



# GARY GALYEAN'S GOLF LETTER®

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Dear Subscriber:

## Remembering THE GREENBRIER White Sulphur Springs, West Virginia

WHEN SOCIAL HISTORIAN CLEVELAND AMORY asked an Austrian baron to describe society in America, his answer was a question:

*“Is it not to go to your Greenbrier Hotel in your Spring Festival and to bet on the Duke of Windsor’s team and to sit only a couple of tables from the Henry Fords? Is that not Society, no?”*

For the first 16 years of this publication—1990 to 2005—The Greenbrier appeared in every ranking of the world’s best ten golf hotels. For 12 of those years, the hotel ranked second—not first only because they do not have a major championship golf course such as the ones at Turnberry or Pebble Beach.

That golf distinction having been made, there was no other hotel in the world that could compete with the excellence of The Greenbrier in the culinary arts, generation-to-generation service staff, interior decoration, gardening, architectural detail, stunning guest, dining, and banquet rooms, a world-renowned spa, a world-renowned medical diagnostic clinic, and an array of sporting and social activities. All raised the property to the pinnacle as the world’s best hotel in the minds of guests, other hotels who competed for the same business, and hoteliers worldwide who understood The Greenbrier’s legacy of excellence because so many had been trained there.

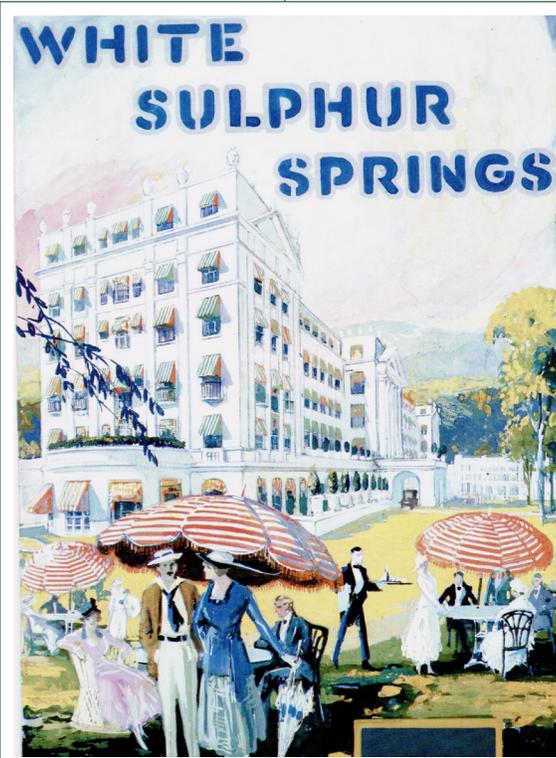
The post World War II decades—1950 until 2000—were The Greenbrier’s most accomplished years. The State Suite was decorated by Dorothy Draper specifically for the Prince and Princess of Monaco’s visit; from just off the main dining room with string music in the back-

ground, Alexander Haig took the call from the White House relieving him as chief of staff; the first Ryder Cup in which European players competed [think Ballesteros] were played here; Sam Snead was the golf professional, traveling the world from White Sulphur Springs; Gen. Eisenhower’s bust, sculpted by Giacomantonio, was placed in the North Parlor; the Americans held hostage by Iran came as the hotel’s guests immediately following their release; the Duke and Duchess of Windsor visited repeatedly but never paid their bill; W.Va. Gov. John D. Rockefeller IV eschewed The Greenbrier for fear that its opulent reputation would detract from his being seen as a man of the people; and a bomb shelter was secretly constructed to protect members of

Congress (but not their spouses) in case of nuclear war.

This was the half century when The Greenbrier commanded proper dress, manners, and decorum; when baby sitters minded the children while the adults went to the dining room and then the Old White Club for dancing. This was before ever-present baby strollers, mobile phones, jeans and t-shirts.

While the world’s hotel cultures—and cultures generally—have been diminished by the slacking of mannered



decorum, the decline of The Greenbrier after 2002 can be traced directly to fumbled corporate maneuvering and the incidental rise of Steve Jobs, who glamorized dressing like a hobo and lent value to his disdain of personal elegance, which he confused with arrogance and for which he had no use—unless it was his own.

The decline of The Greenbrier is a financial story of our time that reflects mismanagement at the highest level, the expansion of the major resort market worldwide, and a change in what America has come to value now, as opposed to what was valued 70 years ago. We will tell that story after we have set the historical stage.

### **Among the Endless Mountains of Virginia**

There are specific, usually forgotten, reasons why and where important junctures take place as they do e.g. London is located where the Romans were first able to ford the Thames. The Greenbrier blossomed from where the Great Buffalo Trail from the east coast passed by the rejuvenating white sulphur spring in “the Endless Mountains of Virginia”. This trail was the shortest and easiest route Native Americans found for traveling to the Ohio Valley. It would eventually become the James River and Kanawha Turnpike; the railroad would be laid along the same path; as would the interstate.

Two-hundred forty-two years ago, a careful Shawnee carried a colonial settler, Mrs. Anderson, to a spring of strong-smelling mineral water to help cure her rheumatism. It worked. Word got around, and from this spring, which is still healthy today, there flowed a history of hospitality and social grace unsurpassed in America and rarely approached or equalled elsewhere.

By the 1830s, the expanding U.S. population experienced their first cholera epidemic, and yellow fever threatened the lowlands of Virginia, the Carolinas and Louisiana. The higher elevations of Virginia offered the medicinal relief of cool air as well as the sulphur waters.

James Caldwell, the resort proprietor, was not the first to grasp that there was money to be made catering to travelers, but he was the first in this area to realize that success lay not only with cool air but also by attracting the right people. His wife, Polly, and he are credited with transforming the site “from a clearing in the wilderness, to the South’s grandest resort”.

Between 1820 and 1840, the American population nearly doubled and the cotton crop tripled. The need for better transportation resulted in the James River and Kanawha Turnpike that became “the catalyst that brought together all the other elements critical to [the resort’s] success”. The turnpike was one of the few roads

that crossed the Appalachian Mountains and White Sulphur Springs lay literally in its path.

The economic boom of the 1830s rippled through the resort’s business enabling its expansion from 900 to 7,000 acres. There was a flurry of social activity and one-upmanship that ensured its prominence. Guests included Dolly Madison, Davy Crockett, Francis Scott Key, and Daniel Webster; and affluent plantation owners outdid one another in the building of private cottages.

### **The Arrival of the Railroad**

The first and most important convention held at the resort took place in 1854 to determine the routing of the Virginia Central railroad to the Ohio Valley. It was decided that the line would pass directly through White Sulphur Springs and, just as it does to this day, within yards of the hotel’s main gate.

The Civil War prevented construction of the rail line until 1868, but on June 29, 1869, Collis P. Huntington arrived at the resort aboard the first passenger train ever to reach White Sulphur. The travel time from the east coast to the resort had been reduced from five days to 15 hours! Ironically, this surge of good fortune burdened the hotel with a need for more working capital that only a new owner could provide. In 1910, the Chesapeake & Ohio (C&O) Railroad purchased the hotel for \$150,000 and preceded to spend \$2.5 million for sewers, electric lights, tennis courts, a small golf course, a dairy, and a bath wing. Their goal was to make it America’s foremost health resort.

### **The Arrival of Macdonald and Snead**

Charles Blair Macdonald was commissioned in late 1913 to build the resort’s first 18 hole course, which is known today as The Old White. The new course ushered in the Golden Age of Sport at The Greenbrier recording visits from Bobby Jones, Bill Tilden, Gene Tunney, Buster Crabbe, Grantland Rice, Francis Ouimet, and Johnny Weismuller.

In 1936, The Greenbrier was blessed with another phenomenon that would attract the world’s attention for the next 75 years. Born just a few miles away in Bath County, Virginia, Sam Snead (1912-2002) was discovered by the hotel’s golf manager and hired as a golf professional for the first time. He would amass the most remarkable professional record in the history of golf—especially without a private airplane—while coming and going from The Greenbrier.

As you play The Old White today, take a moment on the 5<sup>th</sup> tee to reflect on the place where Mr. Snead was nearly fired during the first week of his employment. He

played a 335 yard drive that carried all the way to the green of the par-4 hole. On the green at the same time, Alva Bradley, the owner of the Cleveland Indians and a board member of the C&O, was struck in the buttocks by Mr. Snead's ball as he bent over to pick up his own ball. Outraged at such ill-mannered behavior, Mr. Bradley demanded that Mr. Snead be punished. His anger was not assuaged until he was told that the shot played by Mr. Snead was his drive.

Mr. Bradley did not believe such a shot was possible, so he demanded that Mr. Snead repeat it, which he did. Mr. Bradley exclaimed, "Jumping Judas! Wait'll I tell Babe Ruth about this. He'll be down here to take lessons from you."

### World War II

Twelve days after the bombing of Pearl Harbor, The Greenbrier became the internment center for German and Japanese diplomats living in the United States. The hotel served the government's purpose because of its isolation and its first-class accommodations, which the State Department hoped would ensure equally fine treatment for American diplomats interned by enemy nations.

On September 1, 1942, following a farewell mint julep party, The Greenbrier became the property of the U.S. government and, as such, was converted to a 2,000 bed military hospital. A price of \$3.3 million was paid for the hotel and its 7,000 acres. Hotel furnishings were sold at local auction. After the war, the railroad bought back the hotel, which was in dire need of renovation.

### The Genius of Dorothy Draper

Like Henry Clay, James Calwell and Collis B. Huntington before her, Dorothy Draper's influential genius at The Greenbrier cannot be exaggerated. It was her work that trademarked the hotel's reputation into the decades following World War II.

According to the hotel history, it was a soggy, gray day in December 1946 when a limousine brought Mrs. Draper [the only woman Edward R. Morrow ever interviewed for *See It Now*] and her associates from the train station to the hotel. The electricity was shut off. They were met by a single hotel employee with a flashlight and led, as one of Mrs. Draper's associates recorded, "into the somber darkness of the entryway and up to a vast unfurnished lobby floor, where in silent emptiness, a forest of naked columns stood at attention".

The masterwork that Mrs. Draper lavished upon The Greenbrier was the largest redecoration ever attempted in the history of the American hotel industry. C&O Chairman Robert R. Young wielded the money and foresight necessary for her *carte blanche*.

*"... having Dorothy Draper as your decorator." her [acolyte and] successor Carleton Varney has written, "was like having Yosuf Karsh take your picture or Luciano Pavarotti sing at your wedding. She was IT, society's most prestigious imprimatur. Whether she designed a single room or a whole hotel, Dorothy Draper's name was the one you wanted to drop ... of all Dorothy's treasures ... The Greenbrier was quintessential Draper, the most highly prized jewel in her crown."*



THE SPRING HOUSE BY TAG GALYEAN

Having spent nearly \$12.5 million for renovation and redecoration—including 30 miles of carpet, 15,000 rolls of wallpaper, 45,000 yards of fabric, 4,000 gallons of paint, and 34,567 decorative and furniture

items—Chairman Young spent another \$65,000 of the railroad's money for what *Life* magazine called "the most lavish on-the-house party of the century". Beginning April 15, 1948, the three-day extravaganza re-set the hotel at the pinnacle of society. By rail, limousine, and airplane, there arrived the Duke and Duchess of Windsor, Bing Crosby, William Randolph Hearst Jr., John Jacob Astor, Henry Luce, three governors, du Ponts, Biddles, Pulitzers ...

*For what appears above, we gratefully acknowledge our reliance upon Robert S. Conte's THE HISTORY OF THE GREENBRIER, permission to use for which was obtained from the hotel years ago—including the page one art. From this point forward, we have relied upon confidential and public sources.*

### Pitt, Snow, and Wasserstein

Of three men born between 1939 and 1947, one steered The Greenbrier to her greatest prominence and the other two to her bankruptcy. Due to space, this is best told using bullet points and abbreviations:

- JOHN W. SNOW - born Toledo 1939; graduates U. of Toledo; PhD econ. UVA; George Washington Law (GWU). Classic swampy career path: D.C. law firm to Dept. of Transportation (DOT) to CSX to Sec. of Treasury (2003).
- WILLIAM C. PITT, III (WCP) - born Denver 1944;

raised in Tarboro, NC. Attends UNC. Hired to front desk at The Greenbrier (GBrier) in his early 20s, rises to hotel president at age 34.

• BRUCE J. WASSERSTEIN (BJW) aka "Bid 'em up Bruce" - born Brooklyn 1947. Graduates U. of Michigan at age 19; Harvard Law and Harvard Business. First Boston's Mergers and Acquisitions (1977) with Joseph Perella. They form Wasserstein & Perella (1988).

1970s - Jack Lanahan, as GBrier president, makes GBrier into proper a business. Operating profits climb.

1972 - Snow law prof at GWU; partime at DOT.

1975 - Snow leaves GWU; full time at DOT.

1977 - Snow joins C&O+ as VP for gov't affairs.

1979 - WCP promoted to GBrier presidency. The ensuing ten years reflect his intuition and discernment for sustaining hotel's excellence and making money.

1960 to 1999 - CSX owns SeaLand, the intermodal global transport company, along with R.J. Reynolds and others.

1980s - CSX CEO [H. Watkins] adds non-rail assets.

1983 - CSX buys Texas Gas Resrces. for \$1.1 billion.

1986 - Because of GBrier's longevity and WCP's reputation for operating excellence, Laurance Rockefeller negotiates with WCP and sells RockResorts to CSX. WCP moved to CSX HQ. Ted Kleisner becomes GBR president.

Touting their non-railroad holdings, a CSX ad campaign boasts "*Is this any way to run a railroad?*"

1988 - CSX sells Texas Gas; holds the cash.

1988 - W&P formed. CSX in W&P's takeover sights due to large cash holding and under-performing stock. BJW states his is coming: Will leverage stock ownership,

sell non-railroad assets, use CSX cash to pay off his take over debt and, thereby, own the railroad free and clear.

1988 - Snow, now president of CSX holding company, decides CSX will raid itself before W&P can. Will sell non-rail assets and use cash to buy back CSX stock.

1989 - Snow, now CSX president and CEO, states publicly that GBrier and RockResorts are for sale. WCP privately tells Snow he cannot sell the GBrier. Snow responds, "What do you mean? I'm the president of the railroad!" WCP must get clearance from Feds to read in Snow about top secret congressional bomb shelter and the lease that limits sale of the GBrier for that reason. GBrier sale taken off the table. RockResorts is sold.

1990 - WCP retires from CSX; becomes president and CEO of Guinness Resorts USA.

1992 - *The Washington Post*, relying upon a confidential source, reveals the secret of the bomb shelter. The bomb shelter lease and its vital financial support of the hotel are invalidated by the public disclosure. Snow is free to sell or develop the real estate at the GBrier. Real estate development deal poorly structured; only the developer makes money. The lack of aesthetics in the development rocks GBrier's reputation and appeal.

Kleisner agrees to unions' "we want more" demands despite their already being compensated at highest levels. At the same time, the resort business worldwide expands vastly; new resort options increase competition.

2002 - With 60 per cent labor costs, GBrier begins losing money—estimated at \$15 million annually.

2006 - Kleisner retires from GBrier.

2009 - CSX puts GBrier into bankruptcy. Marriott plans purchase; W.Va. coal operator, Jim Justice, buys Marriott's position and writes a check for the hotel. Underground casino, football field, 400-seat chapel, 2,000-seat tennis complex built. Mrs. Draper spins.

For W.C.P. III:



*"Whatever we learn to do, we learn by actually doing it. People come to be builders, for instance, by building, and harp players, by playing the harp. ..."*

Aristotle

Yours vy truly,

Gary A. Galyean  
Editor & Publisher

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