

# FREEPORT-LUCAYA

When Juan Ponce de Leon marched up the beach on Grand Bahama Island in 1513, according to his historians, and planted a long-staffed burgee in the name of Spain, he struck a pose not unlike one you may see repeated a hundred times any day by bleached duffers on a manicured Freeport/Lucaya golf course.

the total bewilderment of his gentle hosts) and gestured frequently toward the north shore repeating the word "bajamar, bajamar!"

The visit was a real high point for the 16th century Indians. Every incantation took measured significance. In short order, the appellation attributed to the north shore was used to

He'd find 16 resort hotels with more than 3,700 rooms; five championship golf courses; a \$3 million dollar international shopping bazaar; about 23 banks and financial institutions; an international airport; deep water harbor; oil refining complex; pharmaceutical plant; 16,000 permanent residents and almost 400,000 tourists annually

American Revolution, the Bahamas saw a brief influx of new residents. The immigrants were loyalists who did not adhere to the common cause of the United States. In true belief that their service to England was paramount to any other consideration, loyalists settled on several of the islands in the Bahamas. Some came to Grand Bahama. There are ruins of their plantations visitors may see while touring in the Freeport/Lucaya area. Most of the signs of their migration have gone. A few of the settlements endured and now prosper on Abaco and North Eleuthera.

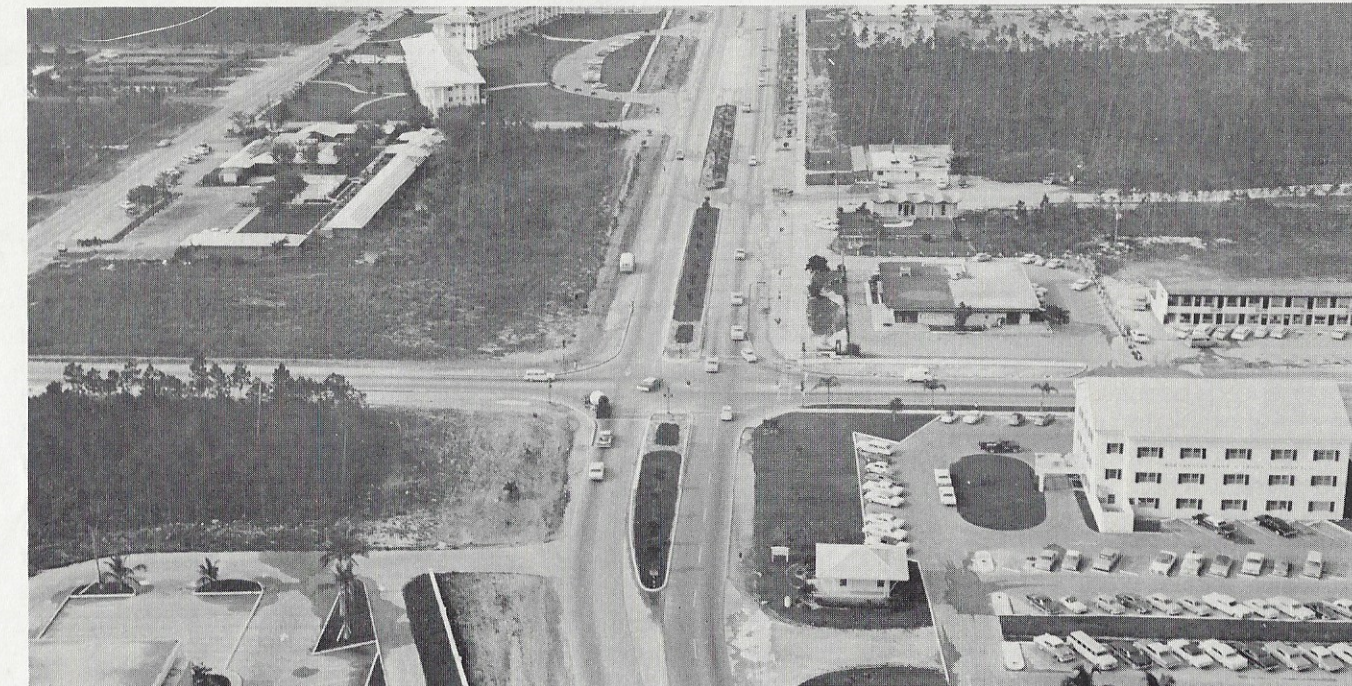
The outrageous age of piracy brought another stock of short-time visitors to Grand Bahama. A notable lack of suitable harbors kept the number of these scalawags at a minimum.

For all purposes, it seemed, Grand Bahama would be the island in the Bahamas overlooked by each century. Nassau, the capital city, on New Providence prospered handsomely. Only small settlements comprised mainly of freed slaves dotted the pristine coastline of Grand Bahama. Fishing was good and the people lived well from their sea harvest. Building materials were plentiful. Crude homes could be made sturdy. "Family farming" provided vegetable crops. Native tubers such as cassava root grew abundantly. It could be made into a tough bread. Dried leaves of the shepherd's needle plant is still a passable tobacco product. Yellow pine was pliable and made a fine lumber for fishing boats. A hardwood called horseflesh was used for the keel. It had strength and weight for ballast.

Times were simple and uncomplicated before the turn of



Lucayan Beach and the Bell Channel area as it looks today.



Amenities for the rapidly growing population in Freeport/Lucaya had increased by leaps and bounds by June, 1967. The original lending library in the Savoy Building had been replaced by the modern John Harvard Library (lower left). The Regency Theater was showing the latest films, Jansel Court on the Mall (upper center) had a long waiting list and the International Bazaar (upper right) was almost completed.

In that year there were only a handful of Lucayan Indians to greet him, none of whom had ever seen a tourist before. It is reported they extended their courtesies very graciously under the circumstances, and, although there weren't any hotels on the island, they did offer what they could to make his stay as pleasant as possible. (Some things don't change in the Bahamas.)

The explorer allegedly ranted on about a fountain of youth in the neighborhood (to

refer to all the island. In fact, soon afterward, all the islands in the archipelago were so identified. The word "bajamar" translates to "shallow sea" and its correct pronunciation in Castilian dialect is still ba-ha-mar. You don't have to say it fast to corrupt it to Bahama. Grand!

If he could return today... Ponce de Leon would find Freeport/Lucaya third in the world in telephones per capita. Only Washington, D.C. and Stockholm, Sweden have more than 94 phones per 100 persons.

enjoying a multitude of amenities from a gleaming fleet of sports fishing boats to a plush gaming casino.

The growth of Freeport/Lucaya, principal center of commerce on Grand Bahama Island, did not come in steady stages from the time of the explorer's visit more than four hundred years ago. Freeport/Lucaya's development occurred with volcanic speed in very recent years, and it is still growing.

During the period of the

the 20th century.

As soon as the United States embarked upon its experiment with prohibition a round of prosperity came to the Bahamas. Grand Bahama became a haven for bootleggers. In 1919 more than four-hundred whiskey laden speed boats left Grand Bahama for the Florida coast. By 1924 thousands of Bahamians were employed on Grand Bahama by wealthy rum runners. Storage and transportation of liquor, outlawed in the U.S., was big business. The boom brought a new lifestyle — and a measure of affluence — to the islanders. However, the great, liquid bonanza was destined to end like a New Year's party and the hangover would linger for many more years.

American revenue agents in patrol boats faster than those operated by the runners established an effective blockade of entry ports in the U.S. The

supply of illegal whiskey was cut off. By 1929 the river of whiskey from Grand Bahama to the United States began to flow more slowly. In 1932 it was a trickle. 1933 saw the passing of a colorful era.

Poverty returned to Grand Bahama and remained with it through World War II. Population figures dwindled to less than 2,000 permanent settlers, who once again dug in against time with the old traditions of hand-to-mouth farming and fishing.

In 1946 Wallace Groves purchased the Abaco Lumber Company, a failing operation on Grand Bahama, and eight years later sold the firm at a profit. He had a knack of doing things like that. The lumbering operation was one of a handful of businesses various entrepreneurs with vision had tried to establish without much success. Grand Bahama appeared to have potential for development, but



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serious drawbacks were encountered along the line at just about every stop.

The ocean waters were as clean and clear as any in the world. Miles of pollution-free beaches existed. Grand Bahama, it would seem, would make an excellent resort area.

Fresh water supplies were abundant. Fresh water was hard to find on most of the islands in the archipelago. Dense forests of yellow pine were available for controlled harvest.

There was no deep water port. That factor quickly translated into "no place to berth the cruise ships and heavy freighters." Then — and now — ships brought most of the raw materials to Freeport/Lucaya.

Groves, anticipating a growth in tourism and recognizing the desirable proximity of Grand Bahama to international shipping lanes, approached the Earl of Ranfurly, at that time Governor of the Bahamas. He proposed a massive development program that would allow for the creation of a total, planned community based on industrial facilities, tourism and real estate development.

In 1955 Groves co-signed the historic Hawksbill Creek Agreement with then Acting Governor A. G. H. Gardner-Brown. The legislature of the Bahamas approved the measure and it became law the same year.

The agreement granted Groves 50,000 acres of Crown land on a conditional basis. He would be permitted to license and operate businesses and develop the property under the strict terms of the agreement. The cost was over-whelming by any standards. Groves, through the Grand Bahama Port Authority, Limited, as the firm would be named, would be required to bear the burden of cost for all government operations at Freeport/Lucaya. Roads, schools, medical facilities, government buildings and

churches must be constructed. A harbor had to be built.

On the plus side of the ledger, the government in Nassau agreed to establish a tax-haven for investors in the project. There would be no income, real property, capital gains or profits taxes until 1990. There would be no tax on inventories. Manufacturers and exporters were protected from excise and import tariffs through 2054.

In 1956, by outward, raw appearances, the grand plan seemed headed down the tubes. Industrialists had not swarmed to pour cash into Freeport/Lucaya. Road beds were carved into the countryside and led to dead ends. Heavy machinery groaned and workmen pushed the island topography willy-nilly creating unused building sites.

The lookers came to see. There weren't any existing hotel facilities to accommodate visiting families during the period of development. There weren't any rolling golf courses. No restaurants offered respite from the day's work. "We'll come back and take another look," they said, "when you've got something more to show us."

An American oil tanker tycoon, Daniel K. Ludwig was called into the project. His expertise and capital investment would result in the creation of Freeport/Lucaya's sorely-needed harbor.

Soon a massive dredge was anchored at Hawksbill Creek. Newspaper accounts of the event contended it supported the largest drilling bit in the world. Even to the biggest and the best, there can be hard to beat obstacles, and the flint hard bottom of Hawksbill Creek proved to be one of those. The dredge's massive teeth chewed through the limerock swiftly. For about ten feet all went well. Then came the solid crunch. Bits of drill-head were mulched-up with cascading limestone. The rock bottom stalled the project for months. Completion date

estimates were tossed out like last year's train schedule.

Many businessmen might have packed in the shovel at that point and headed home with a sad story about how it all might have been "if." Groves, instead, went directly back to the government in Nassau and proposed to enlarge the project. More acreage was granted to the Grand Bahama Port Authority for real estate development and tourism.

Two hotels had opened in the interim. Neither was much to write home about. The Caravel had eight rooms and the Hawksbill 10.

In 1958 the harbor was finally completed. It has been enlarged five times since that date.

And, in 1964 the first major resort opened. The Lucayan Beach Hotel offered 200 luxury rooms. A gaming casino was opened for the convenience of visitors. It never matched the massive halls of Las Vegas and revenue from its operation was plowed back into the master development program.

1964 was the turn-around year for Freeport/Lucaya. Investors returned en masse. Tourists came. New hotels grew among the wild flowers with nearly the same degree of proliferation.

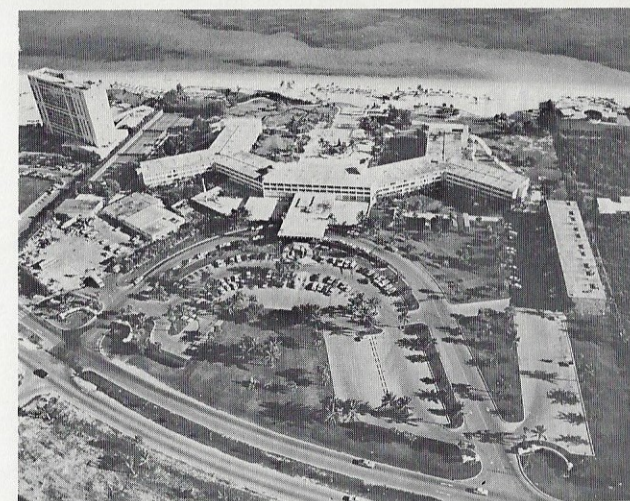
The Bahamas Cement Company's executives examined "those useless hills" of limestone left over from the dredging of the harbor and decided it was good material for construction. A \$75 million plant now feeds off the limestone of Grand Bahama.

Standard Oil of California and the New England Petroleum Company jointly invested \$300 million to create BORCO, the Bahamas Oil and Refining Company. BORCO now processes nearly all the low-sulphur-content fuel oils consumed by United States users on the eastern seaboard.

A deep-water oil



Holiday Inn under construction on Lucaya Beach in 1964.



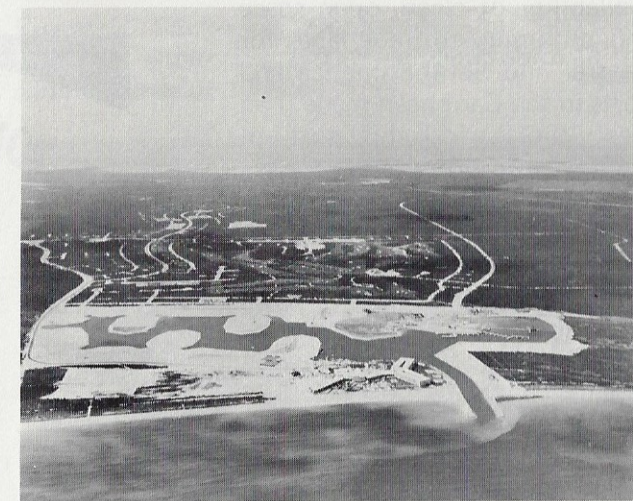
Holiday Inn as it looks today, with its neighbor (on the left), the Oceanus Beach. This sprawling complex is a far cry from the lone expanse of beach in 1964 when the Lucayan Beach Hotel opened its doors.



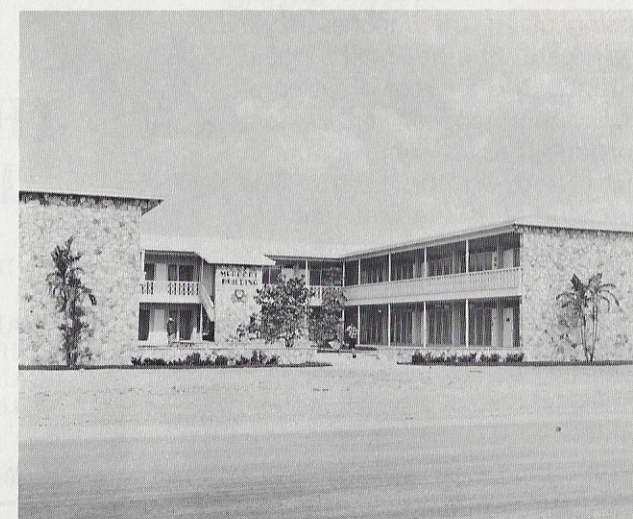
In 1967, East Sunrise Boulevard, a 4-lane divided carriageway was completed and ready for landscaping. The Drs. Antoni had built their clinic (foreground) and Mary Star of the Sea church and school had a capacity enrollment.



Holiday Inn and the Oceanus Beach Hotel, both on Lucaya Beach, as seen from the air.



Bell Channel and Bay area had been dredged by August, 1964 and the 200-room Lucayan Beach Hotel with its luxurious Monte Carlo Casino was in full operation. The Lucayan Harbor Inn and Marina and the Lucaya Golf and Country Club were almost completed.



The Merport Building, Freeport's second office building, was completed in 1964. It is located on Pioneer's Way in downtown Freeport.



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transshipment terminal accommodates super tankers with crude oil cargos. Smaller tankers swell with refined fuels at the facility west of Lucaya and depart for their respective destinations in flotilla-like numbers.

In 1967 the Syntex Pharmaceutical Company opened a \$7.5 million plant to manufacture a steroid chemical compound used in many birth control pills. The plant has been twice expanded to an investment that now totals \$11 million.

Freeport became a popular storage base for shippers. The availability of clean, open space and proximity to trade lanes for Central and South America and ports in the Caribbean made it an ideal choice for this sort of business enterprise.

1967 brought another, significant business to Freeport; retail merchandising. The International Bazaar opened that year. The Bazaar was planned by a Hollywood special effects set designer. He was charged with the responsibility of creating a 10-acre shopping mall representative of most of the world's cultures and customs. An initial \$3 million investment, now totaling more than \$4 million, brought to fruition a "United Nations" of shops and restaurants. Visitors to the International Bazaar delight in passing under the Japanese-style Torii gate at the mall's main entrance into a street of Oriental shops that appear as perfect reproductions of what a tourist might find on the Ginza. The merchandise is the real item! A block away the scene abruptly becomes Parisian, complete with sidewalk cafe and people who speak French. Another turn takes the visitor to Scandinavia. Or India. Or Israel. Or Africa. Merchandise is as diverse as the themes in the Bazaar.

Intercontinental Diversified Corp. (ICD), listed on the New York Stock Exchange, is the holding company which today

directs the thrust of Freeport/Lucaya. Three principal subsidiaries of ICD carry out day-to-day development: The Grand Bahama Development Company Limited is responsible for the development of tourism and real estate operations as well as consumer-oriented promotion and related development. The Grand Bahama Port Authority, Limited, with the assent of the Bahamas Government, issues licenses for business operations in Freeport/Lucaya and administers the Hawksbill Creek Agreement. Another ICD

subsidiary, Freeport Commercial and Industrial Limited, administers and promotes the industrial phase of the city.

It is regretful Juan Ponce de Leon could not have waited around for a few hundred years. He may have discovered his fountain of youth alone, or he may have had some help from the latter-day founders of Freeport/Lucaya. Without question, a fountain of economic youth was discovered. It just took Wallace Groves and his followers to tap it.

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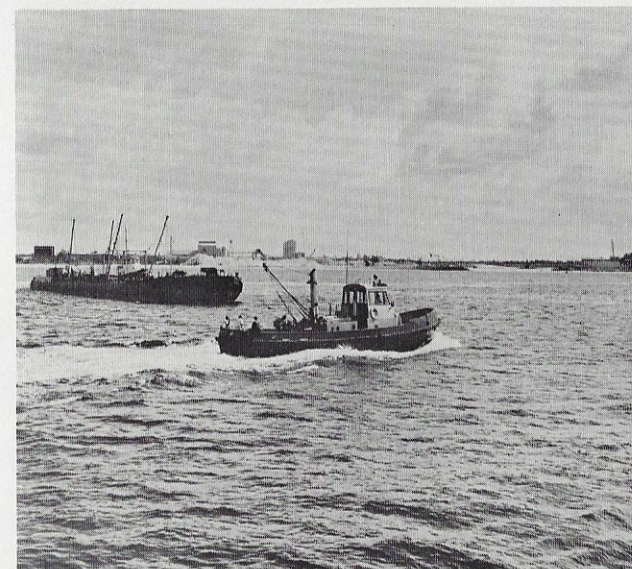
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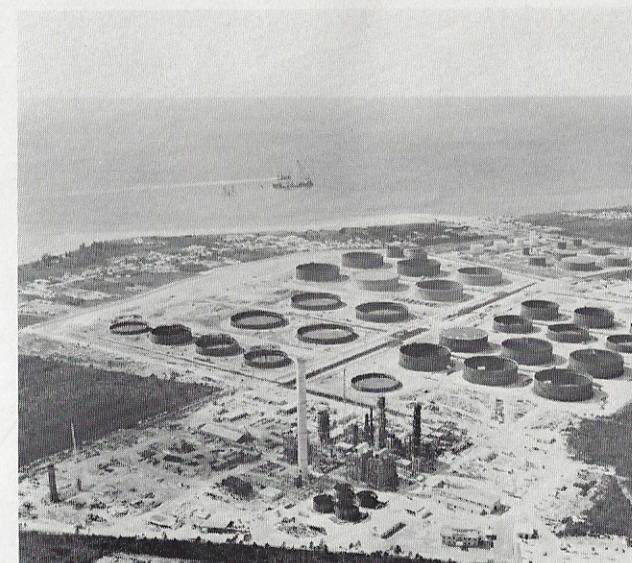
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| <b>MARATHON</b>    | Marathon Estates Road | Tel. 52278 |
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| <b>FREEPORT</b>    | Churchill Building    | Tel. 27233 |

Overseas Offices in:

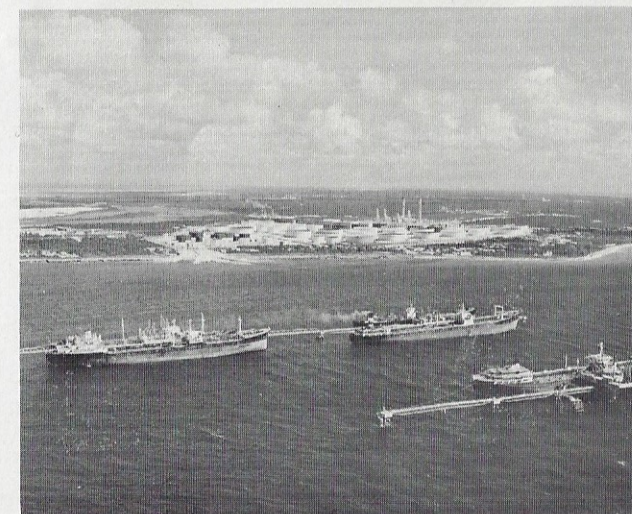
**BARBADOS, JAMAICA, ST. LUCIA & BELIZE**



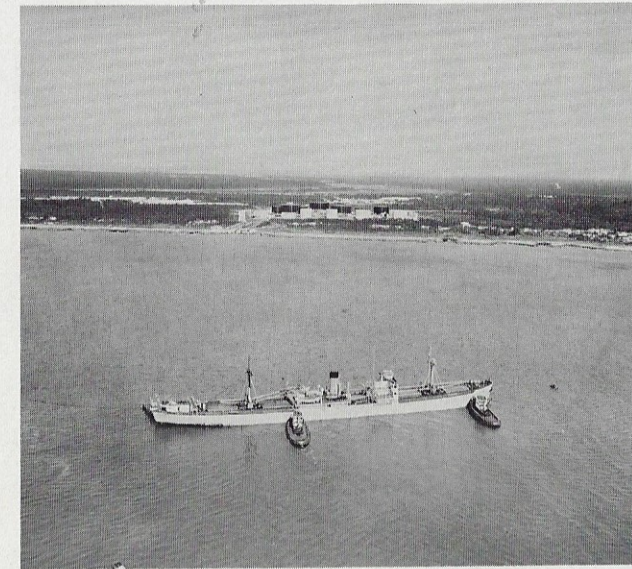
Tugs worked from dawn to dusk during the early days of the building of Freeport.



Bahamas Oil Refining Company (BORCO), 1970.



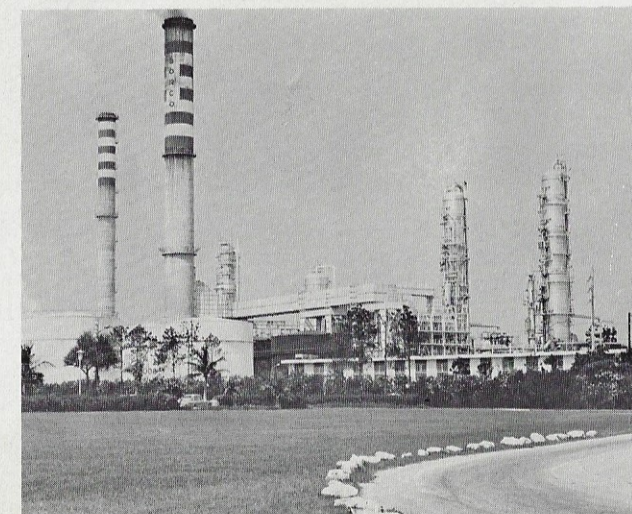
Ships refueling at the Bahamas Oil Refining Company, 1974.



Freeport Bunkering Company, the first big industrial enterprise, started refueling ships in the early summer of 1959.



BORCO, 1973.



The Bahamas Oil Refining Company in 1975.