

## THE RATES IN SHANGHAI HOTELS

### Mr. Edward Ezra's Reply to C. M. L.'s Complaint of New Increase

Mr. Edward I. Ezra, managing director of the Shanghai Hotels, Ltd., invited by a representative of this paper to make a statement relative to "C. M. L.'s" letter appearing in last week's issue on the subject of the increased charges at a local hotel for monthly guests, was good enough to explain the reason for this increase.

During the last few months, he said, imported articles had increased in price very considerably, foodstuffs, linen, carpets and the many other articles required in successfully running a hotel.

"For example," he said, "the other day we spent \$20,000 on carpets, which, had exchange been more favourable, would probably have been obtained for \$10,000 or \$12,000. Then we have to pay for the improvements which we are continually effecting in the various hotels; increased salaries have to be paid and some assistants are now drawing salaries which a few years ago were only paid to taipans."

#### WHAT THE INCREASES ARE.

Dealing with the allegation in "C.M.L.'s" letter to the effect that "an addition to the cost of living of nearly 100 per cent. over 1917 rates for the 'permanent guest' had been made," Mr. Ezra characterized this as incorrect. In 1917 the cost per month for a single room, he said, was \$130 in the Palace Hotel. At the end of 1919 this was raised to \$170 and the new rate for the same room is now \$190. A room which with board was let for \$140 in 1917 now costs \$200 per month, so that the average increase since 1917 was less than 50 per cent.

It was quite true that the price of goods was decreasing abroad, but this was more than counter-balanced by the fall in exchange, and Mr. Ezra foresaw that when the local stores commenced to place on the market goods for which they were now closing exchange, consumers would be faced with another increase in the cost of living.

"There is another important point to be considered," he added. "Until the new hotel is ready we are absolutely compelled to make room for the transients in our hotels and at the present moment we are not encouraging permanent guests, the reason being that in view of the limited accommodation afforded by the hotels, we think a permanent guest may, with advantage, try and find lodging elsewhere.

"It is imperative that steamers bringing passengers to Shanghai should be in a position to land them here, which they would not be able to do if there were not sufficient accommodation for them.

#### NO IMMEDIATE RELIEF.

"Therefore, the increased cost of living is not the only factor. We also take the view that with some extra increase in the monthly rates we may be able to reduce the number of permanent guests in our hotels in order to make room for the transients. In many of the larger cities of the world now, hotels refuse to take permanent guests for too long a period, and while we are certainly quite pleased to provide for them, their numbers and the numbers of applicants are becoming so large that we are absolutely bound to take the necessary steps to provide for those people who want accommodation in Shanghai for a few days at a time. When the new hotel is built, of course, matters will be easier."

Mr. Ezra added that the new hotel would be ready in about three years.

His policy then would be, he stated, to reduce the cost of living at the other hotels controlled by the company so that hotel accommodation to suit all purses would then be available in Shanghai.

### Home Prices High and Exchange Against China

In view of the fact that the value of the tael is still high, people are asking why the prices of certain imported foodstuffs—notably butter and sugar—have continually risen during the last six months.

One of the biggest importers of provisions in the Settlement explained the position to a representative of the "North-China Daily News."

"People do not grasp the fact," he said, "that prices at home are still almost as high as they were in February last, when the tael was soaring."

"At that time," he continued, "the cost of living in Britain had reached the apex. Since then exchange has fallen, with the result that a few commodities are now considerably dearer in this part of the world."

According to the monthly list issued by the Shanghai Retail Shopkeepers' Association, butter, which some while ago was priced at \$0.85, has now jumped to a dollar per pound.

Butter costs from 4s. 6d. to 5s. 0d. in England to-day, more than it has ever been worth.

Advices from London and New York indicate that for some time to come the bottom in prices has been reached, while the outlook for the winter, in the opinion of several prominent dealers, is far from hopeful.