Silver and gold brought explorers, missionaries

The first gold rush in America was long before the 1849 dash to California. The Spanish, in the seventeenth century, discovered rich gold and silver mines in South America, and the wealth they mined soon made Spain the most powerful and influential of the European colonial powers. This success led other European nations to join - and expand - the quest. Explorers and missionaries came to the New World "impelled by the desire to acquire gold will saving souls," one commentator reported. Ultimately, North Carolina would be the site of the first documented discovery of gold in the United States.

While there was "indubitable evidence that these minerals were known and worked by aboriginal inhabitants or some other people at a remote period," the Europeans considered the promise of gold and silver worth the risk of ocean voyage and substantial investment. Sir Walter Raleigh, in his contract for exploration of the New World, retained 20 percent of any gold and silver that might be found. Ralph Lane is reported to have "made a voyage in small boats in 1586 up the

Mary Ann Coffey

Albemarle Sound...in quest of information as to where...from accounts of the Indians, there was an abundance of precious metals," wrote J.S. Jones, in 1838.

The grant to the Virginia Company, the group which would achieve the first successful English settlement at Jamestown, instructed its colonies to search for minerals; copper, gold, and silver were all separately identified in the charter. Two metal "refiners" and two goldsmiths were among the earliest arrivals at Jamestown, and archaeological evidence of metalworking has recently been uncovered there.

Christoper Newport carried "gilded durt" on his trip from Jamestown to England in 1608. Captain John Smith wrote, in his "Historie" of the fledgling colony, complains that there was "no talke, no hope, nor worke, but dig gold, wash gold, refine gold, load gold" in the life of a colonist. Recent archaeological excavations on Hatteras Island confirm that copper was traded to the Native Americans by Jamestown residents.

In deeding Carolina to the

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Duke and CP&L make offer to power agencies

Paul O'Connor

RALEIGH — No experienced negotiator opens bidding with his best offer. So, don't think that the state's 51 municipal power agencies and its two biggest electrical generators are done dealing. Especially not with the deal Duke Energy and Carolina Power and Light have on the table. It's a good start towards an eventual resolution of a major problem for the state of North Carolina but leaves room for a lot of negotiation.

The $5.8 billion debt that the cities hold for power plant assets is the biggest obstacle to the eventual deregulation of electricity in North Carolina. When deregulation comes, customers will be able to choose the company from which they will buy power. But, they will pay a separate fee for the distribution of that power to their homes, and that sector of the electricity industry will not be regulated.

If you buy now from CP&L, for example, you will almost certainly pay CP&L for distribution, at least in a deregulated market. Duke and CP&L offered to buy all of the assets of the electricities — specifically, power plants and distribution systems. The companies would buy the shares of power plants that they co-own with city agencies. Duke would buy any city stakes in its plants and CP&L would do likewise for its plants. This is a significant offer because those plants are worth far less than is owed on them. But, the offer raises the question of how much the cities will get for their shares of the plants.

Duke and CP&L proposed a negotiated price, but conceded that they might have to go on the open market and bid against others for the plants. That raises another question. The utilities own shares of those plants and operate them. They also have some contractual rights and obligations to those plants and the areas served by the cities. That might make it very difficult or impossible for other companies to buy those shares. The two utilities would also buy the distribution systems that each of the cities operates.

This is where the deal could get sweet for them. Distribution will not be deregulated, so

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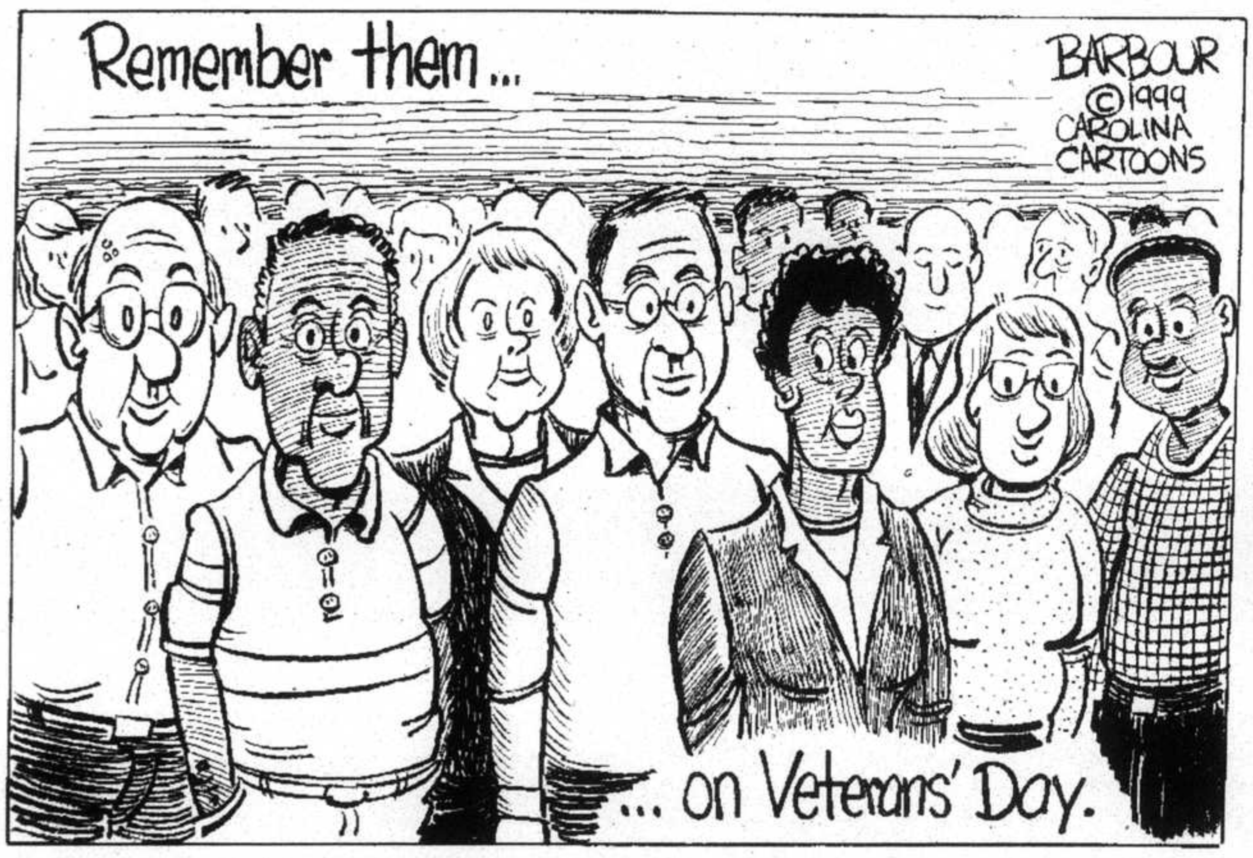

State should limit development

In the wake of Hurricane Floyd's destruction, North Carolinians struggle to rebuild their lives, and the state struggles to provide adequate disaster assistance.

The thousands of people in eastern North Carolina who have lost their homes and their jobs need all the assistance our state can offer. But before public money is used to rebuild homes, businesses and farms, the state should relocate these structures so they will not be repeatedly damaged by storms. The destruction caused by recent hurricanes - Fran, Bonnie, Dennis, and now Floyd - suggests that development in wetland and coastal areas has proceeded without adequate consideration of the cost to taxpayers and the environment.

Common SENSE

The Cost to Taxpayers

The average cost of a natural disaster is around $500 million with the cost increasing as coastal regions become more developed. A 1983 study found that, on average, flooding caused over $90 million in property damages each year in NC. An initial figure for Hurricane Floyd damage is $1.3 billion, but this figure is expected to increase and exceed the $6 billion tab for Hurricane Fran. Current estimates of damage include 3,680 homes destroyed, 4,282 homes with severe damage, and 7,890 homes with minor damage.

Throughout the years, the state has spent millions of dollars on efforts to protect homes and property from storm damage. Along the coast, seawalls and other state-funded erosion control projects may benefit some owners of beachfront property, but they often increase erosion of other beach areas and limit citizen access to public beaches. Similarly, state policymakers have spent millions on flood control structures, such as dikes and dams, yet these structures have encouraged development in low-lying areas.

The recent flooding of Princeville, NC, a town surrounded by a dike build in 1965, illustrates that such areas are still at risk and that flood control devices ultimately cannot control rising waters. By allowing and, in some cases, encouraging development in wetland areas, the state creates great costs to taxpayers.

The Cost to the Environment

The cost of coastal development is not just measured in dollars, but also in environmental damage. Development on fragile beaches can increase erosion, flooding, and environmental destruction further inland. In addition, population growth along the coast has spawned subsequent growth in infrastructure, industry, and agriculture - all of which can negatively impact the environment.

For example, with more people comes the

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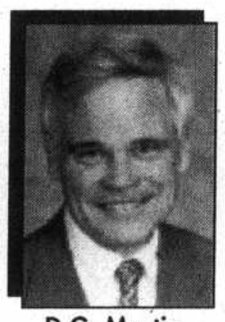
Political wisdom can be found in new nature book



D.G. Martin

What does a "nature book" have to do with North Carolina politics and government?

I knew this question would come up when I decided to write this week about

"Islands of Hope: Lessons from North America's Great Wildlife Sanctuaries" a new book by Chapel Hill's Phillip Manning.

After the local elections earlier this month it ought to be easier to see the connection between politics and the wildlife preserves' responses to some of the consequences of growth and development.

In many growing cities and towns the main issue was the how to respond to threatening growth and development. And the message from the voters to the politicians was a clear one: Recognize and respond to the challenges of growth, or find another job.

"Islands of Hope" does not pretend to be a book about local North Carolina politics.

This book examines another response to the challenge of growth - the need to maintain wildlife refuges to protect the living species that man's activities threaten.

The passion that rises about growth issues in local elections is often sparked not so much by a concern for the overall environment, but rather by the threat of some specific project. Local voters don't seem to be worried about the consequences of growth to animals and birds and plant life. They are upset about the traffic on their street, or their commute time to work, or the view from their porches.

Meanwhile, whatever the results of our local elections, man's relentless expansion continues. It disrupts, displaces, or destroys the wildlife habitats. There is no stopping it.

"Islands of Hope" deals with one way to respond to man's threat to wildlife - establishing refuges to protect particular species.

Author Philip Manning traveled to ten different North American wildlife preserves to find out how successful they are - and what lessons can be learned from their efforts.

The result is an appealing book - a compelling one for those who treasure the experience of

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How can you best use compounding power?

BY DR. MIKE WALDEN
NC Cooperative Extension Service

One of the most important concepts in finance and our economic lives is compounding, which affects virtually everyone sometime in life. Compounding can both help and cost you. By better understanding compounding,

You DECIDE

you stand a better chance of making it work for rather than against you.

Technically, compounding means earning interest on interest. If you invest $1,000 this year and earn 10 percent on that, at year's end you'll have $1,100. If you earn 10 percent interest again next year, compounding means you'll not only earn another $100 on your initial $1,000, you'll also earn 10 percent on the $100 interest you earned the first year. So at the end of the second year you'll have $1,210.

This might not seem like a big deal, but over time it can be. Without compounding $1,000 earning 10 percent for each of 30 years would grow to $4,000. With annual compounding, the $1,000 would grow to $17,449, more than four times as much.

Compounding also means investing for even a slightly longer period of time can make a big difference in your final nest egg. For example, if a 30-year-old person invests $1,000 each year, earning 10 percent interest compounded annually, at age 60 that person will have accumulated $164,494. However, if he/she had started saving only five years earlier, at age 25, he/she would have $271,024 by age 60, more than $100,000 more.

So compounding can certainly work to your advantage in investing. But compounding can also cost us more money.

One way is with the rising cost of living. For example, if the cost of living rises a modest 2 percent per year, you might think that after 30 years, the total COL would have gone up by 60 percent.

But this is too low because increases in the cost of living compound over time. Actually, an annual increase in the cost of living of 2 percent would result in a total jump of 81 percent over 30 years.

The power of compounding also shows up in loans and helps explain why many more dollars will be repaid than originally were borrowed. A home buyer borrowing $100,000 with a 30-year mortgage charging a 10 percent interest rate actually will repay $316,080 in monthly payments over the term of a loan. One big

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NOTICE TO OUR READERS

If you have something you would like to get off your chest, take the time to write the The Chowan Herald. All letters must include your current address, telephone number and signature of the writer. Deadline for the letters is 4 p.m. Friday prior to each week's publication.