner in which the government sets the yearly price supports for burley tobacco is one which has undergone many significant changes over the years. However, a basic

concept of how the price support is calculated need not be such an obscure mystery to those whose lives it so greatly affects.  
The federal government has been supporting the price of burley tobacco since the early 1930s. Through the years the formula for computing the support base has been modified to allow more equitably for the changing relationships between agricultural commodities.

### Fire destroys Kissick's garage

Roaring flames marked with several violent explosions completely destroyed the building at the corner of Market and Walnut streets that housed Kissick's Garage last Tuesday.  
Fire fighters from the Nicholas County Fire Department and the Bourbon County Fire Department were on hand to assist the Carlisle Fire Department contain the blaze that broke out around 9:15 a.m. on Dec. 26. There were miraculously no injuries associated with the fire. The cause and exact amount of loss are still undetermined.

1959 price support level	X	Average of the index of prices paid by farmers in most recent three years	=	Average of index of prices paid in 1959
57.2	X	298	=	133.15 price support

Year	Index
1974	507
1975	611
1976	600
1977	687
1978	744
1979	837 (estimated)

Using the above sample data, and remembering that the 1959 support price was 57.2 cents per pound, we can now see how the price support base for the 1979 and 1980 crops were computed.

### Earthquake shakes local residents

Residents of the southeastern portion of Nicholas County who heard a loud explosion or rumble last Monday night will be relieved to know it wasn't their furnaces, and they weren't losing their proverbial rockers. However, they might not be so relieved to discover that what they heard was a small earthquake.  
Dr. Ronald Street, a University of Kentucky seismologist, told the Mercury that an earthquake measuring from 1.2 to 1.8 on the Richter scale and light tremors through the area on the evening of Dec. 26.

1979 crop	1980 crop
57.2 X 298 = 133.15 price support	57.2 X 236 = 135.10 (estimated) price support

With this basic understanding of how the price support is computed, we must now address the question of the formula's effectiveness. Most significantly, we must ask, "Does this formula allow the tobacco farmer to keep pace with inflation and rising interest rates?" We put this question to Dr. W. Wilson Hourigan of the University of Kentucky's Department of Agricultural Economics. Dr. Hourigan said he felt that, in a very general sense, the current formula has kept the price of burley fairly level with inflation "up until the last two or three years." He said, however, that the present method will not be able to keep up with an economy ratcheted by double-digit inflation and soaring interest rates.  
Current economic phenomena are having some very profound negative effects on tobacco production costs. Between 1978 and 1980 the varying costs of producing an acre of burley have risen an average of 20 percent, or 18 cents per pound. The cost of fertilizer is up almost 30 percent; the cost of plant bed preparation is up about 15 percent; labor costs are up at least 15 percent; and fuel costs... who knows what they'll be by the time this is printed?  
The largest increase the farmer is having to face in the production phase is a result of skyrocketing interest rates. These higher rates have increased the cost of obtaining production money almost 60 percent in the last two years, according to a report from the University of Kentucky.  
The bottom line seems to suggest that while the current method of computing the price support base for burley tobacco is much improved over older, more rigid systems, it lacks the flexibility to deal with the current economic climate, and assure a safe return for the tobacco farmer.  
The Mercury's recent probing into the economic condition of the tobacco farmer has produced one resounding postulate: the tobacco farmer is going to have an extremely rough road to travel until our economy can set its situation of spiraling inflation coupled with astronomical interest rates.  
"Statistical information for this article was furnished by Dr. Garrett Bradford, and reflects his own research and that of several of his colleagues at the University of Kentucky."



Local fire fighters can only attempt to contain the raging flames which completely destroyed Kissick's Garage last Tuesday. — Mercury photo.

## New, innovative program is introduced at NCHS

Eleven Nicholas County High School students will be participating in a new, innovative program this semester. The program is designed to prepare students for college and to ease the transition from high school to college.  
Called Advanced Placement English, the course is set up to aid the student in taking a national test administered by the College Entrance Examination Board, a subdivision of the Educational Testing Service.  
By doing well on this examination a student can be granted college credit or be placed in advanced courses when he enters college.

## County road expenses discussed in opinion

Three county attorneys have requested opinions from the attorney general's office as to what expenses the county may assume in maintaining roads in their counties. All three opinions, which were among several recently released, were written by Assistant Deputy Attorney General Charles W. Runyan.  
Opinions from the state attorney general's office interpret state statutes that do not carry the force of law.  
Hart County Attorney J.D. Craddock III asked how and under what conditions a county can accept a road into the county road system, to be maintained by the county, and what costs are to be borne by the county and which are to be assessed against abutting property owners.  
Runyan said the county can take into the county road system subdivision streets which have been dedicated to public use. This would apply to streets both within and outside of city limits. If a street were outside the city limits, not in a subdivision and without a recorded plat, the laws governing the first two cases would not apply, since the street had not been dedicated to public use. This would be the same whether the street was in a well-populated area or a rural area. The opinion was filed as OAG 80-628.  
In response to questions from Laramie County Attorney Dale M. Morris, Runyan wrote that the county may maintain a street in a subdivision area, using either of two statutes on the matter.  
If the county uses KRS Chapter 178, the fiscal court takes the street into the county road system and no assessments are filed against abutting property owners. If Chapter 179 is used, with 50 percent or more of the abutting property owners requesting the county to maintain the street, assessments can be filed against all abutting property owners. These assessments may be assessed value, front footage, square footage or benefits received, Runyan said.  
Separate letters should be maintained on these streets. If KRS 179 is used, Runyan said. Also under this act, improvements such as street lights, garbage collection, water and sewer services may be provided by fiscal court and assessed against not only abutting property owners but others who benefit from the service. (OAG 80-629)  
Kenton County Attorney John R. Eilers asked if Kenton County can spend county money on a bridge just over its boundary, in Boone County, when that bridge primarily benefits residents of Boone County. Runyan said the county cannot improve the bridge by itself, but under the provisions of the Interlocal Cooperation Act, Kenton can enter into an agreement to either reconstruct or repair the bridge, as a joint effort of the two counties. (OAG 80-647).

## Chief Wilson reports fire

Nicholas County Fire Chief Wilco Wilson reported that there was only one county fire last week.  
The fire occurred Sunday, Jan. 4 at the Hillbrook home on Sugar Creek Road when soot in the chimney burst into flames. The fire was extinguished quickly, and there were no damages or injuries.

## Sharpsburg water district now has solution in sight

For more than 100 Nicholas County residents who are customers of the Sharpsburg Water District, relief may be in sight from their long bout with an ailing water system.  
The culmination of a feasibility study, spurred on by the outcry of many Nicholas and Bath Countians, was announced last Monday night at a public meeting in Sharpsburg.  
Robert J. Shurdivans, consultant for the firm of Mayer, Suddarth and Eberhard, Inc. of Lexington, detailed the proposed plan to alleviate the problems of the current system.  
The proposal, which is estimated to cost \$75,000, would call for the Sharpsburg district to build a water line to run just northeast of Orangeville where it would hook into the Bath Water District line. Sharpsburg would then purchase its water directly from the Bath County District. The plan also called for a complete upgrading of the existing water line, and total replacement where necessary.  
The proposal recommended abandonment of the current plant because of its absolute inadequacy, and because the dam near Bethel, which is responsible for maintaining the water level for the current plant, has been declared a "high risk" structure in a recent report by the Army Corps of Engineers. Any approach to correct the dam's structural problems would be far too costly for the Sharpsburg District, and would leave customers completely without water service while work on the dam was being completed.  
The water used by the Bath County Water District, and to be purchased by the Sharpsburg District, originates in Morehead. Sharpsburg has been guaranteed 27 million gallons a month.

## New staffer

Mrs. Ralph (Ann) Shaefer has taken a position with The Carlisle Mercury. Mrs. Shaefer joined the Mercury staff on Dec. 15. She will work in the front office as receptionist and will work on social news.