

# SAINTS, SINNERS AND SCALAWAGS



A LIFETIME IN STORIES

by

Thibaut de Saint Phalle



HOBBLEBUSH BOOKS

This chapter is reprinted  
by permission of the author and  
not for further reproduction. This  
book is copyrighted fully and is  
still available through Amazon.com

---

## XVII

### ST. CROIX

**O**NE FRIDAY MORNING IN FEBRUARY 1959, while I was sitting in my office in New York wishing I were somewhere warmer, I received a telephone call from my friend, Dick Dickinson. It was quite unexpected.

"Thibaut," he said, "why don't you drop what you are doing and come with me to the Virgin Islands for the weekend. I have been financing a hotel project down there in St. Croix and have just heard from the developer that it is completed. It will do you good to get some sun for a couple of days. Forget your hourly charges and come. I will have my chauffeur pick you up at two o'clock."

Another  
unusual  
challenge

When we arrived in St. Croix after changing planes in St. Thomas, we found that the Buccaneer Hotel where Dick always stayed was filled with tourists and we were obliged to share a room. It made no difference. The air was warm; so was the sea. The guests were tanned and very relaxed. There was native music on the terrace facing the sea. New York seemed very far away. After the second dry martini, it had disappeared from my consciousness.

At dinner Dick explained his development project to me. He had been coming to St. Croix and staying at this same hotel on the beach each February for several years. Some two years earlier a local entrepreneur, Robert Lodge, a former stockbroker from New York and Darien, Connecticut, had told him at a cocktail party of his plan to build a housing development on the east end of the island at Grapetree Bay, geared to the needs of young executives from all over the United States who had only short vacations but enjoyed sunshine, beach life and relaxation. The plan was similar to that which had been tried in Jamaica and had proved successful there. Besides a hotel, there would be thirty-five individually-owned cottages leased to the hotel for all but two weeks in the winter and one month in the summer. The homeowner would make only a small down payment on his house, the balance to be represented

Don't trust  
promoters.

*St. Croix*

by a mortgage to the hotel corporation. The principal would be amortized over twenty years with the interest and principal payments made on the mortgage out of lease payments from the hotel corporation due to the individual owners. The system would both save the expense to the hotel of building bedrooms for guests and allow the owners to pay for their houses over a long period of time. Dick Dickinson had agreed to finance the construction of the hotel and houses until completion of the project, when the hotel corporation would be in a position to take out a mortgage on the hotel, and the homeowners on their own houses. In theory the idea was excellent. In practice it meant Dickinson was taking an enormous risk. But I was not there as his lawyer and I did not want to ask too many questions out of fear of what the answers might be. What I did learn was that the monies had been advanced to Dick by his bank and that he had secured the bank's advances by a pledge of all his stock in his company.

At about 11 o'clock that Friday night after an excellent dinner and a brandy, Dickinson suggested that we drive to the east end of the island to look at the completed project.

"You will see how beautiful it is, with a long stretch of sandy beach in the foreground, the hotel and pool in the middle, and thirty-five villas in an arc around the hotel or directly on the beach."

It was ten miles on a dirt road to get to the east coast of the island. The moon was full that night. As we came around a last corner before the start of the property, my friend stopped the car and got out. He didn't say a word. Neither did I. Before us in the bright moonlight lay a scene of desolation. There was no hotel but only girders sticking out of the sand. A huge cistern was only half finished. There were only a handful of semi-finished houses. No houses had been completed. There were no roads linking the houses. Uncovered lumber was lying everywhere along with steel girders and joints. I will never forget the scene I saw that night.

Dick didn't say anything. We got back in the car and drove back to the hotel in silence. That night I slept badly and so did he.

When we left for New York the following afternoon, it did not

seem to me that any satisfactory explanations had been offered or decisions taken. But I was not about to get involved in something that did not concern me. The whole business smelled of real trouble. The last thing in the world I wanted was to get involved in a real mess in a Caribbean island, hundreds of miles away.

*St. Croix*

The following weekend I had spent the morning in Bellport, Long Island iceboating on Great South Bay near our house. At lunchtime I learned from my wife that Dickinson's wife had called to tell her that she felt her husband was about to have a nervous breakdown and that she was going to take him away for a month's cruise to South America. My wife's response: "Don't worry, Betty. Thibaut will go down there while you are away. He will straighten things out."

This was the start of four years of the most difficult problem I think I have ever had to face. It is one thing to make a serious business mistake. It is quite another to run away and let others try to unravel what had to appear to be a hopeless situation. Dickinson had majority control of a large and highly reputed medical instrument company which his father and another man had created seventy years earlier. His stock I discovered had been pledged to a major New York bank that had advanced the twenty million dollars which appeared to have been squandered

As I dug deeper into the situation, it was even more difficult because all this had happened on a Caribbean island many miles away from my office or anyone I knew and could trust.

As I look back on it, it seemed to me I was almost as stupid in trying to get my client out of a hopeless situation as he had been in getting into it in the first place. It was particularly unrewarding to get involved in a difficult problem in a far off community where the locals, no matter how honest, will necessarily stick together to defend their own where an outsider is involved. It is a recognized sport in such a situation to defend other members of the community where a rich outsider has been fleeced. There is undoubted pride in taking advantage of a rich foreigner stupid enough to want to try to make money in a tropical paradise where local businessmen do not have the capital to develop properties on their own.

I should  
have just  
said no.

*St. Croix*

One should never get entangled in a situation where one doesn't know the locality, the people, what truly happened, the complete cast of characters and the reliability of each. Where everyone is a stranger, how can one find out whom to trust? New York was a jungle, but I had been operating there for many years. I knew the lawyers, the bankers, the businessmen; I knew how to check almost anybody; I knew both the honest and the dishonest, the knowledgeable on almost any matter. In an island community how could I ever find out where 20 million dollars had disappeared, much less how to find people who had not participated in taking it and would be willing to help me get it back?

Someone a year or two later wrote a book on the Virgin Island sport of taking advantage of the foreign investor. It was called *Don't Go Near The Water*. By the time I read it, I was ready to realize that it could well have been written, and probably was, about my own adventures in St. Croix.

My client was of little help to me. Before he left I had him tell me what he knew, leave me a general power of attorney, and tell his bank to let me have whatever money I needed up to \$250,000 relying on the security of his shares on deposit. It was clear that he had no real friends on the island, including his lawyer, who also represented the man who had stolen his money. He didn't even know the persons who had bought the houses in the project. It was a most extreme case of tropical sun poisoning.

It was impossible for me to go down to St. Croix except on weekends because I was far too busy practicing law in New York during the week. In those days, there were no direct flights to the island. One had to go via St. Thomas and change planes, or via San Juan, Puerto Rico, and also change planes.

Not having my client with me made the job much more difficult even to get the facts. From my first few weekend visits I did discover a good bit of what had happened: the builder on the project had never built anything before;

he had run a weather station in Alaska for the U.S. government; the architect for the hotel and houses had no architectural degree; he had been in the advertising and interior decorating business in New York; the accountant had been doing the accounting for Dickinson, the hotel corporation, the law firm, the realtor, but he was little more than a local bookkeeper. The accountant and the builder were honest. The architect had only furnished the designs. He had never worked in the tropics before, and had furnished no detailed specifications of the hotel building or the cottages to be built.

*St. Croix*

The first time I had a chance to really evaluate the situation was Easter week. I had gone down there for the entire week in order to learn what I could. The timing was atrocious. Several of the house owners, having heard from the promoter that their houses were on their way to completion, had chosen to go down with wives and children to see for themselves what progress had been made. A few had almost completed houses, most only a hole in the ground. On Thursday of Easter week all power on the island went off, something which I was told generally happened at that time as the manager of the power station went "off island" to Puerto Rico for Easter. I found myself on Good Friday facing distraught homeowners demanding to see Dickinson whom the promoter had told them was the one responsible for all delays because he hadn't advanced the funds quickly enough. Now there is something about unshaven men who feel they have been defrauded that is unduly frightening. I told them who I was, that my client was in the same position as they were, that obviously both he and they had been lied to and taken advantage of. I promised them that no matter how bad the situation was I would treat all alike, but they would have to wait until I could ascertain what had happened. I asked them to appoint one of the owners to represent all of them. This they did, appointing the owner of a business in Indiana and Sterling Pile, who had been a classmate of mine at the Pomfret School many years earlier. This put the house owners on hold at least temporarily.

For several years in New York I had worked with a man named Bill Shriver, a so-called doctor of sick companies. Bill would be hired by boards of directors at the instance of banks or major creditors to try to save a business in difficulties caused by the dishonesty or incompetence of management. Bill would retain me to do the legal and financial side of the business while he handled operational problems. We were close friends and had successfully worked on a number of problem situations, starting with the Piper Aircraft Corporation in 1946 and going on to

*St. Croix*

other companies in other fields in different parts of the country. Bill was currently between salvage jobs. I called him for help. I retained him to go down to St. Croix for three months to recommend to me what we should do. I figured that, with his background and vast experience in the business world, his recommendations would be most helpful.

I called Dickinson's lawyer in St. Croix and explained to him that Dick had left me in full charge of extricating him from his disastrous venture on the island, that I was sending the lawyer a detailed letter from Dickinson telling him to follow any instructions, that he was to consider Shriver as my emissary and give him all the support he could since he would be coming down to evaluate the situation for me and prepare an action plan.

Bill loved playing the role of a typical Irish visitor who likes to sit in bars and tell stories. But he was a veritable ferret. As a friend of mine, supposedly interested in investment opportunities on the island and a good listener, he obtained a good deal of information at least as to where on the island the promoter had invested a substantial amount of the funds Dickinson had made available to him to build the project. When Bill Shriver had completed his report, he came back to New York and gave it to me, along with some helpful recommendations as to whom I might find to trust on the island, and whom to stay away from. Unfortunately, he had no recommendations on architects, builders, engineers, hotel operators, lawyers, accountants, and other professional people I would be very much in need of.

United States possessions, as might be expected, appeal as a base of operations to those who for one reason or another have failed at home. Sometimes it is due to divorce, bankruptcy, or commission of misdemeanors. Sometimes it is to get away from pressure, lead the easy life of

the tropics, or live in a place where the rum is cheap and girls seeking sun and adventure plentiful. In such an environment the last thing one should have to do is what lay ahead of me.

*St. Croix*

I took Bill's report, thanked him and paid him, told my partners I would have to be spending a good bit of spring and summer in the Virgin Islands, transferred funds on Dickinson's account to a local bank and set off for St. Croix. My wife could not argue with me. She had put me in the fix I was in to help Betty Dickinson with no knowledge of what I might have to face. The children were more than delighted at the thought of a summer on the beach.

The first thing I did on the island was hire another lawyer. From Bill's report I had a good idea as to who was considered honest. This may sound easy. But the most able lawyers from the mainland are unlikely to move to the Virgin Islands to practice their profession. On the other hand, I did not need an Oliver Wendell Holmes. A knowledge of local law and the criminal statutes, relationships with the local politicians, capacity to draw real-estate contracts, relations with local bankers and businessmen, that is what I needed. I had to be properly introduced on my own. It was quite clear that my client's standing in the community, as a result of the failure of the project which everyone knew he had financed, had been severely affected. I would have to strike hard, and quickly, if I was to make it clear to everyone that the Dickinson "come and take my money" days were over and that new management was able, tough and unforgiving.

It seems to me that in business it takes so much time and effort to succeed and there are so many more enjoyable ways of spending one's time that if one is going to do it, one should take charge quickly, be direct with everyone, and go after the problems in sequence, concentrating on the major ones and leaving the others until later.

I had already at an earlier meeting explained to those house owners I had met on my first visit after Dickinson's departure that I would treat all alike and would give them a detailed report of what I had found as soon as possible. I now did that. All would be treated alike. The houses would be built and delivered as agreed. But each house owner would have to raise the funds necessary to complete his house or forego the property. Any houses completed would have to be paid for with the owner securing his own mortgage. The money I had would be used to build the hotel, not the individual houses. If they did not all agree, then I would abandon the project and, if they wished, they could go after my client. If they did agree, I would somehow build the hotel which was

*St. Croix* the one event which would give value to their property. Once built, the hotel would, if any owner wished, rent his property for cash so that he could pay off his mortgage through rental payments if he wished to. I would only deal with them through the two owners elected to represent the group. The owners had 30 days to accept or reject my proposition. If they did not like my proposition, I would try to help them sell their properties at no cost to them or buy out their investment for what they had advanced. Since their down payments had only been between \$10,000 and \$25,000, they could see that my proposition was a fair one.

Slowly, the major bases were covered. A majority of the owners agreed to my proposal, and the others were either pressured by the ma-

majority to sign or sold back their properties to the hotel corporation for what they had paid as a down payment. Two of the owners understood what I was trying to do, were very helpful, and became good friends. This left the promoter's thefts and the problem of redesigning and building the hotel. There was also a new problem: I discovered in looking at the owners' deeds and the maps on file with the land office that no proper survey of the various real-estate interests had ever been done. Not only did the roads within the project not conform to anything on file, but boundaries of individual properties decided did not conform either to the master plan or to each other. It was at this point that I realized I would have to go outside for legal help. A survey was essential.

*St. Croix*

At the time we had an office in Paris and I had just hired Denis Debost, a young Frenchman educated at the Harvard Law School who had had experience in land disputes in exotic places like Hawaii and Tahiti. I called him and told him I needed him in St. Croix for at least six months to clear up my land boundary problems and the job of finding and getting back the properties the promoter had bought with Dickinson's money outside the project. He was not happy to leave Paris but he immediately came and did a wonderful job. I could not have done what I was able to do without his help. We not only found that the promoter had bought properties elsewhere on the island, but in St. Martin, Martinique, and the French Riviera as well. In the course of the full year he spent on St. Croix, the young lawyer found himself being consulted by both locals and tourists who found that the titles to their properties might not conform. He became an expert on Danish and French real property law, including the old French royalist concept of *les pas du Roi* which gave all beaches to the king.

Sending  
a lawyer  
from  
Paris to  
St. Croix

This left the problem of the hotel itself. In New York, the supposed architect, a delightful Chinese-born American, was now working in advertising and moonlighting as an interior decorator. Through him I found the original plans for the hotel with interior designs but there were no architectural drawings or detailed engineering plans. Because of the legal descriptions of the houses on either side of the hotel, it was quite obvious that no such hotel could ever be built as planned without taking away a big part of the cliff in the back of the proposed site for the hotel. This was a major problem. The project contractor and I were in a quandary. Neither house owner on either side was willing to sell his property. I would have to attack the cliff. This meant finding a talented engineer on the island. This was not an easy matter.

I finally located a former colonel in the Transportation Corps of



the U.S. Army who had retired in St. Croix. He was my kind of man. Problems did not seem to faze him and he was continually "gung-ho" for action. He happily blew the cliff in back of the hotel so we could have the additional room we needed. He leased the biggest Caterpillar machine I'd ever seen and began to put roads where needed throughout the project area.

The only trouble was that he didn't always wait for detailed instructions and was not very good at observing property lines. When I complained that some roadways would have to be revised to conform with legal metes and bounds, his answer was always the same:

"Right—oh, Thibaut, just a bit of pick and shovel work, and I'll straighten it out."

I wondered frequently whether he did this on purpose in order to keep on using the expensive equipment we had leased. But eventually this part of the project was finished without too many complaints from the owners. I began to breathe again.

To build the hotel, there was a need for an engineer rather than an architect. Here I was lucky. The chief engineer of Dickinson's company agreed to spend the summer in St. Croix and help the contractor with proper engineering plans. He had supervised the building of all the company's plants both in the United States and elsewhere. His help was invaluable. His only problem was that he was a perfectionist on an island where fantasy was the norm.

The good work of our new legal team resulted in Dickinson's becoming certainly the largest landowner in St. Croix along with beach properties on other islands and even land on the Riviera. Gradually we sold the bulk of these properties. The proceeds went to pay for the building of the hotel and the houses we had taken back. It also enabled me to buy any land adjoining the hotel that I could get my hands on.

My most fortunate land transaction was with the Hess Oil Company which was purchased for several million dollars, a property on the south coast of the island that Robert Lodge, the promoter, had originally bought for very little. I had seized this property along with his other real-estate holdings. Hess wanted the property to process Venezuelan crude somewhere in the Caribbean and was willing to build a major refinery and port facilities in St. Croix. I enjoyed dealing with Hess. I named a very high price. It was accepted. Leon Hess did not even want to have a lawyer represent him. He said he had checked my reputation and would rely on me to draw proper contracts. I had to insist that he have the company's counsel review the documentation and give an

opinion as counsel to the company. Leon Hess was a real gentleman and a pleasure to do business with.

These sales of property were very welcome indeed because they gave me the funds with which to finish the hotel. It also made me realize that if I was ever to get back the \$20,000,000 that Dickinson had lost, it would not be out of hotel earnings but from establishing a real-estate office in the hotel when completed and first buying and then reselling all the property I could buy near the hotel that hadn't already been sold to the homeowners within the project.

*St. Croix*

For this purpose, I found a bright young woman who had some real-estate experience in the States and hired her for the real-estate office. I needed to proceed quickly before too many people on the island realized that the hotel was truly going to be finished and ready to open to the public. Quietly and slowly I purchased for the hotel corporation any nearby properties that came on the market. There were two large properties on two beautiful beaches just beyond the project limits. Unfortunately, the furthest property, before I could negotiate the purchase, was bought by the government for a public park and picnic area, but I was more fortunate on the nearer property: Jack's Bay.

This property belonged to Alexis Lichine, a wine importer who had purchased one of Bordeaux's best vineyards right after the war when they were cheap, and then made arrangements with Claude Philippe, the banquet manager of the Waldorf-Astoria Hotel in New York, to launch his wines to the benefit of both. Neither of the two men, as could be expected, had any real confidence in the other's integrity or ability to maintain accurate records of their partnership's earnings. They soon had a falling out but not before they had bought the property in Jack's Bay.

Shortly before the hotel was to open I received a friendly call from Alexis Lichine who said to me:

"With your name you must be French. No one in New York or Paris would understand it if you didn't buy your wine from me."

"But Alexis, I never thought of asking you if I could be your lawyer in New York."

In the course of the conversation, I realized that the partners were not getting along and that one of them wished to sell. I then arranged for another real-estate broker to call Claude Philippe for an unnamed client who might be interested in buying. My price was satisfactory to him but not to Lichine.

I soon had another call from Alexis.

"Thibaut, I think I can buy out my partner at a fair price. What do you think?"

I had the real-estate agent find an excuse to call him for her client and tell him that she was unable to get the consent of the adjoining hotel owner to put a road through its property to reach Jack's Bay. This persuaded the two partners to agree to sell the property which easily doubled the land for sale within the hotel project. It was certainly the most beautiful piece of property in all of St. Croix.

One morning I woke up and told my wife: "Darling, the hotel is going to open in a month and then our problems will really start." I knew because I had been the lawyer for two big hotels in Chicago and had learned first-hand how impossible it is to ensure honest accounting in any hotel project, to say nothing of all the other pitfalls of running a hotel at the end of the island of St. Croix with 17 miles of dirt road to get there and no housing for the staff.

The hotel did open on schedule. That in itself was a minor miracle. Everyone who was anyone on the island showed up, including the magnificent wife of the owner of the *St. Croix Daily*. She was well over six feet, her figure in proportion. As she went through the receiving line, Sterling Pile said to me:

"The Queen of Sheba could not have been more stately."

It was a grand party. Dick Dickinson had never been on the east side of the island since we went there together on that first awful night. He told Sterling Pile:

"I don't see why Thibaut told me all this was so difficult. It looks great."

I felt like saying to him, "Here is your hotel; now you figure out what to do next."

Bill Shriver often used to point out to me when we were trying to save a company whose board of directors had given up on their own ability to save it, that he always fixed his fee ahead of time, generally both in cash and in stock, because otherwise he might never receive it, since the person who had retained his services in desperation might later conclude that someone else could have done the job as well or better. In Dickinson's case I hadn't done this, first because I had no idea what I would find when I went down to St. Croix and after that because I naively trusted him, since he had become my employer as financial vice president and general counsel of his company. I should have taken the time to follow Bill Shriver's sage advice and fix my fee for what I was doing for him in St. Croix. My work there had nothing to do with

my work at the company. He was 20 million dollars in debt in St. Croix. If I didn't pay it off, he would still have to pay the debt and lose the company as well.

Sometimes one compounds one's own earlier mistake. When the hotel was finished, I should have had the sense to bow out and submit a bill for my work. But it had been too much of an effort to let go now. I was very proud of what had been accomplished and was too stupid now to wash my hands of it.

Both Claude Philippe and Alexis Lichine came to the opening festivities, each with a girl from New York who should not have been asked to come. I told the manager to give them each a bill for his stay and when Philippe would object to being charged because he was a hotel man, to tell them that the bill was in order because no true hotel executive would ever have brought such women to the opening ceremonies of a major hotel.

And so one set of problems was succeeded by another perhaps even more difficult. My manager was an American by the name of Burgess who had originally come to work on the hotel building as a common laborer. He had graduated from college, then gone to the islands, married a local black girl, and taken to drink. He worked very hard, was honest, took responsibility and knew every inch of the hotel by heart. I liked him. After watching him handle different jobs in the construction phase, I made him manager. He didn't fail me at the opening of the hotel.

There were two important matters now to be taken care of. The hotel was the newest and the biggest on the island. It needed a hotel association to market it. I arranged for my lawyer to create one. Then I persuaded other hotels to become part of the association and to elect me president so that I could go after the airlines to give St. Croix direct service instead of having to change planes either in Puerto Rico or in St. Thomas. We persuaded the local government to agree to renovate the airport if we secured the service and then brought an action in Washington on behalf of the association to get the service we needed. In due course, American Airlines started direct flights. It was a real boon for the island.

The problem of the roads was more difficult. I found that the roads leading to the Rockefeller Hotel on the west coast of St. Croix had been recently paved by the government in St. Thomas. I made an appointment to see the governor. He became angry when I asked him to do for the east end of the island what he had done for the west end. He flew

*St. Croix*

Finishing  
the hotel  
is only  
the first  
of many  
problems.

*St. Croix*

me all over the island of St. Croix in his governor's plane to look at the road situation, but I had little hope of getting him to change his mind any time soon.

Here my new relationship with Becton, Dickinson and Company became most helpful. In the course of my work there I had met a very helpful commercial banker in Nebraska, where the company had recently set up a plant. In talking to him on another matter shortly after my visit to the governor of the Virgin Islands, I mentioned my difficulty with roads in St. Croix.

"Don't you know, Thibaut, that your company is the largest employer in Nebraska?"

I had never been to Nebraska and was very much surprised. After all, our operation there was very small.

"The Virgin Islands are under the control of the Department of Interior. The secretary of interior is ex-Senator Seaton of Nebraska. He can, I am sure, solve your problem for you. I would consider it a privilege to introduce you to the secretary if you will let me. When would you like to see him?"

"I would assume it is more when will he be free to see me."

"Not at all. You don't understand politics. When can you go?" It was a Friday. We agreed to meet in Washington on the following Monday. My banker friend called back to say we had a ten o'clock appointment with the secretary Monday morning.

On Saturday, Burgess called me at home.

"I don't know what is happening, Thibaut. The road from Christiansted is crowded with Caterpillars. They are laying a new macadam road out to the east end."

As we walked in to Interior Secretary Seaton's plush office on Monday morning, I could hear him giving the governor hell to finish the new road as quickly as possible.

It was almost lunchtime when we left Seaton's office. At the phone on the corner the banker proposed to me that we try to have lunch at the White House.

"Ike comes from Nebraska. You might enjoy having lunch with him."

The president was away, but General Gruenther invited us to lunch with him at the White House. It appeared he also came from Nebraska. I had never known a state like that one. Apparently there everyone helps a fellow citizen if he can.

Much later in my life when I was living in Washington, I had a

call one day from a former student of mine in Geneva who was head of international operations for Corning Glass. He wanted to come down and lunch with me in Washington. I immediately thought he would be asking for help at Corning. Not at all.

"I am going to retire from Corning this year, and I will now be able to do something exciting and new after so many years with the company. I have several choices. You successfully made the transition to private life. I want to discuss my options and get your advice. The governor of Nebraska has asked me to join his staff. He considers Nebraska to be a one-product state and wants us to diversify. It sounds exciting. What do you think?"

"Why you?" I asked.

"I was born in Nebraska."

"What else have you done for the state?"

It turned out he had gone to the University of Nebraska, had been quarterback for three years during which Nebraska was the number one football team in the country. They take football seriously in Nebraska. I advised him to accept the offer without delay.

Lack of rain on the east side of St. Croix was a major problem for the hotel. The clouds came from the east with the prevailing wind but mysteriously divided as they approached the land and then formed again and dropped all their rain on the west side of the island. How could we make sure that rain fell on the east side of the island?

By this time Dick Dickinson had financed a local airline bringing summer tourists to Martha's Vineyard where he had a house. I persuaded him to send a plane and pilot down to St. Croix in January so we could try seeding the clouds before the season began. The results were better than doing nothing but not worth the expense.

I then examined the weather records on the island through my friend the contractor who had run a weather station in Alaska. These went back 100 years. We discovered that before two bad hurricanes had hit the island in the 1830s, the east coast had had the rain rather than the west. The maps indicated a "Cotton Valley" on the east end. It was obvious that before these two terrible storms, this was the "wet" part of the island. I therefore bought and we planted at Grapetree Bay some three thousand palm trees and assorted bushes. The result: the rain clouds no longer skirted the east end. Grapetree became green again, at least until the terrible storm of 1993 which hung over the east end of the island and destroyed the hotel and many of the owners' cottages.

*St. Croix*

Nature in the tropics has its own way of avenging man's attempts to bring about change.

It is one thing to find management for a hotel in the Caribbean. It is quite another to make sure that tourists come, and to try to extend the tourism months so that the hotel doesn't remain only partially filled for nine months of the year. I tried to find hotel managers with experience in tropical islands. One was chased away by a murderous cook; another had a wife with a "penchant" for local houseboys; I tried a New England hotel chain which had to be let go because its manager would only serve the food he gave to his summer guests on Martha's Vineyard. Imagine featuring Block Island swordfish on a daily evening menu in the Virgin Islands.

Management is an ever-present problem on a tropical island. Because of the fact that the hotel used the owners' houses spread out over a half mile area along the beach, every problem was magnified a hundred times: how were the guests to be brought to the hotel for meals? Could they have meals in their rooms? How could we assure proper telephone service in the rooms? What activities were available to the guests in a hotel complex at the end of the island? What auto services should be provided to take guests to other parts of the island? What could be offered to keep the guests busy and happy, besides the beach, the food and the tennis courts?

Telephone communication between the rooms and the hotel had not been properly thought through and the system never worked properly. So I had it yanked out. In every room, in place of a phone, I put a nice, friendly memo advising the guests that in order to protect their privacy and the desire for rest that had brought them to the island, I had purposely had the phone system to the rooms disconnected. "If you are one of those people who cannot get away from a phone in order to have a period of relaxation, then you should be somewhere else." Somehow it worked. Before the phone system was removed, guests were constantly complaining about it and the lack of room service. But they seemed to accept that this had been done for their own protection. This was a great lesson for me: how to deny a normal requirement, and turn it into a blessing. Lack of phone service to the rooms became a point emphasized in our brochure. And we never had any further complaints about the phone service.

The distance of the rooms from the hotel was also a difficult problem. To help solve it I bought a number of Volkswagen buses, painted them gay colors with the hotel insignia on the sides and had them shut-

tle back and forth between the houses. Fortunately, I was also able to purchase two of the owners' cottages near the hotel. On this additional land, over the course of two summers I was able to build additional hotel rooms with balconies.

*St. Croix*

From my prior experiences as a corporate lawyer advising the Byfield family in connection with their large hotel holdings in Chicago, I had learned quite a bit about the difficulty of hotel accounting. Creative accounting in the hotel industry is not the problem that it is in the motion picture industry. The problem is simply padded bills, cash payments on the side to employees, and outright theft. The only way specialists in hotel auditing have managed to maintain some control is to determine with the hotel client what should be a reasonable take on each portion of the business broken down in various departments involving food, bar, and even hotel services like laundry. If the results do not match the estimates, you then know someone has been dipping into the till.

The problem was made particularly clear to me when I had to let one manager go. Shortly thereafter, I received a visit from the head of a firm which furnished the hotel with most of its food supplies. He came directly to the point of his visit.

"Do we give the 10 percent override to you or to the new manager?"  
"Neither, because you have just lost the account."

It was difficult to do because his firm furnished staples to all the hotels on the island. And so it went. I realized that in giving the business to a competitor, sooner or later the same system would be reestablished. It is endemic in the business. It is also very hard to control because it is totally a cash business. It reminded me of the Generalissimo Chiang Kai-shek's payments to his warlord generals in so many *piculs* of rice for each man in the general's army. This always resulted in a massive creation of imaginary troops facing the Japanese enemy. In the hotel business, bonuses are paid on the basis of results compared to estimates in each hotel department. Standard hotel accounting is based on careful estimates. If they are not reached, it indicates payoffs are taking place.

I longed to be rid of this terrible albatross that seemed to be around my neck. But I realized I could not do so until I could persuade the bank to look only to the hotel corporation for repayment of the 20 million dollars loaned to Dickinson. This would enable the bank to return to him his shares of stock in Becton, Dickinson which had guaranteed his personal borrowings for St. Croix. To accomplish this I would have to invite down to St. Croix the vice president of the bank responsible for the loan and convince him that the hotel corporation could now pay



*St. Croix*

down the loan almost in full, with a showing that there was enough land left for sale and a small enough loss in the hotel operations that Dickinson's personal guarantee would no longer be necessary. This would require a very complete accounting and careful future projections of hotel cash flows. Fortunately, in one transaction alone the Hess Oil Company had bought enough land from me to build a major refinery on the island and had given me over half the money to pay back the bank. I called the bank, set up a meeting for a month later with the vice president in charge of the account who would come to St. Croix and then mobilized local accountants and lawyers to prepare the necessary financial statements and supporting reports.

The banker was due to come down on a Monday for our presentation. Over the weekend Denis Debost and I were still working feverishly to complete the needed documentation. I will never forget that last Saturday night. We were working in an apartment I had rented in Christiansted, the capital, to be far away from the hotel while we worked on our written presentation and the technical opinions. It was a gorgeous tropical night. Not knowing that we would have to work, my lawyer friend had agreed to take a girl— out to dinner.

She had arrived at the apartment dressed beautifully for a night on the town. I told her she would have to sit quietly until we finished and gave her a book to read. It was only seven o'clock and I figured she could be patient for a few hours.

At nine o'clock she interrupted our work by appearing in the living room where we were working amid a mass of papers strewn over tables and floors.

"You are not paying any attention to me and I will teach you how to do so."

She stood in the middle of the room in her summer cocktail dress. Slowly, and very sensuously, she started taking off her clothes one by one, until she stood in front of us quite naked. She was everything a seventeen-year-old girl should be. We watched, entranced.

"Denis, will you please take this young lady to her house, leave her and get back here as fast as you can."

I found out the next day what had happened later that same evening. She had put on riding clothes, gone down to the stables for her horse and ridden up the hill to the main house bareback. She had cantered up the steps to the terrace dining area where guests were having their dinner and ridden through the tables scattering guests, dinners and waiters. Then she had ridden back to the beach and started up again at a full gallop for a repeat performance. Only this time she ended up at a full gallop through the kitchen effectively ending the dining service for that evening.

*St. Croix*

It turned out that, as hoped, the banker was satisfied with our presentation. Dickinson's stock was returned to him, the debt substantially reduced, and the hotel corporation's stock replaced as guarantee for his. My job was finished. His personal debt was extinguished. He would recover his 20 million dollars. His business would be saved.

A few weeks later I sat down quietly with Dickinson to discuss an issue I should long ago have raised: my compensation for two years of work and—if I might say so—a very fine result.

"The hotel operation is now in good shape. While it may never make a great deal of money, you now have several hundred acres of prime land which you can gradually sell because the hotel will render the land increasingly valuable. I've never asked you for any compensation for what I have done. But what I would like is a small 3.5-acre lot near the hotel. I have designed a house to put there so that the children and I can keep coming to St. Croix now that I will have no further responsibilities there. After all, it was the last summers with their mother that we spent there."

His only reply was: "That is a lot of land, Thibaut."

I don't know which poet it was, Ogden Nash, I think, who said, "The rich are different from thee and me." It certainly is true. I had to insist, but I did get my three and a half acres of land. I designed a dream house, put in two large cisterns, but never built the house. Years later, I sold the property for \$61,000. I seldom went back to St. Croix. There were just too many memories attached. I had done my job, learned a good deal about myself and my own limitations and about the necessity of getting along with people of very different backgrounds and capabilities. I could and should have charged at least a million dollars for what I had accomplished.

Looking back, I am particularly proud of having briefly been a pa-

*St. Croix*

tron of the arts. One wintry February day in Paris I sat with a young French artist, a nephew of my secretary in Paris, who was working on paper napkins in a Paris café designing a series of murals which he would do for different walls in the hotel on the history, the arts and the sports of the island. In return for room, board and a small salary, the artist spent a year on the island. His work made the hotel famous. I even bought thousands of tiny Italian colored mosaic pieces to make a large mosaic design behind the swimming pool. My artist friend, Daniel Buren, subsequently became one of France's most successful artists and now sells his sculptures all over the world.

Man is a strange animal. To succeed, he must pace himself to his own mental, emotional and physical limitations. I discovered in my case what these were. I learned that in order to maintain my own balance and objectivity it was necessary from time to time to close myself in a totally different activity, into which I could plunge completely, and in that way regain my composure. In St. Croix, this consisted of buying a sailboat, and when things became unmanageable ashore, going off to the British Virgin Islands which were then a sailing paradise, unspoiled, and quite empty of tourists. I would leave around midnight with my wife and three children. We would sail all night. By six in the morning we would have reached the entrance to Sir Francis Drake Sound in the British Virgin Islands. It was then simply a matter of choice as to where to anchor during our stay. There were beautiful beaches, empty anchorages, and fantastic spear fishing. After three days I would return rested, refreshed and ready to face an angry world again. Looking back, I can see what a godsend it was to have owned a 48-foot ketch to enable me to escape when events on land seemed overwhelming.

I have often thought back on this strange period of time in St. Croix. I had made many mistakes. I don't expect I shall ever face a similar situation again. I also learned a great deal that helped me elsewhere, in different circumstances. I met individuals who for one reason or another were dishonest, greedy, immoral, or vicious. Somehow the tropics can bring out the worst in human nature. But I also met people from very different backgrounds, nationalities and races who were naturally honest, hard working, loyal and trustworthy. It is not easy to avoid the bad and recognize the good. One always faces surprises and compromises. But St. Croix was a wonderful laboratory in which to learn, and to test one's capacity for recognition of both good and evil. I learned much more respect for self-made men, because they have learned the meaning of loyalty and respect for others. I learned to be careful of those

who were given responsibility too early, or were born wealthy, because they might be inconsiderate or disloyal either to those above or below. I learned the importance of friendships and that the supreme arrogance is to think that one can ever accomplish very much alone. I learned that we must all be responsible for our own actions. I learned both the importance of self-confidence and the folly of stretching it too far.

I still think a great deal of my friend, Dick Dickinson, and why he got into such difficulty and was not able to make his own way out. Dick was by no means a stupid man. The risks he took in St. Croix were the result of wanting to do something constructive, to make it possible for others to enjoy the island as he had had the opportunity to do. Often one runs across people who, because they are good and want to do good, lack the warning system which will prevent them from making major mistakes. Bill Shriver used to tell me, "Beware the good, Thibaut, because they have no sense of loyalty to those who work for them." Dick Dickinson had inherited his company from his father, a ruthless, aged, self-made man who had educated his son in a military school and warned him on his death-bed never to trust anybody. He never had to learn from the experience of others or to work with others to accomplish a common goal. Like many sons of very rich self-made men, he wanted to do well with his money, and instead, in due course, lost all that had been left him, including his company.

*St. Croix*

I learn a  
great deal,  
but no  
financial  
success.