

WALLACE GROVES



"Freeport/Lucaya is a place that is blessed with sun, sea and a magnificent climate: where all people can live together without prejudice, without petty indifference, and can truly find happiness in their lives before it is too late. This is the dream that Georgette and Wallace (Groves) dreamt. This is the future of Freeport/Lucaya."

The foregoing words were spoken by George W. Kates, President of The Grand Bahama Development Company Limited on the occasion of the dedication of the Garden of the Groves.

Wallace Groves, with the confidence and encouragement of his wife, Georgette, founded Freeport/Lucaya and sustained the burden of its developing

years when investors were scarce as snowflakes in the Bahamas. He created the cosmopolitan resort and industrial community. In 1970, convinced his effort had gathered sufficient momentum to permit an extended vacation from the active business world, Wallace Groves took his bride on an extended second honeymoon. He called it "retirement," a word

that, in the Grove's lexicon, means "I'm planning something new."

Whatever grand scheme, if any, Groves may be considering now, those who have known his determination in the development of Freeport/Lucaya will be the first to assure you it will succeed. Some people have a skillful manner of bringing to fruition plans others see as far to outrageous or just plain folly. Groves is one of these.

From the beginning of his career Groves earned the respect of his peers by accurately assessing the need for goods and services, then carrying his concept through to completion in matter-of-fact, step-by-step, logical fashion.

For example, in the 1920s, automobiles were more than curiosities. They hogged the roads, scared the few horses left on the highways half to death and also took up a lot of space in the front yard. And, when it rained the cars got wet. And dirty. And, they were almost impossible to start on very cold mornings.

"What the country needs now is a garage!" Groves must have thought to himself that day when he dreamed up the stupendously simple idea of building shelters for automobiles.

Groves was a student at Georgetown University in Washington, D.C. He established a company that built and sold garages to automobile owners. The business prospered. Groves' self-imposed initiation into the fraternity of builders and developers proved to be a fortunate one for him. He learned the rudiments of cash management.

Groves expanded his construction business to include the building and selling of homes. During this time, he was still studying. Income from the businesses paid, in part, for the cost of his education.

Wallace Groves might have

discontinued his studies and expanded his full energies toward the enterprises he had established with absolute success. Instead, he pressed on at both the business and the business of learning.

the few, tough enough and bright enough to avoid the pot-holes, an easy street to quick, economic self sufficiency. Wallace Groves prospered on Wall Street.

Groves had visited the



El Casino today with the adjacent International Hotel, renamed Bahamas Tower.

During his five years at Georgetown, Groves earned the degrees of Bachelor of Arts, Bachelor of Science, Master of Arts, Bachelor of Law and Master of Law. It is believed that his record number of degrees conferred in such a short period of study has never been broken. He was later awarded the honorary degree of Doctor of Laws by Ursinus College in Pennsylvania.

For several years following the completion of his college education, Groves represented financiers, traveling throughout the eastern and midwestern United States examining the ills of ailing corporations, recognizing them and setting them on a true course to financial stability. His expertise took him to Wall Street, New York, a proverbial boulevard of broken dreams, or, in the case of

Bahamas once, early in the 1930s. His cruise ship nestled to the quay and the wealthy visitors clamored down the gang-way past the aromatic fish market and off to their private suites and oceanfront vacation homes.

Groves, then in his late twenties, confided to an associate years later, "I suppose I was almost scared to death the first time I visited Nassau. It seemed all the visitors were very rich and aloof. If it hadn't been for the friendly, warm Bahamians, I don't think I would have ever returned to the Bahamas."

The Nassau experience was far more than a holiday to Groves. The Bahamas' reputation for being an idyllic place to reflect on the past and ponder the future was no secret. Groves wanted some time to think about the future and decide what tack

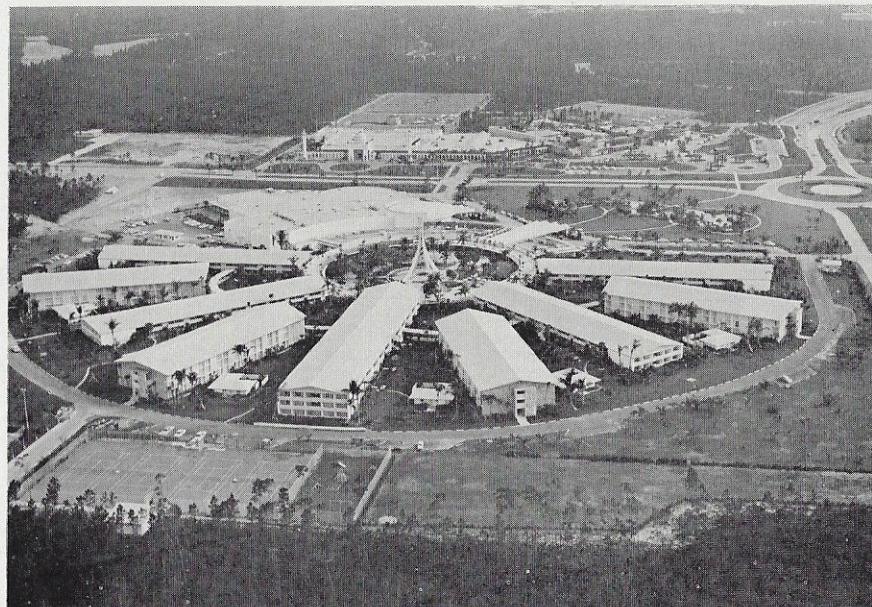
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he would take.

Early in the 1940s, Wallace Groves returned to Nassau. At that time, he was financially successful. He had taken a wife, Georgette, a Canadian by birth, and they were living in New

to an American company, at a profit, and set his sights on new business ventures. Old maps of Grand Bahama Island identify the lumber company property today only as Pine Ridge.

While harvesting the pine



1967, an aerial view of King's Inn and Golf Club with El Casino and the International Bazaar.

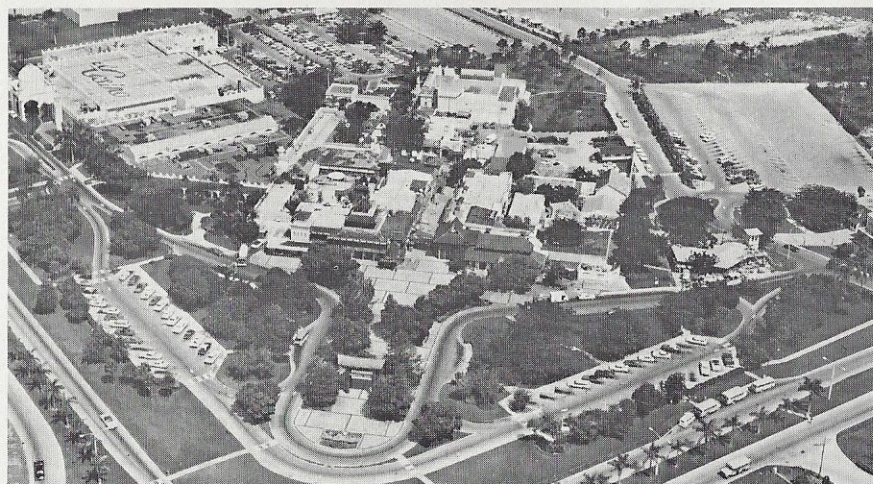
York. But he liked the Bahamas. Most people did who had visited the islands. In fact, Groves liked the Bahamas so much he decided to buy an island. He purchased Little Whale Cay, a subtropical paradise in the Berry Island group about 100 miles southeast of Freeport. Little Whale Cay was to become the magnet that brought Groves back to the Bahamas, as often as time allowed, and the force that would thrust the financier dead center into uneraseable pages of Grand Bahama history.

In 1946, Wallace and Georgette Groves purchased the Abaco Lumber Company. The firm was ailing. It had assets and a mill on Grand Bahama Island and more timber stands on Abaco.

With his deft touch, Groves reorganized the company into a self-sustaining, profitable operation. At one point he employed 2,000 men. Eight years later, Groves sold the firm

forests for construction projects in the Bahamas and Caribbean, Groves envisioned the growth of Grand Bahama Island. There was no industry on the island, no resort facilities like Nassau, and the inhabitants of Grand Bahama Island were without medical attention or means of income.

An aerial view of the famous International Bazaar. El Casino and Bahamas Tower are on the left in the photo. Goombay Park is shown in the upper right of the photo.



Groves approached the Earl of Ranfurly, then Governor of the Bahamas, and proposed a development program of staggering proportion. It would allow for the industrial development of Grand Bahama and later on the creation of a major tourism center and a carefully planned real estate development.

The Governor was enthusiastic and lent his support to the idea but the conditions of the agreement were strict. Groves would have to put the money up for a deep water harbor, an airport, government buildings, roads, churches, schools, government services and other numerous projects and he would, in return, be granted protection from nearly all forms of taxation.

It was just before 11:00 a.m., 20 years ago August 4, 1955, that a wheezing taxi rolled slowly to a stop in front of Government House in Nassau. The guard on duty, dressed in red-striped trousers, spotless white tunic and a helmet topped with gleaming gold spike, squared his shoulders and stood ramrod straight as a slim, quiet-spoken man with a ready smile and dressed in a conservative dark-blue suit emerged from the cab.

The man was Wallace Groves, and the appointment he was keeping with His Excellency the Acting Governor, A.G.H. Gardner-Brown, was for the formal signing of the Hawksbill Creek Agreement, the legislation which made it possible to begin the creation of Freeport/Lucaya.

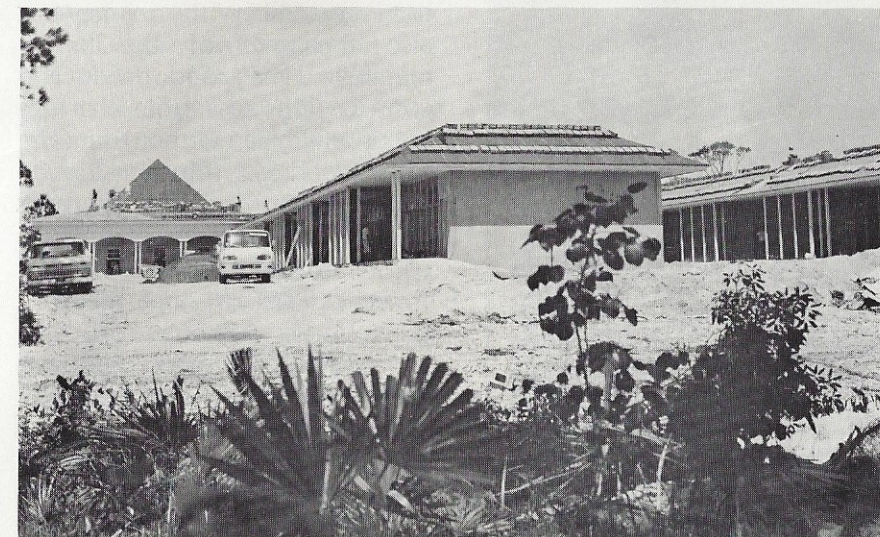
The Grand Bahama Port Authority, Limited was created as parent firm of the project.

Groves set to work at his huge undertaking soon after the Hawksbill Creek Agreement became law. Great amounts of Groves' capital were funneled into the project that so many outside observers looked upon with nothing less than pure skepticism. Investor's reluctance to participate in the project was well known. There were some



Landscaping the Pub-on-the-Mall in May, 1964.

Freeport High School under construction in August, 1965.



difficult obstacles to overcome. Freeport/Lucaya had no natural harbor, a consideration that weighed heavily upon all the parties to the development. Without a harbor, goods and supplies could not be brought into Freeport, nor could the cruise ships unload their precious cargos of tourists and commercial prospects. Off-loading of goods and services was far more difficult than in those areas where port facilities

were part of the natural landscape.

Daniel K. Ludwig, an American financier who had earned keen respect for his lucrative investments in shipyards was encouraged to participate. Ludwig seemed to be the saviour of a project that had not moved very far. If he built a shipyard, there would be employment for thousands and at least one very substantial industry to attest to the

potential of the area for additional development. Ludwig joined the Groves enterprise and invested enough of his own capital to construct the harbor at Freeport which has, since then, been enlarged five times. Shipyard construction never progressed further than the planning boards, however. Ludwig renewed a lease on a shipyard in the Far East and decided to pursue his interests on the other side of the world, rather than wait for Freeport to catch up to him.

Soon after Ludwig came into Freeport, two important groups decided to invest in The Grand Bahama Port Authority. These groups consisted of Charles Allen, a well-known New York investment broker, and family, and Charles W. Hayward, who at the time was chairman of England's giant Firth-Cleveland group.

But by 1960 there was serious concern that Groves had made a premature if not outright poor judgement of the potential of the Bahamas. There was rumor Groves would pack it in and head for Little Whale Cay to

let time heal the financial wounds. There never was any substance to the rumors, for as they were flying as fast as the tabloids could hit the streets in London, Paris and New York, Groves was already considering new ways to enliven the dream.

But Groves had another idea. He appealed to the government in Nassau for more land. That move, on the surface, seemed incongruous with the state of the venture. Groves persisted and the government was persuaded. The additional lands would allow a further

development of the original plan so as to include more tourist oriented businesses and to permit the subdivision of land for resale to potential homeowners.

The idea clicked. In 1964 the first hotel, the Lucayan Beach, opened for business. The tourist trade followed in mighty surges. New Hotels opened. Investors dropped in on occasion to plunk fortunes into Freeport/Lucaya. The dream had been born, Groves had engineered the miracle and Freeport/Lucaya took its place alongside Nassau as a prime

center for international tourism. And, another dimension was added to the Bahamas that was non-existent before the growth of Freeport/Lucaya: Industry. From petroleum to pharmaceuticals, industrialists came to cash in on the golden sands of Grand Bahama.

Today, Groves' investment in Freeport/Lucaya is largely represented by his holdings in Intercontinental Diversified Corp., listed on the New York Stock Exchange.

Wallace Groves is still a shy, retiring man who never boasts of his wealth. As he passes through the International Bazaar from the parking lot to his office (which he still maintains), he has a friendly smile for those he meets, and likely as not he will stop and speak to someone he knew "back in the pioneering days" and most likely he will not only remember the name but also the names of the family members. His good deeds and contributions to various charities are usually given without fanfare, often secretly, sometimes even anonymously. This perhaps explains the character of the man who dreamed the dream of Freeport/Lucaya and made it come true. Although officially retired, Wallace and Georgette spend many months of the year in their lovely beach home in Lucaya. The rest of the time is divided between Little Whale Cay and the spacious manor the family owns at Devon, England.

Mr. and Mrs. Groves have five adopted children — Gene, 24 and Gayle, 20 are the girls: the boys are Gordon, 23, Graham, 20 and Gary, also 20. They, too, share their parent's belief that Freeport/Lucaya has reached a stature of maturity some communities never reach; it is a place where all people can live together without prejudice, without petty indifferences. That was the vision of Wallace Groves, founder. He made it work.

Freeport in 1964. The Mall had become a 4-lane highway, more office buildings had been erected, and Ranfurly Circus (upper left) had been dedicated. East Sunrise Highway (upper road in photograph) led to Lucayan Beach Hotel, passing new residential areas, apartment buildings and more and more construction.

