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History lesson at Bretton Woods

BRETTON WOODS, N.H.

It's Columbus Day weekend at the Mount Washington Resort, a lovely occasion for fall foliage in the White Mountains. Outside, a meticulously restored Donald Ross-designed golf course literally is warming up. The morning sun is crawling over the shoulder of Mount Washington (elevation 6,288 feet) and making its way across the surface of light frost that has delayed tee times for two hours. That's just enough time to sit in the hotel's famed Gold Room with a cup of coffee and survey the week's financial carnage.

My presence in the Gold Room is not by accident. I'm partial to history, or at least its memory. For it was here in this very room in July 1944 that the leaders of the world's 44 allied

economic powers signed a series of economic agreements that formed the basis of a generation of unparalleled prosperity. And now the pages of the newspapers around me herald chaos, whether in the form of shrinking investment portfolios, credit freezes or impending bankruptcies of major financial institutions.

None of this is good news for the golf industry. Even casinos have seen a downturn in business. High-end restaurants and resorts report slowdowns. Private golf clubs across the country are registering a decline in membership. Resorts that depended upon a high-end clientele and corporate outings have been slowing for a while. Companies are under more scrutiny than ever to cut their lavish spending on executive perks and getaways.

The New York metropolitan area alone is expected to lose 35,000 jobs in the financial sector in the next year or two – surely some of them golfers, who will have to re-examine spending as disposable income shrinks. And then there are the retirees who anticipated playing golf well into their golden years – made tougher as their 401(k)s have cratered.

Ironically, the cooling of the golf market could benefit the retrofitted "Grand Hotel" style, 106-year-old Mount Washington Resort. Its Spanish Renaissance Revival architecture now shines inside and out, as does the original Tiffany stained glass inside. Sixteen years ago, the resort was on the verge of decrepitude. Today, it's gleaming, refurbished, and at least on this stunning foliage weekend, fully occupied.

The current owners, Celebration Associates and Crossland Inc., put \$50 million in upgrades into the resort since buying it for \$42 million in 1999. The

meticulous work shows – nowhere with more charm and historic ambiance than in the Ross-revival course that architect Brian Silva has fashioned.

Pat Corso, president of Mount Washington Resort, says the hope is that "in an era of more arduous airline travel, the resort could become an attraction to a drive-in market from the Northeast" notably Montreal, Boston, Hartford and New York.

The idea of going back to Bretton Woods apparently is catching on. French President Nicolas Sarkozy, who also is president of the European Union, was talking about global arrangements, not golf, when he recently suggested that it was time for a new Bretton Woods.

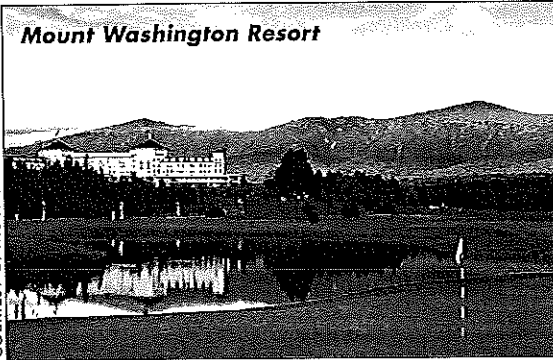
The reference to Bretton Woods was shorthand for the complex arrangements that created the International Monetary Fund and the World Bank. These institutions were the product

of widespread consensus among the world's major industrial (capitalist) countries that unregulated markets and insular sovereign states could not handle an emerging global system of trade and finance. Six-plus decades later, the global economy has been stood on its head. The U.S. dollar struggles to maintain its value against other currencies, and much of the industrial world has caught up, if not surpassed, the U.S. in innovation and efficiency. What we seem to have been producing best of late isn't energy-efficient commodities but a new breed of paper products – liars' mortgages, bundled loans, hedge funds and derivatives so complex that CEOs earning seven-figure salaries could claim with a straight face that even they didn't understand the risks involved.

A steady stream of deregulation in securities trading here in the U.S. gave widespread latitude to MBA whiz kids who were comfortable with computerized trading on short margin and little equity. Our best and brightest – or at least our richest – seem to have been more content with speculating than with actually building material objects of discernible value. No wonder 30-something golfers newly signed on as members at pricey country clubs resisted rules about "no cell phones." Had the ban really been in effect, either the economy or the golf industry would have collapsed long ago.

The world's leaders are unlikely to come here again to the Gold Room during the next phase of rebuilding and negotiating the global economy. But as a place of historic importance and of quaint, classical comforts and golf traditions, Bretton Woods has strong appeal. It's not just nostalgia but business acumen as well that keeps a place like this alive and in the news.

COURTESY OF MOUNT WASHINGTON RESORT



Mount Washington Resort

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