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ONE DOLLAR

WALLACE GROVES

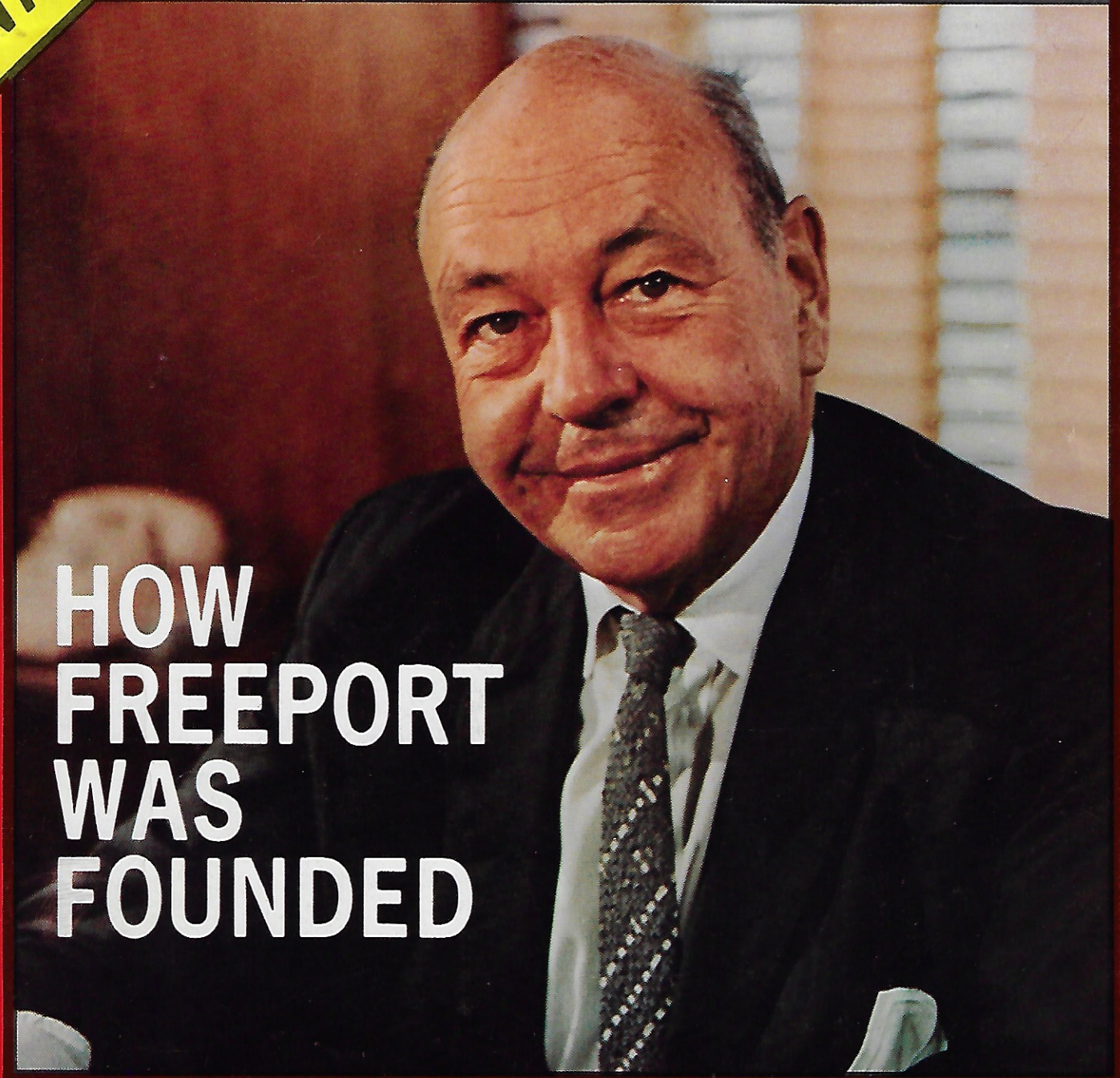
THE

BAHAMIAN

REVIEW AND
FREEPORT
MAGAZINE

THE NATIONAL MONTHLY NEWS-MAGAZINE OF THE BAHAMAS

HOW
FREEPORT
WAS
FOUNDED



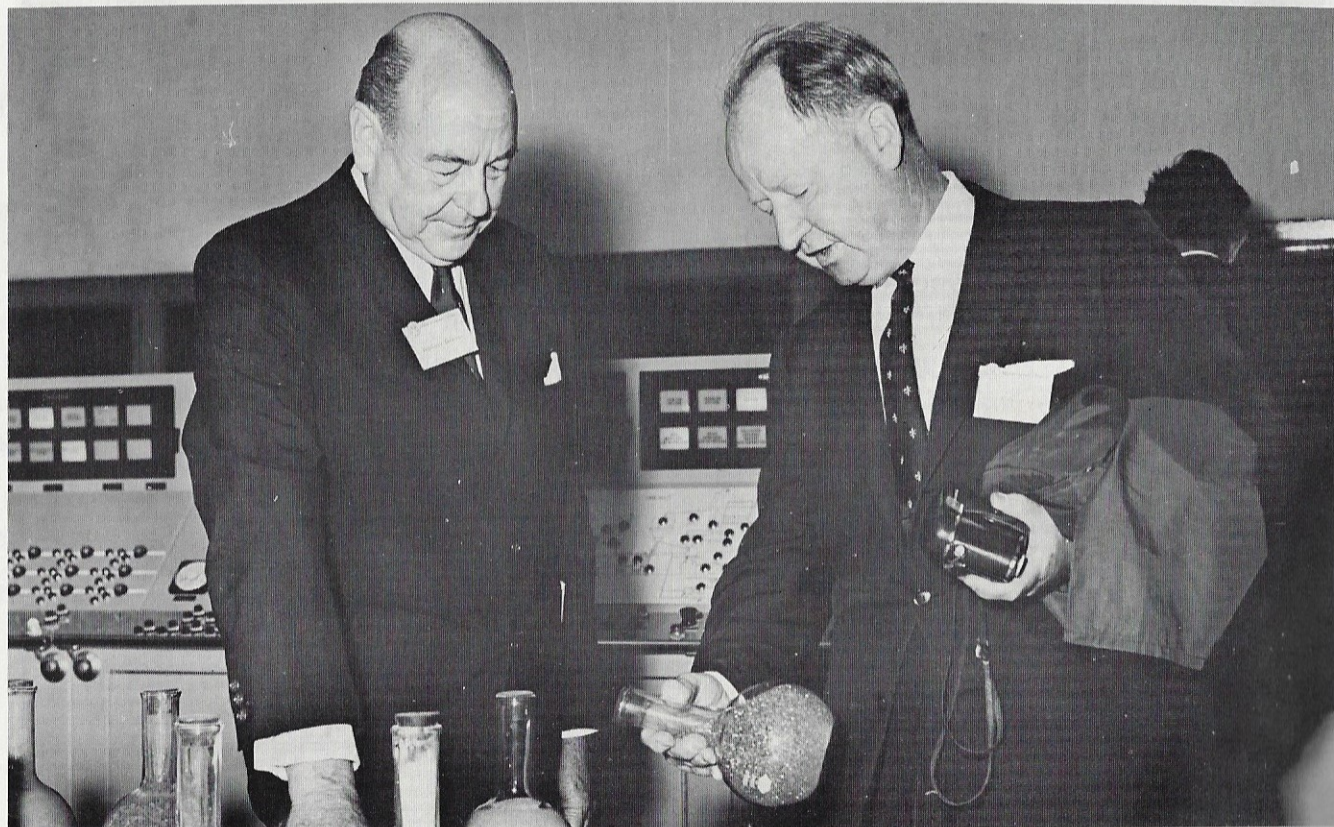
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FREEPORT'S 20TH BIRTHDAY ISSUE



HISTORIC MOMENT - August 4th, 1955 - Mr. Wallace Groves, Founder, Freeport, holds copy of Hawksbill Creek Act, after signing ceremonies at Government House. Seated at desk is the Acting Governor - the Hon. A.G.H. Gardner-Brown, who signed on behalf of the Government.

Wallace Groves and Leslie B. Worthington inspect various products of the Bahama Cement Company on Dedication Day, March 16, 1965.



HOW FREEPORT WAS FOUNDED

By Wallace Groves

Looking back over the past twenty years many things come to mind.

When the Hawksbill Creek Act was agreed to twenty years ago there was very little on Grand Bahama Island. The area described in the Agreement and now known as Freeport/Lucaya had every small population.

My first connection with Grand Bahama Island was in 1946 when I purchased all of the shares of the Abaco Lumber Company and the lumber community at Pine Ridge. The population of Grand Bahama Island at that time was only about 3,000. The venture was in danger of going into bankruptcy and the price was only 50,000.

The mill was rebuilt, virtually all of the equipment replaced, an excellent school and medical clinic was established. Fortunately the business was financially successful. One of the problems of the business was it had to be a temporary one as the lumber was cut, and in 1955 I decided to sell the timber concession covering Grand Bahama Island and Abaco but keeping the company itself. The sale was to Owens Illinois Glass Company for \$4,000,000.

My work with the Abaco Lumber Company led to the idea which resulted finally in the present development. I wanted to establish a strong, permanent venture. I reasoned that a large body of land of approximately 150,000 acres, located so near the Florida mainland just off the Gulf Stream, could be made into a large, worthwhile venture. Fortunately this has come true.

In the beginning because I considered the venture one of great risk, I preferred to take in no partners and handle the development alone. It was not until later, when I was more certain of success, that I did sell a share interest of less than 50% to the two top-grade investors (Allen & Company of New York and the Hayward interests of London). This share ownership continued until 1969 when the venture became a public company through Benguet Consolidated, listed on the New York Stock Exchange. I remained and am the largest shareholder of the surviving company which has the Bahamian assets, Intercontinental Diversified Corp.

In the beginning, a deep-water Port had to be built as a condition precedent to the Hawksbill Creek Act becoming effective. Great care and thought, I felt, should be given to basic long-term

planning for the so-called 'Port Area' and it was not really until 1959-60 that the basic plan and utilities were completed to allow for sufficient necessary amenities for the development to really get off its feet.

From 1960 to 1969 some 4,000 hotel rooms, many apartments and homes were built, and schools, churches and civic facilities — together with utilities — were added. In addition, a number of basic industries became established. The basic foundation was based on:- (1) Industry (2) Tourism and (3) attracting outside residents. From 1969 to the present there has been a gradual growth.

I believe the results speak for themselves - and today Freeport does speak for itself. I take pride in what has been accomplished in many areas, especially our fine schools and churches, excellent roads and utilities as well as the basic planning. Looking back over the years, I do feel the basic concept was good. In the beginning, great thought was given, for example, to providing a water system that could be expanded to serve a city of 250,000 or more persons. I am also pleased that the original formula of having carefully spaced shallow depth wells (versus a trenching system), set with time clocks so that no more than 1,000 gallons of water per acre a day could be pumped, has proven a sound one. We now produce up to 4,500,000 gallons of truly excellent water a day and with no practical deterioration of our water reserve. Our basic planning as to producing electric energy has also proved sound and to such an extent that BORCO depends on us exclusively for power requirements for its \$300,000,000 installation as well as for its water requirements.

I am especially proud of the Garden of the Groves (which, incidentally is the only time I have permitted my name to be used). I feel that it is a most beautiful place, perhaps even the most beautiful spot in the Bahamas and that it shows what can be done with our somewhat difficult terrain.

No one knows the future of Freeport but it should have an excellent one. To assert my belief in Freeport/Lucaya just recently purchased the investment of my original partner, Allen & Company.

Freeport/Lucaya will endure and does have a long-term excellent outlook.