

REGENT HOTEL.

EVIDENCE at Arbitration, held at the office of Vancouver Financial Trust Corporation, on Monday, the 16th of July, 1918, from 11 a.m. to 12.30 p.m. and from 2.30 p.m. to 5 p.m.

BETWEEN: ART CLEMES, Esquire,
Lessor,

-and-

THE REGENT HOTEL COMPANY.
(Messrs. W.S. Ramsay and
A.L. McLennan.)

LEASE: Dated July 18th, 1916.

PRESENT:-

Mr. R. Kerr Houlgate.
Mr. W.S. Ramsay,
Mr. John Williams,
Mr. Pratt, and
Mr. D.P. Ames:

MR. HOULGATE: I have a few words to say:

This is a case brought before your Board of Arbitration to settle the rent to be paid under a lease between Mr. Art Clemes and the Regent Hotel Company and William Simpson Ramsay for the period from the 30th of June 1918 to the 30th of June 1919, otherwise, 12 months.

The lease in clause 1 recites the rent to be paid from the 1st of July 1916 to the 30th of June 1917, and by mutual agreement between the tenant and the landlord the rent was fixed up to June 30th 1918, and in Clause 2 it says:

"It is further agreed by and between the parties hereto that the rent payable for the said lands and premises from year to year from and after the 30th day of June, 1917 shall be such rent as shall be mutually agreed upon from time to time between the parties, or failing agreement as shall be

REGENT HOTEL - ARBITRATION

"determined by arbitration in terms of the Arbitration Act."

The rent for the ensuing 12 months, from the 30th of June last cannot be agreed upon between the parties, and accordingly this arbitration has had to be called upon.

Mr. Art Clemes, being first duly sworn, testified as follows:-

EXAMINED BY Mr. Houlgate:

Q. Your full name Mr. Clemes:

A. Art Clemes.

Q. You live at Spence's Bridge?

A. Yes.

Q. You know this property, the Regent Hotel?

A. Yes sir.

Q. You know the Manager of the Balmoral hotel?

A. Yes sir.

Q. You had a conversation with him the other day?

A. Yes sir.

Q. About the rent you pay for this hotel?

A. Yes, \$200 a month.

Q. How many rooms are there?

A. 160.

Q. How many private baths and how many public?

A. Two on each floor, two public and 2 private.

Q. How many floors are there?

A. 7 floors.

Q. What frontage has that hotel?

A. Well, it is 50' but there is a store taken off.

Q. And the store is on the ground floor?

A. The store is on the ground floor.

Q. What is that rented for?

A. \$200 a month I think.

Q. Describe to the arbitrators how much frontage that store takes up?

A. Really I cannot say. I did not measure it. There is a passage way and it leads inside the bar. It is a narrow bar and the entrance is quite narrow.

REGENT HOTEL - ARBITRATION

Q. That is to the store or the hotel?

A. To the hotel. The store I think would run 22 to 24 ft. I have not measured it.

Q. Where is the Balmoral Hotel situated?

A. On Hastings Street directly opposite the Hotel Regent.

Q. How many years is it since the Hotel Regent was built?

A. I do not remember.

Q. Is that the original lease between yourself and Mr. Beatty and Mr. Cottingham?

A. Yes sir, that is 1913.

Q. And the hotel was built about that time?

A. Yes sir.

Q. Do you know when the hotel Balmoral was built, before or after?

A. I cannot say, I think prior.

Mr. RAMSAY:

Mr. Chairman, if it is regular, I would like to ask Mr. Clemes a few questions as to those figures, as the Manager is out of town.

Q. Do I understand Mr. Clemes that \$700 is paid for the hotel and \$200 for the store, making a total rent of \$900 a month?

A. Yes sir.

Q. How long has the hotel been paying \$700 a month?

A. I cannot say. For some months.

Q. What did it pay before prohibition came in? Can you say how long he has been paying \$700, and how long the lease has to run?

A. The lease has only to run to this Fall.

Mr. PRATT:

What I would like to ask is, how many rooms are there?

A. 160.

REGENT HOTEL - ARBITRATION

Mr. RAMSAY:

Q. Are you quite sure, 160 rooms in the Balmoral.

A. Yes sir.

Q. You are quite positive not 180? ~~That is what the~~

A. That is what the Manager gave me.

Mr. HOULGATE:

Ask the question as -----

Mr. RAMSAY:

What I want to know is how many rooms?

Mr. HOULGATE:

Letting rooms?

Mr. RAMSAY:

He made a statement that there were only 160.

Q. Are you quite sure on the question.

A. Yes, I asked him how many bedrooms.

Q. You are not counting ladies' parlours and private rooms.

Mr. HOULGATE:

You say there are two private bathrooms and two public on each floor?

A. Yes, that is what the Manager told me.

Mr. RAMSAY:

Q. Did he tell you how many outside and inside rooms there were?

Is there any court in the Balmoral?

A. Yes sir. Both sides.

Q. You have the Crystal on the one side, a picture show, and on the South side you have a little store so there is no court at all, so they are all outside?

A. It is the same as the Regent.

Q. You say it is the same as the Regent?

A. Of course the Pantages side is on the Court a little more.

Q. Well if I was to tell you that 4 floors of the Regent bedrooms were blocked in by the Pantages wall, would

you say that was right or wrong?

A. I would say it was wrong.

Q. How many would you say?

A. Two or three.

Q. How many are blocked in on the other side?

A. There is not over two.

Q. If I tell you there are three will you contradict me?

A. No I wont, but I am certain there are only two.

Mr. RAMSAY:

Mr. Ames I do not know whether you know the hotel yourself.

Q. If I told you that it was only since June 1st this new rent was paid Mr. Clemes what would you say?

A. I did not get the date, but I think it was much more.

Q. I am telling you it was the 1st of June. So you do not know whether it is so or not?

A. The man told me himself.

Q. Will you swear that what he said was true? Is it true?

A. He said nothing about that. I asked him what rent he was paying.

Q. Did you ask him this month?

A. I think so.

Q. Are you aware that since the rent was raised that Mr. Biddess is putting his house up for sale?

A. No I was not. It was built more as a rooming house.

Q. Does a rooming house keep the bar open from 8 ~~AM~~ a.m. till midnight?

A. The bar is not open from 8 a.m. till midnight.

Q. If I say it is so, you will not contradict me?

A. I just said a few minutes ago that -----

Mr. HOULGATE:

Mr. Clemes does not know from when the rent was paid.

Mr. RAMSAY:

It is positive fact he is wrong from the start -----

Q. What frontage has the Hotel?

Q. How much was proposed for the other side?
A. 250 or 300.
Q. How much money was paid?
A. I don't know if was along.

A. You are talking about the entrance to the front of the store, bar and hotel.

Q. If I told you the bar was 25' long what would you say?

A. I have not measured it.

Q. Do you know that the hall at the Balmoral has a passage way down to the pool room of 4'6", that is 9' to the bar?

A. Yes, when they go down to the pool room they use the same hall as the bar. It is double.

Q. You say the store is 24' approximately?

A. I won't swear to it, because I probably ought to have measured it.

Mr. WILLIAMS: The store is 20'.

Mr. RAMSAY: You say there is no difference, outside the corner. Then you say you gave \$200 for 20' best side?

A. Mr. Williams: I gave \$200 for the store.

Q. Mr. Ramsay: Are you sure Mr. Williams:

A. Yes.

Mr. RAMSAY to Mr. Clemes: It is next --- What kind of a building

Q. The cars run on both sides of the street, they come down

A. on the left hand side, and on both sides of the Balmoral

Q. there is not an empty store on that side of the street?

A. I do not know. Neither is there on the other side.

Q. Quite sure of that?

A. Yes.

Q. At night time these ^{smaller} store s are all lit?

A. Not so much as on the Regent side.

Q. The Balmoral is well lit up? ^{le pass on that side as the other?}

A. No sir.

Q. Are the stores on each side lit up? Are they better lit than the City Hall, the Molsons Bank ---

A. No.

Q. There is nothing to look at when people get off the tramcar?

A. There is nothing but the light on the hotel.

- Q. I want to ask you about the library corner. It is not dark?
- A. There are street lights on both sides.
- Q. When people get off the street car they would walk down the right hand side? They would look at the Balmoral all the time. It is 50' by 50'?
- A. It does not make any difference.
- Q. There are no lights at all?
- A. Just the light at the corner.
- Q. The balance of the block is in darkness.
- Mr. Ramsay: There is a store at the corner. There are no lights ----
- Mr. Ames: You say there is no difference, outside the corner and the library. Which is the best side?
- A. It is a toss up.
- Mr. Ramsay:
- Q. If the Regent Hotel bar was made into a store Mr. Clemes - next to the building it is next --- What kind of a building is that Mr. Clemes?
- A. What kind?
- Q. Who runs it?
- A. It is a small fruit and candy store.
- Q. What is above it.
- A. The Bank.
- Q. Above the fruit store?
- A. I do not know anything about that.
- Q. And you think as many people pass on that side as the other?
- A. Yes.
- Q. Which is the best corner in Vancouver, on Hastings?
- A. Probably Granville?
- Q. Right at the drug store?
- A. I cannot say.
- Q. The number of people that must go up that side of the

street, they all pass that corner on that side of the street, is that so.

A. Some do.

Q. If they want to go anywhere that is the main centre?

A. No more so than the other.

Mr. Houlgate:

You think Mr. Clemes there is ^{as} much on the north as the south?

A. Yes.

Q. You have been around Vancouver a number of years?

A. Yes.

Q. Did you ever send them to the Hotel Regent?

Mr. Willis, being first duly sworn, testified as follows:

Examined by Mr. Houlgate:

Q. Your name in full?

A. Robert Willis.

Q. What is your business?

A. Manager of the Lotus Hotel.

Q. How many years have you been in the hotel business?

A. So long I forget. 15 or 20 years. I have been in it all my life.

Q. How long have you been Manager of the Lotus?

A. Since the 21st of December 1917.

Q. As Manager, can you give me evidence before these Commissioners as to the business they did before you were Manager of that hotel.

A. Well you mean the volume of business?

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is that so.

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Commissioners as to the business they did before you were
Manager of that hotel.

A. Well you mean the volume of business?

Q. The volume of takings?

A. When I took charge, it was practically full to overflowing.

Q. Since you took charge how has the business been?

A. The business has been splendid up till about the end of
February we did a capacity business. Since then we have been

doing a very good business. Not as good as there would have been if a lot of tourists had been travelling.

Q. Since February?

A. Yes.

Q. You went in in the end of November?

A. 22nd of December.

Q. Up to February were you running a full house?

A. Very nearly every month. Lots of nights we turned people away.

Q. Did you have any friendship with the other hotels? Did people ask you to recommend any other hotel?

A. Oh yes. Whenever we had people come in we could not accommodate we would send them to some other hotel.

Q. Did you ever send them to the Hotel Regent?

A. Yes.

Q. Did you ever have telephone calls from the Regent asking you to take people because they were full?

A. Lots of times.

Q. How many rooms have you in the Lotus?

A. We have 120 rooms. About 110 rooms that we rent.

Q. Where is your hotel situated?

A. At the corner of Abbott and Pender.

Q. Has it a nice outlook?

A. No.

Q. A busy street?

A. No.

Q. Any lights, theatres, stores -

A. No.

Q. What is your outlook?

A. We look on to a lot that has got an old platform which was at one time used for a taxi cab stand, and on the other side we have the C.P.R. freight yards. I do not

know where we could get a worse outlook if we tried.

Q. As we have not got the other statements, can you tell

Q. Have you a statement showing the amounts you received from the rooms since you went in Mr. Willis?

A. I have got two here, one for January and one for May.

Q. Can you tell the arbitrators what your takings for rooms were?

MR. RAMSAY: Why statements of January and May?

A. Because they were the first month and the last month

MR. HOULGATE: (Lease marked Exhibit "1")

Can you give the arbitrators the months in between?

A. Yes, provided Mr. Williams, the Director of the Company, wants them.

Mr. Williams: Yes.

Mr. Willis: As a matter of fact, these are the first and the last months. I think the month of May is the worst month we have had.

Mr. Willis: Well now the room earnings from the 22nd of December to the 31st of January were \$5,276.46.

Mr. Williams: About 40 days, inclusive.

Mr. Willis: Yes inclusive.

Mr. Pratt: Why is it not a monthly statement?

Mr. Willis: Because I went in on the 22nd of December and they balanced at the end of January. They did not want to get a balance out to the end of December.

Mr. Houlgate: You have given me the takings from the 22nd of December to the 31st of January. Can you give me the month of May.

A. The month of May, \$3,261.47.

Q. You just said a few minutes ago that May was a very poor month?

A. Yes.

Q. As we have not got the other statements, can you tell

A. We do not like to disclose the confidence of any of our tenants.

the arbitrators, to within a dollar or two what your takings were from the 31st of January to the 30th of April?

A. Not without any statements. I have it in the statements exactly. I will have to figure it up.

From the 21st of December to the 31st of May we took in \$18,462.41. It is on the statement. I took the total of the business from the 1st of November, ^{when} our fiscal year begins. There was November and up to the 21st of December that I had to take off.

(Lease marked Exhibit "1")

(2 statements of January 31st and May 31st, of the Lotus Hotel, Sullivan and Mr. marked Exhibit "2")

the owner, as to certain money?

A. I cannot say. Mr. Bell has been handling this and is

Mr. Burke being first duly sworn testified as follows:

Examined by Mr. Houlgate: was an adjustment made you could not

Q. What is your name?

A. Stanley Burke. information, all I know is that we are

Q. What is your business?

A. With Pemberton & Sons.

Q. Are you agents for the hotel, and collect the rents?

A. Yes. prohibition came in?

Q. What rent do they pay?

A. \$600 a month. say most of May has been paid also?

Q. How many rooms are there?

A. 60. Is there anything standing for back rents? Does

Q. How much frontage is there on Hastings?

A. Possibly 50'. I cannot speak with authority.

Q. The hotel is at the corner of Hastings and Columbia Avenue?

A. Yes.

Mr. Ramsay: You say \$600 a month. Is it paid regularly?

A. A trifle behind. is no use digging up the past.

Q. How much behind, add up to the 1st of May.

A. We do not like to disclose the confidence of any of our tenants.

Mr. Ames: Any information you give is in confidence.

A. It is paid to the 1st of May, and pretty well in full for May. We expect to have the month of May paid in full shortly.

Mr. Ramsay:

Q. Since when have they been paying \$600? I do not know

A. I cannot say off-hand.

Q. Since Christmas? on that phase is \$600 - from when?

A. I do not know. I have it in the ledger.

Q. I would like to know? paying \$600?

A. I could find out.

Q. Was there an adjustment made between Mr. Sullivan and Mr.

hotel? , the owner, as to certain moneys?

A. I cannot say. Mr. Bell has been handling this and is away. safe for a while.

Q. If I was to say there was an adjustment made you could not contradict me?

A. I have not full information, all I know is that we are getting \$600, ~~just now~~ of. I do not know anything about

Q. Just now? drink parlour.

A. For at least six months, up to the 1st of May.

Q. Since prohibition came in?

A. Yes. ~~ink he is.~~ I could find out all that information.

Mr. Houlgate: You say most of May has been paid also?

A. Yes. I would like to know if it is a monthly tenancy

Mr. Ramsay: Is there anything standing for back rents? Does

Mr. Sullivan owe large sums of money? from the hotel and

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Mr. Ramsay: Is there anything standing for back rents? Does

Mr. Sullivan owe large sums of money?

A. I do not know. I cannot speak with authority.

Mr. Houlgate: We are not speaking of the past but of the present.

Mr. Ames: He says it is paid up to May.

Mr. Houlgate: There is no use digging up the past.

A. You say it is paid up to the 1st of May.

Mr. Ramsay: Is it the case that it is paid to the 1st of May or not?

A. It ^{is} paid to the 1st of May.

Mr. Ramsay: He says he does not know.

Mr. Chairman I understand that the rent is paid up to the 1st of May.

A. January, February, March & April is paid. I do not know about anything else.

Q. The current rent on that place is \$600 - from when?

A. It extends back in the lease.

Q. This year they are paying \$600?

A. Yes.

Q. What kind of a business is this gentleman running at the hotel?

A. He has rooms, and a soft-drink parlour at the back. He had a cafe for a while.

Q. How many rooms?

A. 60. They slept in the bathrooms, etc?

Q. And they paid \$600 a month. Any store rented?

A. No, nothing that I know of. I do not know anything about

the soft-drink parlour. Are not doing the same business as

Q. Any other kind of a business?

Mr. Ames: Is the tenant on lease?

A. I think he is. I could find out all that information.

I only glanced at the books.

Mr. Ames: I would like to know if it is a monthly tenancy

or on lease.

Mr. Ramsay: Does he derive all his revenue from the hotel and bar or just the rooms?

A. You will have to ask Mr. Sullivan that.

Q. You do not know?

A. Yes, as a lot of steady people who were there and paying

Q. He states that he has 60 rooms at \$10 a month?

A. Only six. I got these people he would be doing the same

business.

Q. You do not know whether the cabarets are running there every night?

A. No, I know nothing about it.

A. As for the simple expenses...

Mr. Willis, cross-examined by Mr. Ramsay:

Q. You did very well in December and during holiday time. All the hotels do better then?

A. Yes, generally.

Q. After February you began to go down.

A. Not very much. The statements will show.

Q. You had a packed house during December, January, February.

What percentage in February.

A. We had practically a packed house. I think we took over \$5,000 in February.

Q. The percentage of rooms let in February. You say the word "packed". They slept in the bathrooms, etc?

A. No, a capacity house. I said capacity.

Q. It is only since the end of February you have gone back?

A. Slightly gone back. We are not doing the same business as in February. I think the statement shows a business of over \$4,000 in February.

Q. You have been going back slowly but surely all the time, and May is the worst month you have had.

A. Yes I think so.

Q. You must admit that under the different conditions, the trade is getting worse and worse.

A. No. [redacted] is the percentage now.

Q. You say so -

A. That makes no difference. I will tell you, we have got rid of a lot of steady people who were there and paying ridiculously low rents, and we are now getting tourists. If we had kept these people we would be doing the same business.

- Mr. Soule: The amount of business done of the rooms, not
- Q. You say the tourists are paying larger rates?
- A. Not making it equal. amount of business you did, is that
- Q. It was poor policy then?
- A. No for the simple reason that our expenses are
- Mr. Soule:
- Q. correspondingly less. intervening months?
- Q. Is the percentage of profits in May as big?
- A. According to the percentage. the gross receipt for January
- Q. You say tourists make all the difference in the percentage?
- *. In January the net profit was \$2,033.72 (for 41 days)
in May \$572?
- A. Look in the front of the book and you will see. That
covers, rates, insurance, taxes, etc.
- Q. Didn't this one too? difference between 41 and
- A. No. days.
- Q. Then these balance sheets are not the same. What is the
difference? the tourists you show a difference of
- A. One is for 41 days and the other is for 30.
- Q. It includes, taxes, etc. --- of the house rented.
- A. What the Auditor tells you. I do not know. more than
- Q. You made a statement that you were doing better with
tourists than the ordinary people. Your balance
sheets contradict you flatly. Explain the difference.
I am asking you to explain the difference between \$572
and \$2000. It is not usual for a tenant to pay taxes -
Your statement is not correct.
- A. I said according to the amount of business done.
- Q. What is the percentage now.
- A. You will have to figure that percentage up.
- Q. You would rather have \$572 in May than \$2000 in January.
- Mr. Williams: There are 41 days in January.
- Mr. Ramsay: Only a difference of 9 days. So the business
has gone back 66-2/3% since February.

Mr. Houlgate: The amount of business done of the rooms, not what profit.

Mr. Ramsay: I asked the amount of business you did, is that right?

A. Yes.

Mr. Houlgate:

Q. You can produce the intervening months?

A. Yes.

Mr. Ramsay: Mr. Willis give me the gross receipt for January 1st and the gross receipts for May?

A. I gave you them before. The gross receipts for January \$5,267.46.

Q. And for May?

A. \$3,261.47.

Q. A total of exactly \$2,000 difference between 41 and 30 days.

Mr. Williams: Take off 25%.

Mr. Ramsay: With the tourists you show a difference of \$700 behind.

A. Yes, with practically two-thirds of the house rented. If we had had a full house we would have had more than before.

Mr. Ramsay: If we had a packed house in the Regent we would not be here today.

Mr. Ames: That gross amount of rent covers the whole of the premises. You have a barber store there. Is that all included in that statement?

Mr. Williams:

A. \$5,000 is from the rooms alone, not revenue from the bar or cafe.

Q. You pay \$600 a month for the building or the rooms?

A. That has nothing to do with it.

Mr. Ramsay: The barber shops do not vary from month to month. This is a statement of room revenue only. The same for May.

Mr. Ramsay: It is rather a pity Mr. Chairman that Mr. Williams was brought into this arbitration, seeing he is owner of the hotel.

A. Mr. Houlgate: I do not see that it makes any difference.

Q. Mr. Willis: I will vouch for any of Mr. Geske's statements.

A. Mr. Ramsay: We have not got the rent yet.

Q. Mr. Willis: Well you see this matter is a Company concern.

A. Mr. so that whatever moneys are over practically go as rent.

Q. If it is \$500 or \$600 it goes as rent.

Q. You do not pay rent. Outside rooms?

A. Yes, we do. We have never got less than 2 sides of

but for the last three months. Mr. Williams gets \$200.

Q. That is paid whether it is earned or not.

A. No we pay no money that is not earned. The hotel

Mr. Ramsay pays all its expenses in cash and nothing ever goes

What to the Company.

Q. What was paid in the month of May?

A. What for?

Q. For rent? street, one side on the alley and one on the

A. Well you see they charge up actually \$260 for rent, that is

Q. That because he has never been notified of the change that took

A. Yes, place. That is what M. used to pay before I came.

Mr. Houl That is for rent, \$160 taxes, \$350 interest to the Bank,

A. It which practically all goes for rent, then \$500 to Dorring

Q. The and \$200 to Mr. Williams. Willis are for room takings

Q. In other words, the rent is paid out of gross profit?

Mr. Williams: There is \$200 charged up and interest and

and taxes, other items, and certain rent to Dorring and Mr.

Mr. Willis: Look at the first page.

A. Mr. Ramsay: It looks to me as if this is a profit account

Q. We and not rent. this balance sheet of May, the rent profit

Mr. Willis: The lease shows \$1600 a month rent and taxes, and

A. You we pay what we can. net profit, as after charging about \$350

interest and \$150 taxes

Mr. Ramsay:

What are the arrears of rent Mr. Willis? They run into quite a bit?

A. Yes.

Q. \$50,000 or \$60,000?

A. Only since prohibition came into effect.

Q. What did it pay previously?

A. Mr. Williams may know more about it than I do. It paid \$200 a month sometimes and not that other times.

Q. There are about 110 rentable rooms. Outside rooms?

A. Very few outside rooms. As a matter of fact 2 sides of building are not outside. The alley and the court.

Q. And on the other side?

A. More walls.

Mr. Ramsay: I wish I had your building instead of mine.

What is on the other side?

A. The court is on one side.

Q. and three sides to the street.

A. 2 sides on the street, one side on the alley and one on the Court.

Q. Three sides on public property?

A. Yes, that is right.

Mr. Houlgate: What width is the alley?

A. It is very narrow.

Q. The figures you gave me Mr. Willis are for room takings alone, the profit you made \$500, it was on the rooms alone. Then in addition to that profit, you paid interest and taxes and various other items, and certain rent to Dorrington and Mr. Williams, and that was left?

A. Yes.

Q. We will take it on this balance sheet of May, the rent profit is \$572, the rooms, bar, cafe, etc.

A. You cannot take that as net profit, as after charging about \$350 interest and \$150 taxes

Q. Would it not have to be paid?

Mr. Ames: I want to deal with these balance sheets for one minute.

\$572 is shown as net profit ~~shown~~ after charging interest on capital, and after charging administration expenses, Mr.

Williams' services, etc. ~~for annual~~

A. After everything is charged up.

Mr. Ramsay:

Q. Does Mr. Williams get any salary?

A. Certainly. After deducting \$360 interest, \$160 int taxes, and \$500 for Mr. Dorring, etc. you will find \$572. profit.

Mr. Ramsay: In the general expenses I find advertising, insurance, meals, etc. I do not see any Manager's salary and Auditor's salary? I do not think it is there.

A. You will find it in there.

Mr. Houlgate: The Manager's salary I should say would go

under "Office expenses" paid for the past two years previous to

Mr. Willis: Office salaries, meals, office expenses, telephone service, etc. You see that \$86 is the amount of salary

charged to the office. Part of all salaries are charged to

the cafe, and part of all salaries to the bar.

Mr. Houlgate: The salaries are divided between all the

Departments? ~~produce.~~

A. Yes. The wages and meals, for the rooms comes out around

Then wages and meals ----- \$249.80

Wages for cigar stand 40.00

Wages and expenses of bar 273.03

Mr. Houlgate:

The management expenses are all included in each Department?

A. Yes. The best proof is from the Auditor.

to obtain further evidence by his statements of

February, March and April.

Mr. Ramsay: Have you charged interest on capital invested?

A. I should say we do every month to the Bank.

Q. Where is your interest.

A. You will see at the front page.

Q. Interest \$86. Where is your capital?

A. Excuse me, *

Q. Surely your investment is very much larger than that?

The interest on your investment would be more than that

would it not Mr. Williams? It is not, of course, usual to charge

interest on capital invested?

Mr. Williams: Everything is in such a rotten state. The Company is running on the Bank.

Mr. Ramsay: The house is packed all the time, I don't see why they should.

Mr. Chairman, I think it would be interesting to know what the average monthly rental paid for the past two years previous to prohibition.

Mr. Williams: I don't see we have anything to do with beyond about six months.

Mr. Ramsay: Mr. Chairman I take it - It says in Clause 2 :

"The Arbitrators shall in any event -----
from the said premises."

Mr. Williams: It also says: "That it is understood and agreed
in
that any such arbitration -----
consider the value."

We are at ^{the} present moment considering what it is worth at present.

It is what it should pay now, what is likely to be transacted, obtained or is obtainable. What we know is what can be got from these rooms. The best proof is from the Auditor.

Mr. Ames: We can obtain further evidence by his statements of February, March and April.

Mr. Houlgate:

Mr. Chairman I submit that all the hotels in the past when prohibition was going to come into force, they held up their hands, and as these figures have been taken since prohibition, we take it that these figures are for the rooms alone.

Mr. Ramsay: I would say that the Regent Hotel did not hold up its hands and give up. During the months of September, October and November we did not expect very much business but we stayed with it, and looked around to see what could best be done, and the business done during these three months was done purely by ourselves. But after January, February and later months we found that prohibition had made an enormous difference to the hotel business. I have the statements here. I would suggest Mr. Chairman that you take the lease and look over it yourself.

Mr. Ames: I shall take that along with the evidence.

Q. Is the basement better lighted than other basements?

Mr. Robertson being first duly sworn, testified as follows:

Examined by Mr. Houlgate:

Q. What is your full name?

A. Frances M. Robertson.

Q. What is your business Mr. Robertson?

A. Building Manager for the Yorkshire & Canadian Trust Co.

Q. The Yorkshire & Canadian Trust Company collect the rents of the Hotel Howard, on Hastings, that is your Department?

A. Yes.

Q. There are some stores in that building are there not?

A. Yes, there is a double store.

Q. What frontage does the store occupy?

A. 50', except for an entrance to a number of rooms, which is rather narrow.

Q. What width would the entrance be?

A. About 8' roughly.

Q. What rent does the store pay?

A. It is under lease from the 10th of May last year for three years, at \$250 for the first year, \$300 for the 2nd year and \$350. for the third year.

Q. So they are now paying \$300 a month till May 1919?

A. Yes exactly.

Q. Is there any basement in connection?

A. A portion of the basement goes with the store.

The remainder of the basement is occupied by elevator machinery and heating plant.

Q. What condition is that basement in? Is it waterproof?

A. We have had trouble in the past from an everflow. I do not know whether it is caused by a stoppage in the drains, or whether it is the drain itself, but a certain amount of furniture was damaged.

Q. Is the basement better lighted than other basements?

A. I cannot say, I have not inspected it.

Mr. Ramsay: Is this rent paid regularly?

A. Yes.

Q. Right up to date?

A. Yes. Paid every month.

Q. Does the 8' entrance make a frontage of 58'?

A. It is included in the 50'.

Mr. Williams: You do not know how many rooms there are?

A. I cannot say off-hand.

Mr. Williams: You do not know what they get for it.

Mr. Ramsay: Do you get paid regularly for that?

A. Yes

Q. Quite a lot of complaints to the police about that house?

A. There were complaints some years ago.

Q. Has it been raided during the last six months?

A. Not to my knowledge.

ADJOURNED FOR LUNCH.

Resumed at 2.30 p.m.

Mr. Ramsay: I think Mr. Houlgate should tell the reasons for the rent being raised, and give his views on the subject.

I want you to state your case Mr. Houlgate.

Mr. Houlgate: I do not think it is a question of raising, but a question of rents.

Mr. Ames: I think it is for Mr. Ramsay to call his evidence and for Mr. Houlgate to conclude.

Mr. Ramsay: I am asking Mr. Houlgate, before the Arbitration Board why I should pay more rent? I want him to lay his case before us.

Mr. Houlgate: As I said before, it is only a question of rent.

Mr. Ramsay: You have never come before the arbitrators yet.

I never kicked about the rent, Mr. Houlgate kicked about the rent.

Mr. Houlgate: Do you want to bring in that you made an offer of rent? Who has asked you to pay more? The lease is there.

Mr. Ramsay: Are we arbitrating on the lease or on the property.

Mr. ^{Ames} Houlgate: Mr. Ramsay I think you should call your evidence.

Mr. Ramsay: I shall take the ruling Mr. Chairman.

Mr. Pratt: I think it is up to Mr. Houlgate to show why the rent should be increased. (Reads extract in regard to referring to arbitration)

Mr. Ames: That is the reason I am here.

Mr. Pratt: I have seen all my witnesses.

Mr. Ramsay: This is my case Mr. Chairman, why wont Mr. Houlgate accept the same rent.

Mr. Houlgate: Mr. Chairman Mr. Ramsay has not made an offer of the same rent as before. The term is closed from the 31st of May 1918.

Mr. Ames: I take it you do do not agree to the rent, and consequently I am here to arbitrate.

Mr. Ramsay: Mr. Chairman I want to be right. The question of arbitration is to decide why my rent should be raised?

Mr. Williams: I do not see why Mr. Ramsay --- We are deciding upon the value of the property. From the lease it reads:

"Shall be mutually agreed upon by the parties for another year."

The last year is done with.

Mr. Houlgate: I was very careful Mr. Chairman, when I opened my case, to state that we had not been able to agree upon the rents.

Mr. Ramsay: Have you any ruling Mr. Chairman:

Mr. Ames: I think it is for you to call your evidence.

Mr. Ramsay: Well my witnesses are not here, but I will go ahead. They have not shown reason, or what they expect - They have not even shown the amount of money they expect.

Mr. Ames: It is not for them to state.

Mr. Ramsay: Now if I state my case to a finish ---

Mr. Ames: Call your witnesses.

Mr. Ames: I think Mr. Ramsay the usual proceeding is for you to give your evidence now.

Mr. Ramsay: I have no case to answer.

Mr. Ames: I take it you do not agree.

Mr. Williams: Have you made any offer of rent at all?

A. No, because you have not put any price --- Mr. Ames can you tell me any question I have to answer. - Mr. Houlgate I am not here to answer you any questions. The witnesses have made certain statements I do not know whether they are true. I only assume they are true as they are given under oath. They are not renting the Regent Hotel. All I can take is their evidence - I have no means of ascertaining other than taking their word.

Mr. Ames: The usual method is to take a man's evidence on oath, and to take that as the truth unless you have very good reason to believe otherwise.

Mr. Ramsay: This is the first time I have sat in a court where a man has not stated his case.

Mr. Houlgate: You are agreeable to everything but what you do not want.

Mr. Ames: I think Mr. Ramsay the case is closed.

Mr. Ramsay: All right then. I want to look over this in the meantime and I will then give evidence as to the case. I wish to submit Mr. Chairman, after careful consideration, in July 1916 Cottingham and Beattie and the Vancouver Financial Trust Corporation agreed to enter into a lease. Cottingham had been in the hotel roughly speaking about three years and he had done very bad trade, and had been unfortunate to get behind not only with his rent, but had obtained a loan to the extent of \$30,000. We took over the place, and the hotel was opened in brand new condition. The Hotel had never been rented before.

Mr. Williams: You paid \$35,000, was that for what you bought, or what he traded?

A. We put \$35,000 cash into it. Cottingham was personally \$35,000 in the hole.

Mr. Houlgate: Mr. Chairman I do not see what Mr. Cottingham has to do with this. We are arbitrating a lease between Art Clemes and William Simpson Ramsay and Mr. McLennan, which is to determine the rent from June 30th 1918 to June 30. 1919.

Mr. Ramsay: Mr. Chairman tell me how I am to put this case down.

Mr. Pratt: There is a prior lease.

Mr. Houlgate: That has nothing to do with Mr. Cottingham at all.

Mr. Ames: Is it essential to your case Mr. Ramsay:

Mr. Ramsay: I am starting from the day I paid \$600 a month rent. I insist that I do it. I cannot lay my case before the Board otherwise.

Mr. Ames: I do not see ---

Mr. Ramsay: On the Vancouver Trust Corporation and Ramsay and Art Clemes entered into a lease at a rent of \$600 per month for one year, with a provision that the rent be fixed yearly.

Inspector Jackson being first duly sworn testified as follows:

Examined by Mr. Ramsay:

There was a certain house mentioned this morning, and no doubt you know how the different hotels and houses are run in the town, and I want to ask you, if in any shape or form, since the hotel Regenet has been under the control of Ramsay and McLennan there have been any raids or -

A. Well gentlemen, I might say that I dropped into the Chief Police office this afternoon, and Mr. McLennan was there and I overheard a conversation between him and the Chief, about having someone come up to this Board, so the Chief asked me to come here and tell you ^{what I} know about the hotel, and anything I say is confidential. I speak from what I know personally, and

I took the time to look up our records before I left, to refresh my memory of the Hotel Regent, and we have not any claims on our books about the Hotel Regent since McLennan & Ramsay have run the place. I have visited the hotel, I may say, a good many times and found it **always conducted in a first-class manner.**

Mr. Ramsay: This morning Mr. Jackson, Mr. Robertson said there was some conviction against the Howard Hotel.

A. The Howard -

Q. The same block as the Regent Hotel?

A. Yes, the Howard Hotel has been before the Police Courts several times. I cannot give you any dates off-hand, but I would say that there have been several women taken out of that place.

Q. Anything about the Irvine Hotel?

A. I cannot recall.

Q. Corner of Columbia and Hastings?

A. I have gone into the cabaret there several times, but cannot just recall whether we visited there shortly after prohibition or not. They were brought up one time for selling whisky, but they put up bail.

Q. I want to trouble you once more. Do you know anything about **the Balmoral?**

A. **About selling whisky - They did.** In fact on two occasions we had the place searched for whisky. It was through complaints.

Mr. Ramsay: I asked Mr. Jackson to come here merely to show that the house cannot afford to pay \$500 a month rent.

Mr. Houlgate: You said the Howard had been raided several times?

A. Well as I said, I could not be sure.

Q. This year?

A. Yes I am positive this year. You see I cannot say positively until I look up the **Police Court Records.** We keep **a record of all houses, hotels, rooming-houses and soforth, all raids and the number of men and women taken out of the places.**

Houlgate: You cannot recall anything at the Irvine except for the whisky?

Outside the Regent, I think every place - every hotel ~~which~~ sold some intoxicating liquor.

Williams: I suppose Inspector Jackson knows this is not a Y.W.C.A. meeting, but that we are trying to arrive at the value of a place.

Jackson: I know it is not a Y.W.C.A. meeting. I am telling you about the different hotels, and I have tried to tell you as far as I know. I do not know what the meeting is about and I do not care, but I was just asked to come here by the Chief of Police.

Ramsay: July 18th, 1916. When a rental was called for of \$600 a month for a year, and a provision made by Clause 2, for the further rent to be fixed from year to year. We now go through to 1917, and the same date we find the bar room open wide, and everybody satisfied, and they settle the rent for another year at \$600. We go right on then until we come to the time of prohibition. If prohibition came we knew the house could not pay the same a month. (Reads clause relating to prohibition)

Now we have a bit lower down "Provided if prohibition ----

Houlgate: Up to what date?

A. After June 1917. If prohibition came in before the 12 months was out we should further adjust the rent.

Houlgate: From what time:

From prohibition. They knew in their own minds we could not pay the same rent as when the bar was open. They finally cut the rent down to \$425

Ames: It does not say what rent was agreed upon.

Ramsay: Prohibition came in force in this Province. As

per Clause 2 "and a mutual arrangement was made" for the balance of one year from the 1st of October to the 31st of March at \$425. This adjustment was made according to a letter from Mr. Randolph. It is plainly seen Mr. Ames that they knew that the house could not pay the same rent. If in 1916 it was only worth \$600 and in 1917 up to prohibition, they then agreed to cut the rent to \$425. As far as the lease goes and the value of the property, the chief thing is, I think, prohibition. I do not consider rent value. I do not think it is fair. It is a hotel not a bunch of stores. Take the license away and you make it an ordinary rooming house, with a lot of draw-backs. We paid a rental of \$600 a month to July 1917, and \$425 after prohibition. The revenue of the hotel is as follows: Certified accounts of the house. Starting in November 1917 right up to May of this year. Mr. Willis picked on January to May. I took the same months January to May, so you can compare the two houses.

Mr. Houlgate: I ask you to put those months in.

Mr. Ramsay: I will leave these with Mr. Ames too.

The gross revenue from all sources of the Regent, in 1917, January to May was \$39,038.25. We will go right back to prohibition. January to May, 1918 gross rents \$22,150.56. Note the decrease in gross rents. For the five months in the corresponding period in 1917 showed an increase of 43%.

Gross returns of 5 months of 1917 and 5 months of this year, so there is no argument as to whether these are gross receipts. January to May, gross profits for 1917 \$21,144.11.

Mr. Houlgate: It seems to me that Mr. Ramsay is giving evidence now. We are not arguing this point out. It is a different thing when Mr. Ramsay says this, that and the other thing, but I cannot cross-examine him unless he is on oath. You

are in the place of counsel. I think you will see my point Mr. Chairman. I do not want to make any interference.

(Mr. Ramsay being duly sworn, testified further as follows:)

The gross profits to May 1917, both inclusive is \$21,144.11.

Mr. Houlgate: What year is that?

A. 1917 for five months.

Mr. Ramsay: After prohibition, from January to May, the same 5 months inclusive, they were \$14,603.48. A decrease in the gross receipts of \$6,540.63, or practically 30%.

The net revenue of profit after deducting any interest on capital employed, from January to May 1917 was \$4,018.52.

For the five months for the same period during 1918 it was \$1,561.75, showing a difference of \$2,456.77, or 61.1%

decrease. The average net monthly gain therefore for the 5 months

the same as Mr. Willis had, was \$803.70 as compared with

\$312.35 of the corresponding period this year.

You base the hotel was worth \$600 per month in 1916 and 1917 up to 1917 prohibition, after which rents came a lot lower down everywhere. You must compare the actual earnings of

the house. You must look at the proposition from a fair

point of view. If the house had been a failure instead

of a success, what could we have got. They would have been

glad to get us out, but because we have kept the place up to

date and the rents, they say, "He must be making too much

we will have to raise his rent". If you give a fair lease

to a man in his bad days, because he has made a success of it

get for the rooms. I do not think we could get a better price. On Saturday at noon I had a list made out, of all the rooms in the house and the rent derived from them.

I can bring the ledger down if necessary. I want to show the different rooms and the rents we get.

The front rooms. Front rooms with bath 14. without bath 13.

At the back we have 28 rooms all of which look on China town.

where they keep chickens, ducks and all sorts of animals.

Not hundreds but thousands. The most disreputable looking

place in the city. They had a chimney built on a shack

down there, which keeps the place in constant smoke.

The court rooms, we have 72 rooms without bath, and all day long, from even 9 to 12 we must give them two lights in each room. The windows have a thick white glass through which

they get no light. We have 11 rooms without bath right in

the centre of the house. Looking out on the west side,

out of any of the windows, you are only 5 ft. away from the pantages wall, and from our first floor you can go up

4 floors against the Pantages wall. On the other side we

look into a wooden shack which is now occupied by a Chinaman.

It is in a very disreputable state. We have a great job

keeping out the rats. The average number of rats killed in the

Regent is from 150 to 200 a month. They come from China town.

The side outside rooms, above the Pantages roof, we have

three with bath and 18 without bath. Every hall in that house

in the day time must have electric light. There is only

Mr. Ramsay: I am asking the Chairman --- The owner of the Balmoral Hotel is away, and I wired him to get permission to obtain a list of his room rents.

Mr. Ames: Mr. Ramsay you can give me that evidence now.

Mr. Ramsay: I cannot get it to-day. I would have called Mr. Fiddes as a witness.

Mr. Foulstone: Mr. Fiddes is not here to settle that. I object Mr. Fido that going down at all. It does not convey anything to the arbitrators.

Mr. Ramsay: You think it doesn't. It is only a list of the difference between the rooms in each place.

Mr. Ames: You must get the evidence here and ---

Mr. Ramsay: You took Mr. Clemes evidence this morning ---

There are 189 rooms in the Balmoral. 89 rooms more than he stated this morning.

Mr. Ames: Can't you get anyone to come up and give this evidence.

(List marked Exhibit 5.)

Mr. Ramsay: Mr. Ames this is a plan showing the hotel, showing the Pantages wall. On this side we have a cheap building. All you can see is a lot of windows with broken glass.

Mr. Ames: How high is the pantages?

Mr. Ramsay: You have to go on to the 5th floor.

Mr. Ames: How many floors are you.

Mr. Ramsay: 8 floors.

Mr. Williams: How many rooms are there in your place.

A. 161.

Mr. Williams: Now you take off for the parlour.

A. We lose 2 through the parlours. One for the ladies' writing room.

Mr. Williams: That makes 158. How many rooms have you got that you can let - outside of help. - How many have you got for help - You have three for yourself.

A. (Calculating) That leaves 142 rooms you rent.

Mr. Ames: There are always all kinds of unlucky numbers.

Mr. Ramsay: No. 13 is the only one left out.

Mr. Williams: You have 144 rooms you can let.

Mr. Pratt: How many inside and how many outside.

Mr. Ramsay: Out of the rooms I have 83 on the court yard.

Mr. Houlgate: After you get up to the 3rd or 4th floor you have wired glass. It gives as much light. I have it in my office.

Mr. Ramsay: Can you see through wired glass.

Mr. Clemes: Yes. The top half is dull, the bottom is polished.

Mr. Ramsay: You are wrong Mr. Clemes.

Room 114 we have a great deal of trouble with on account of its awkward shape,

Mr. Pratt: Do I understand that out of the 144 rooms, 83 are inside rooms. What is the difference in value.

Mr. Ramsay: For a front room we get \$14 or \$15. An inside room \$10 a month.

Mr. Pratt: A month?

Mr. Ramsay: Yes, per month.

Mr. Ames: Mr. Ramsay do you find you can rent an inside room at a moderate figure as easily as you can an outside room at a larger figure?

A. No I cannot say so. People who sit inside, particularly in winter, like to look at something. After you get about the 4th floor, on the far side, if you open a window you get a clear view everywhere. The other side is the same.

Mr. Houlgate: Every building is the same. The first and second floors are the same.

Pratt: Mr. Ramsay in speaking of net profits, you speak of net profits, 1918 \$312.05 against the average of \$803.70 for the five months in 1917. Does the net profit in 1918 include your own salary?

Mr. Ramsay: I have received no salary since I went into the house.

clause 11 page 1

Mr. Pratt: Don't you get any salary?

A. No. I only get my room and board.

Mr. Pratt: Have you taken into consideration depreciation in the \$812., or interest on capital?

A. No.

Mr. Pratt: Do you give the hotel much of your personal attention?

A. All my time, especially since prohibition came in.

I may say that during the first three months of prohibition we did not some times make \$50 a month, and one month we made only \$3.

Mr. Pratt: The first three months after prohibition, that would be October November and December.

(Statements of October, November and December marked Exhibit 2.)

Mr. Ramsay: Mr. Houlgate I would like to draw your attention to the lease you have. Would you read page No.2, lease signed

("In the event of prohibition coming into force -----")

The only thing spoken of is prohibition. Take that letter to us. The reason why they cut the rent down to \$425 was

prohibition. No management is charged in one place and

Mr. Houlgate: Have you that letter Mr. Ramsay? of 27th December, 1918

Mr. Ramsay: I have a copy of it here.

Mr. (Lease: "It is hereby mutually agreed between the landlords

and tenants that a rent for the within lands and premises

provided" (it distinctly makes a provision) "or a

further ----- be paid thenceforth" (that is the day

prohibition comes in). In accordance with the provisions

of clause 2, ----- if you would like to prove this letter.

Mr. Houlgate: You are reading Clause 2. Reading it in your

interpretation. ----- I said were through, but Mr.

Mr. Ramsay: "It is further agreed by and between the parties

hereto ----- or failing agreement ----- (but in the same

clause it says:

"In the event of prohibition coming into force ----- hotel."
That was not for you people but to protect me. To take the
license away makes it a rooming-house. They want to turn round
and say it was put in to protect them.

Mr. Houlgate: That lease was drawn up specially for Mr. Ramsay's
benefit. (Reading: The arbitrators shall take into consideration
the volume of business done.)

Mr. Ramsay: "The volume of business transacted or likely to be
transacted." That is in future years when it might be worse.
If you open all the bars again it would cost \$2,000 to put
the bar back again. We would have to arbitrate again 12
months from now about this rent. You can't rent me something
I have not got. You have not got a hotel now. We have no
hotel now, we have nothing but a rooming house. They want to
arbitrate now on the place as it stands. Are we arbitrating
on the Regent Hotel or a rooming house. This lease signed
by me in 1916 it is not worth to-day a thing.

Mr. Ames: Your statements show the amounts you got from the rooms
and from the bar. Everything is separate?

Mr. Ramsay: Yes. No management is charged in one place and
not in another. I want to read the letter of 27th December, 1917
(Starts reading letter)

Mr. Houlgate: Is that the original? A certified copy?

Mr. Ramsay: I am going to read it. No, it is not a certified
copy.

Mr. Houlgate: Mr. Chairman I object to this going in.

Mr. Ames: You should have the original letter here.

Mr. Ramsay: Mr. Chairman if you would like to prove this letter,
I can ask Mr. Randolph to appear.

Mr. Houlgate: My witnesses I said were through, but Mr.
Randolph negotiated with Mr. Ramsay and I would like to have
his evidence.

Mr. Ames: Don't you think it would be better to have the original letter produced.

Mr. Ramsay: I received this letter re-releasing the premises for the balance of the term at the rent of \$425 per month.

Mr. Houlgate: I would like to give you Mr. Randolph's side of the \$425. per month transaction. Have you any objection to that Mr. Chairman? I can tell you why in my summing up of the case.

Mr. Houlgate to Mr. Ramsay: In your statements Mr. Ramsay, which you have presented, though I have not seen them - during the months of December, January and February were your rooms full?

A. What months are those?

Q. December, January and February?

A. I should think they were full. Mr. Willis says he was

Q. December 1917, January 1918 and February 1918. Were your rooms full up in December?

A. It is a question. I couldn't say.

Mr. Williams: Did you have a capacity house?

A. The house was doing the full amount of business.

Mr. Williams: They were not sleeping in the bathrooms?

A. They were not all full the rooms, but a very good houseful

Q. 90% to 95% were full.

Mr. Houlgate: You heard Mr. Willis say to-day that your

A. night-clerk 'phoned and said you were full and could

they take them in. Was your house full to the same

extent in January.

A. No not quite, about \$200 difference in the takings.

Mr. Williams: That is pretty cheap for room and bath.

Are these special rooms?

A. No, but they are in exceptionally good condition.

Mr. Houlgate: Any people go to the house and are dissatisfied

Q. In December it was pretty full. You might have a few rooms vacant. In March it was the same way. What were your takings in your rooms in January.

A. \$2,383.

Q. What were they in December?

A. \$2,151.35.

Q. What were they in February Mr. Ramsay?

A. \$2,222.30.

Q. In March?

A. \$2,280.90.

Q. In April.

A. \$2,135.15.

Q. In May?

A. \$2,112.45.

Q. So that you were doing practically as well in May and April as you were in December. Mr. Willis says he was only a capacity house, and you sent people from the Regent to the Lotus, and that he sent them from the Lotus to the Regent. You deny that?

A. Absolutely.

Q. That does not take away from the fact that the receipts you have given me are correct.

A. \$200 in the hotel makes a difference in the rooms.

Q. There is a difference of \$40. What is the difference between January and May?

A. About \$270. \$200 makes 20 rooms difference.

Mr. Williams: Do you get \$10 for all your rooms? What is your highest room with bath?

A. We have got \$27. We have \$28 for room and bath.

Mr. Williams: That is pretty cheap for room and bath.

Are these special rooms?

A. No, but they are in exceptionally good condition.

Mr. Houlgate: Any people go to the house and are dissatisfied

with the accommodation?
 A. Yes, one day a Jew. He had been one of the regular tenants, but he tried to take certain liberties, but was turned down by the Clerk. / I think he is at the Lotus now with the lady.

Mr. Ames: Mr. Ramsay do I understand that you have never

A. Not to my knowledge Mr. Ames.

Q. Have you ever sent any to the Lotus?

A. Never.

Mr. Houlgate: Mr. Ramsay wouldn't -
 Mr. Ramsay: In the event of any house extending any courtesy to us we ring up next morning and thank them.

Mr. Williams: That is the most you get \$28 for room and bath?

A. You cannot get any more.

Mr. McLennan being first duly sworn testified as follows:

Mr. Ramsay:

Q. You have been Manager of the hotel since we took it over in 1911?

A. Yes.

Q. You know of the difference made in the business during the time since the house was taken over. We will talk take the last 5 months. How have you found business

Mr. McLennan round the house from January to May in getting money for the rooms.

A. We find it very poor. We find business poor and we find it impossible to get a really good rate for our rooms.

When we get \$28 that is our highest rate. We have 13 rooms at that rate.

Mr. McLennan: With reference to our rate for room with bath,

I have just come from the Balmoral.

Q. Mr. Willis gave evidence this morning stating that business has been going steadily back. You have found the same thing?

A. Yes I certainly have.

Q. It looks like going further back this month?

A. This is the worst month we have had since prohibition.

Q. Do you think business will improve after this?

A. I do not think it. I was discussing it with a hotel man this morning, from the south, and they find that the tourists travelling are only those who have to travel.

Q. Is there any way or means by which the Regent could be improved?

A. No, I have not an idea.

Q. What did we do since prohibition came into effect.

How do the statements show such fluctuations?

A. We paid \$1500 in changing things around in the house.

We put linoleum on the cafe floor/and sold near beer
so that they could dance

in there but we did not put women in there. If we had we might have been able to show better returns.

Mr. Williams: Have you not got female bar tenders?

A. Yes.

Mr. Pratt: What was. Taking up wall between bar and cafe changing equipment in the cafe and re-laying diningroom with linoleum so that it could be used for dancing, changing lavatories in bar, and changing electric wiring to suit. Was that done with the permission of the landlord?

A. Yes.

Mr. Ramsay: Who reaps the benefit of these alterations?

A. The house is better for the painting and extra plumbing.

It is of no material value to either of ourselves.

Mr. Houlgate: The painting will last for the term of the lease?

Mr. Ramsay: It is hardly possible.

Mr. McLennan: With reference to our rate for room with bath.

I have just come from the Balmoral.

The Manager is away but there was a lady there, she was at the telephone, but she showed me the schedule of rates.

Mr. Ramsay: I asked Mr. Thompson to come up here. I called him up on the 'phone.

Mr. Williams: How many rooms with baths?

A. 13.

Mr. Houlgate: Looking at the statements you have given of the rooms, January, February and March you had a full house, you had a pretty full house all those months, and only

A. Not all the months, but occasionally we have had a very good house. We have approximately 145 rooms to rent, and if we run from 90% to 95% we have a capacity of these rooms.

Q. What month had you less?

A. I do not know but I think January or February.

Q. And you would not say in March or April?

A. I wont say in April.

Q. You say the returns outside of January?

A. It might work out like this. We might have a very good house for part of the month and very bad for the other, and another month it might be very equal.

Q. You had nothing to complain of in business here?

A. We did not get sufficient for our rooms. We have run up a very good ~~business~~ business but it is not a permanent thing.

Q. Are you charging too little for your rooms?

A. Yes. There is the Balmoral, the Patricia and a number of others.

Mr. Houlgate: Mr. Williams has not made money out of the Lotus.

Q. How do you make out, that Mr. Willis on oath, showed receipts from the Lotus, for instance take May, \$1150

more than yourselves, and they have only 110 rooms and

you say you have 144, and they can take in \$

and you have ~~\$155~~ 144 and you can only take in ~~\$210~~ 1200?

Mr. Pratt:

A. I could take the Castle Hotel with 37 rooms ---
Mr. Williams: The Lotus is on a side street.

A. It has no China town at the rear. The Lotus has a much better location than the Regent.

Mr. Williams: Mr. Willis said he would be glad to have your hotel.
A. I wish I could give it to him. Here is the Balmoral Hotel, and their rates are lower than our rates.

Mr. Houlgate: The Regent is an ever so much better hotel.

Mr. McLennan: The Balmoral is very nicely furnished and only two weeks ago I was talking to Mr. Fiddes, and he told me he would take \$20,000 and get out. He said the landlord raised the rent and he could not get by. They have 185 rooms there.

Mr. Pratt: What kind of trade do you cater to?

A. We cater to the railroad business.

Mr. Ames: What railroad do you speak of?
A. That you can let?

A. The C.N.R. The employees of the C.N.R.

Mr. Pratt: Is it a trade that you get a better rate for than if you catered to ladies?

A. I could get \$2. a night from ladies.

Mr. Pratt: What kind of trade does the Lotus trade to?

A. I would rather not answer.

Mr. Williams: Mr. Ramsay says that there was a man there with a woman.

Mr. Ramsay: Oh no Mr. Williams. There was no question of character mentioned, and as far as I know the Lotus caters to the very best kind of trade.

Mr. Houlgate: Mr. Williams has not made money out of the Lotus.

Mr. McLennan: Well he has made enough to buy the Portland and pay \$3,000 for the furniture.

Mr. Pratt: What class of railway people?

A. Trainmen, brakemen, firemen.

A. There are always a few days pretty bad. It was quite good

Mr. Pratt: for about a year but it has been going back again.

V. If you no other point up the look. The room was a very
Mr. Williams: The room is on a very special
V. I could say the house Hotel any 24 hours ---

Why do you have these?

A. What we are thankful to get. When I took over the Regent Hotel it was full of dead-beats. We could get the same class of people at the highest for \$2.00 and we charge \$3.

Mr. Thompson being duly sworn, testified as follows:
Examined by Mr. Ramsay:

Q. Your full name Mr. Thompson?

A. James Thompson. I cannot go into all the details without

Q. There are a few questions I would like to ask about the Balmoral. How many rooms are there?

A. I am not positive to that, probably about 185. We have one or two on the first floor ---

Q. There are approximately 180 rooms are there not?

A. I am sure there are 178.

Mr. Williams: That you can let?

A. That includes 5 for the help.

Mr. Williams: That brings it down to 172.

Mr. Thompson: I think we have one storey more than the Regent.

Mr. Williams: That is 172 and the Regent has 144. How are your rates there Mr. Thompson?

A. They run from \$3. up. They are all outside rooms.

Mr. Williams: What is the best rate?

A. About \$6. Average about \$25 a month.

Mr. Ramsay: Say \$24 a month approximately. You have no really inside rooms?

A. No there is a courtyard.

Q. Have you any rooms you use artificial light in all day?

A. A few on the first floor. There is only a one storey building on both sides.

Q. Do you find the house keeps pretty full all the time?

A. There are always a few days pretty bad. It was quite good for about a year but it has been going back again.

After the winter the house was doing nothing like in January and February. Nothing like as well.

Mr. Houlgate: You say there is a one storey building on either side of the hotel. Nor two or three.

A. No, I am pretty sure.

Mr. Houlgate: Two storeys on both sides I think?

A. Well there may be two storeys.

Mr. Houlgate: Now Mr. Thompson you say "fairly full".

What would you say in December, what business did you do.

A. I cannot say. I cannot go into all the details without going into the books.

Mr. Houlgate: Did you have your house full last month, in May we'll say?

A. I cannot say. My partner takes the leading part. details

Mr. Houlgate: You do not know much about the ~~entries~~ ^{details} for the last ^{few} months?

A. No, I do not think about the situation?

Mr. Houlgate: Therefore you are not very much use to Mr.

Mr. Ramsay: I object.

Mr. Ramsay: I object.

Mr. Houlgate: You are not going to reply for Mr. Thompson's

Mr. Ramsay: He distinctly says they are all outside rooms.

Mr. Ramsay: He distinctly says they are all outside rooms.

Mr. Thompson one question. There has been a new lease drawn up a little while ago with you people.

A. We have not a lease. We are paying \$700 just now. It is too much.

Mr. Ramsay: When did you start Mr. Thompson with that new lease?

A. About a month or two ago. I think it was either last month

A. For this month. We have no lease in the meantime.

Mr. Williams: You are paying \$700? Is that your house or not?

A. Yes and it is too much, ought?

A. No not quite.

Mr. Houlgate: Did you ever know a tenant who did not think he was paying too much.

Mr. Thompson: Well everybody does, but there is a time when people know they are.

Mr. Pratt: What rent were you paying previously.

A. I just forget. I think it was \$550.

Mr. Ramsay: Do you consider your house worth more money today

Mr. Thompson than you did before prohibition?

A. More rent?

Mr. Ramsay: Then prior to your having a license.

A. I think any man who asks that question ---

Mr. Ramsay: Well you are paying more rent. Your earnings are worth 50%. The value has dropped about 50%.

think I am asking a foolish question?

A. Well I think the question is obvious.

Mr. Houlgate: When prohibition came in on the 1st of October

Mr. what did you think about the situation?

A. Rotten.

Has it made a considerable difference as regards renting your rooms?

A. Well everybody knows we have had quite an influx of people from the prairie for the last 18 months.

Q. Is it better now than last October?

A. Well I cannot say about now. Business has been good up to early spring.

Q. What do you call early Spring?

A. Well probably about February.

~~Mr.~~ If it had not been for the good times and for the ship-building ----

Mr. Ramsay: Is there any money in the business now Mr. Thompson, from a business point of view?

A. Not upon your investment.

Q. It is a case of keeping your head above water?

A. Yes.

Q. Do you see any prospects in view in the future?

A. No, in fact I look for quieter times.

Q. Do you think taking all these men away has made a difference?

A. Of course. These men taken away were all men who lived in hotels, or patronized them.

Mr. Ames: Is it not a fact, every year, that in hotels of the class of the Balmoral, there are fewer people in them from April to September than any other part of the year.

A. Well I guess there would be generally speaking.

Mr. Williams: You have not got the whole of the ground floor?

A. There is a store there.

Mr. Ramsay: Mr. Thompson when you say there are less people in the hotel from April to September, you mean you do not get very much tourist trade? Do they go out and live in their own houses?

Mr. Houlgate: What is the width of the store?

A. I am not sure. I think there is 50'. I think we have 20' to 22'.

Q. The store therefore is only 22', you have half?

A/ We may have a shade more.

Mr. Ramsay: Mr. Thompson when you said from April to September, the best months are therefore from January to May?

A. Well we have found so the last two winters.

Mr. Ramsay: You must said from April to September is the tourist time.

Mr. Chairman I would like to draw your attention to the

fact that we are basing on the best months of the year. The poorest months are still to come. Mr. Houlgate: The good months are to come. They all come round in the year. -----

Mr. Houlgate: I have a few words to say:

You will perhaps wonder why, gentlemen, there is no reason given for this arbitration except that we could not agree. We asked the tenants, as agents for Mr. Clemes, to name a figure and they named a figure which we declined. The Hotel, as you know, is situated on Hastings St. with a 50' frontage, is on one of the busiest parts of Hastings streets. Alongside of it is a theatre, everything is bright round about that section, both across the street and on that side of the street. Mr. Ramsay tried to lay great emphasis over the question of which side of the street people kept to. We have had evidence from Mr. Clemes, who is an old timer here, that the traffic is equally divided on both sides, and we have nothing but Mr. Clemes' evidence. It is a modern building, erected at a very large cost. I have not got the figure. It is only a few years old, and the owner thinks that it should command a fair reasonable rent, and I would like to point out one or two things given in the evidence to-day, in comparison with other hotels. -----

Mr. Ramsay and we, have put in statements as to the business of the hotel, each department. I am not particularly concerned about any department with the exception of the rooms. If you will look at the Lotus statements and the Regent statements as regards the bar, you will see that the Regent makes four or five times more than the Lotus. -----

all tenants. Now in the lease there is a clause in part

These figures can be checked up from the statements. The Regent has the advantage of the Lotus, as the number of rooms in the Regent is larger than the Lotus. 144 to 110. The takings for the rooms in the Regent from the months of January to May inclusive run to \$2,151 for December, \$2,383 for January, \$2,220 for February, \$2,280 for March, \$2,220 for April and \$2,218 for May. The Lotus with 110 rooms, from the 21st of December to the 31st of January is \$5,267. Now that is 40 days, we take off one-quarter of that. That is \$1,360 off, which leaves in January \$3,907 takings from 110 rooms as against \$2,383 for 144 rooms. The months up to May are missing from the Lotus, but Mr. Willis has undertaken to produce these.

The Manager of the Lotus in his sworn evidence says that there is no comparison between the two situations. He would rather have the Regent than the Lotus. He is a hotel-man of many years standing.

Now gentlemen it seems to me that this is not the fault of the building. Where the fault is I do not know. I am not saying. I am only interested in the building. The situation is there, and the building is there, and if a hotel on a side street with no better outlook than the Lotus can earn that much in rooms, then the Regent building itself should be capable of paying more as it has a great many more rooms. You have evidence to show that the Balmoral, that has more rooms than the Regent, pays \$700 per month at the present time. In addition to that it has a store on the ground floor which the tenants of the hotel do not get the rent for, and he gets \$200 for that, which makes \$900 a month from those premises. The Balmoral is in the same locality as the Regent. Now Mr. Thompson said he would like to get the rent reduced. So would all tenants. Now in the lease there is a clause in part

of Clause 2 which reads as follows:

"In the event of prohibition coming into force -----
 "point of view of a hotel." / ^{Mr. Ramsay:} You know what that means.

If the lease expired we can do nothing. The owner
 might turn them into stores.

Mr. Houlgate: What could he get for stores there.
 We have the sworn statement of Mr. Robertson of the
 Yorkshire & Canadian Trust Co. as to the Hotel Howard.
 Just below is the Regent and next Baxter & .
 They have a frontage the same as the building. Mr.
 Robertson did not know the width of the access to the
 hotel, but thought it was about 8'. They get \$300
 a month for one store. There is a basement there which
 gets flooded with water, but I know personally, as
 former Manager of the Yorkshire & Can. Trust Co. that
 it was full of water. I want to say that the basement is no
 a very good one and it does not extend the whole length of
 the building. The Regent has got a very good water tight
 basement. So I want you to consider this not only as a
 hotel property, but to consider the building irrespective
 of the hotel. If you get a hard-headed man like Baxter
 to pay that rent, you can get the same for the stores
 below the Regent Hotel, so that you have to bear that
 in mind when you consider this rent. I did not go
 into any other rentals there, because I think that was
 the best evidence to bring before you gentlemen.

(Reading: "The arbitrators shall in any event -----
 into consideration the business transacted -----
 Mr. Ramsay makes out, of course, that he is not doing any
 business at all to speak of. Well, as I said a few
 minutes ago, it is not the fault of the business. That
 is not the fault of the building, and if any hotel is

well situated there are advantages, and you must not be guided by the trade, but what the building can produce, and that is the reason of that clause there.

Then Mr. Ramsay had to tell you a good deal about prohibition

and that this clause here "In the event of prohibition

"coming into force -----". The Vancouver Financial Corporation, as agents for Mr. Clemes had nothing more than prohibition in mind. I want to say gentlemen,

What was going to happen in the hotels, and what was going to happen when prohibition came in, nobody knew. They were all afraid. You heard Mr. Ramsay say that there was one hotel which did not hold up its hands when prohibition came in. But from the statements of the takings from rooms it appears that it has not had the effects we thought it would. Before prohibition came, or rather when it came in, Mr. Clemes, and the Vancouver Financial Corporation and Mr. Ramsay had a meeting and discussed as to what rent should be asked, and Mr. Ramsay asked what could be done, and the Manager of the Corporation did not know what to do. Nobody knew what was going to happen, but Mr. Ramsay talked to him so well, that they reduced the rent to \$425 per month for three months up to the 31st of March, just to see what was going to happen, and at the end of that time he wanted to increase the rent back to the original \$600 per month, but the tenants would not have it at all.

Mr. Ramsay: Mr. Chairman, Mr. Houlgate is not on oath and what he states is unsworn.

Mr. Houlgate: You never suggested again at the end of March to pay \$600.

Mr. Ramsay: He is not giving evidence.

Mr. Houlgate: Mr. Chairman he was brought here to show the value of the property and that pays \$600 a month and it is

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Mr. Houlgate: They wanted to arbitrate after three months as to what they should pay to the end of the next three months, and rather than go to arbitration then we agreed that they should pay \$425 to the 30th of June. Since prohibition came in, and before it came in as a matter of fact, only we did not see it,

Vancouver got more prosperous. People had not the money

to spend on drink and everybody was more prosperous. Business improved and the hotels are doing better than they did before prohibition came in. In spite of selling drink, none of them could pay their rents. What I do want you to bear in mind is what the other hotels are doing in the same locality. It is not the building's fault. The bar receipts are greater than the Lotus, but I am not dealing with the bar receipts at all.

Now we have the Hotel Irvine across the street. 60 rooms. You have heard the evidence to-day that they are paying \$600, and that the rent is paid up nearly to the end of May. In full to the 1st of May. Imputations were cast against the Irvine by Mr. Ramsay, and you have heard the evidence of Inspector Jackson, ^{and} in spite of the fact that they were found selling whisky. I do say that that would not affect their business. The Inspector was brought here to show that they kept tab on all the rooms and boarding houses.

Mr. Ramsay: (Protesting)

Mr. Houlgate: I thought he was brought here to bring special evidence against the Irvine.

Mr. Ramsay: There is a conviction there.

Mr. Houlgate: For selling a bottle of whisky.

Whisky does not rent rooms.

As regards women occupying rooms and getting large rents, he could not give any evidence.

Mr. Ramsay: Mr. Chairman he was brought here to show the Regent's good character not the Irvine.

Mr. Houlgate: I thought it was to prove things against the Irvine and the Howard, and that pays \$600 a month and it has only

got 60 rooms, and it has a clean character outside the whisky. Now gentlemen we do not want to be hard on our tenants but the landlord has a lot of money invested in this. He has \$143,000 invested. He has to pay taxes and insurance.

You have heard Mr. Mr. Willis' statement. His statements show what profits they make after taxes and interest \$300 odd to the Bank, and to the owners of the hotel is paid, and then he makes a profit of I think five hundred odd dollars in May. Now the owner of this hotel, at \$425, a month, barely gets enough to pay his taxes and his insurance, let alone any interest to the mortgagee or interest to himself on his investment, and we contend that the building, situated where it is, is worth more rent.

Mr. Ramsay: Mr. Chairman there is no evidence to show that he has \$143,00 invested.

Mr. Houlgate (Protesting)

Mr. Ramsay: I can say what I like.

Mr. Houlgate: No you can't.

We therefore contend that he should pay a great deal more than \$425. a month, and upon the evidence put in by us to-day, we think you will agree with us too, we ask that you fix the rent for the ensuing 12 months at the sum of \$800 per month, and in asking you that we would ask you to earnestly look^{at} and consider these clauses in the lease. If we can get \$300 a month for the store, we can get easily \$500 a month for the rooms above, if the Balmoral pays \$700 for a somewhat larger number of rooms. On the other hand, we look at the Lotus Hotel with a smaller number of rooms, and we have the statements of Willis as to what that is paying; and you take the Irvine with 60, less than half of the Regent, and that is paying \$600 a month, so I do not think we are asking an outrageous rent when we ask \$800 per month, and we want you to weigh all the evidence and the figures before you.

Mr. Ramsay: I would like to refer to the lease once more.

Mr. Houlgate refers to the Balmoral paying \$700 for the rooms. He forgets that the bar is in that 50 ft. They are paying \$700 till they can get out. They don't want it.

Mr. Houlgate: I am glad you refer to that. Baxter's store is 42' and he pays \$300. In the Balmoral it is only 22' and he pays \$200.

Mr. Ramsay: He suggests that Baxter pay \$300 for a store, and the Balmoral pays \$700 with half the frontage that Baxter has. As regards the Irvine, we admit that Inspector Jackson stated that it was only convicted once, but I would only be too pleased to take you to the Police Station and to let you see the convictions. As far as selling one bottle of whisky is concerned, he probably sold 1,000, but they only found one.

Mr. McLennan: Mr. Williams and Mr. Pratt the Lotus is known all over the prairie and the B.C. coast as a first-class hotel. We depend upon the working men's class and the Lotus is fer more of a family hotel and that is why they get better prices than we do.

Mr. Ramsay: As for what Mr. Clemes says about the busy side of the street and the lights on it, it is all in darkness on one side. You know all about that.

Mr. Ramsay: You have shown us a good way Mr. Haldane how to make money.

Mr. McLennan: No one has accused me of being a bad Manager, but I only get \$150 a month as Manager of the Castle Hotel.

Mr. Houlgate: I didn't hear he went to the Castle

Mr. Ramsay: No, you did not examine him.

Go ahead Mr. Houlgate and give us the two stores and the good passage. Who is going to pay us back for the removal of the bar, fixtures and compensation for the time and for the fixtures.

I want the arbitrators to weigh them up very carefully and to give their Award in the right way, and to take into consideration that I have put the hotel in the position of earning the money.

You cannot rent stores if you have not got any.

As far as touching this other question of "throwing up hands" that was not to the detriment of ourselves. It was to show we were trying to keep it out of the mud. We just got by and no more. When Mr. Houlgate mentioned that I came back in the end of March and agreed to pay \$425, there was no \$600 mentioned whatever, and we agreed to \$425. Mr. tried very hard to get me to fix for \$475 and I said it was absolutely impossible, and he tried \$450, and we finally finished at \$425. I told him that it was impossible.

As far as more people being in the town now than before,

I cannot see how it can be, when the country is being depleted of men. We have nobody around the town. How can Mr.

Houlgate state that there are more people round town. You people know that cannot be so.

I respectfully ask you to consider the rent for the next 12 months. I would ask you to consider carefully the raising of the rent from June 30th 1918 to June 30th, 1919.