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## E&O HOTEL HISTORY PART 2/3 – GOLDEN ERA

June 28, 2018

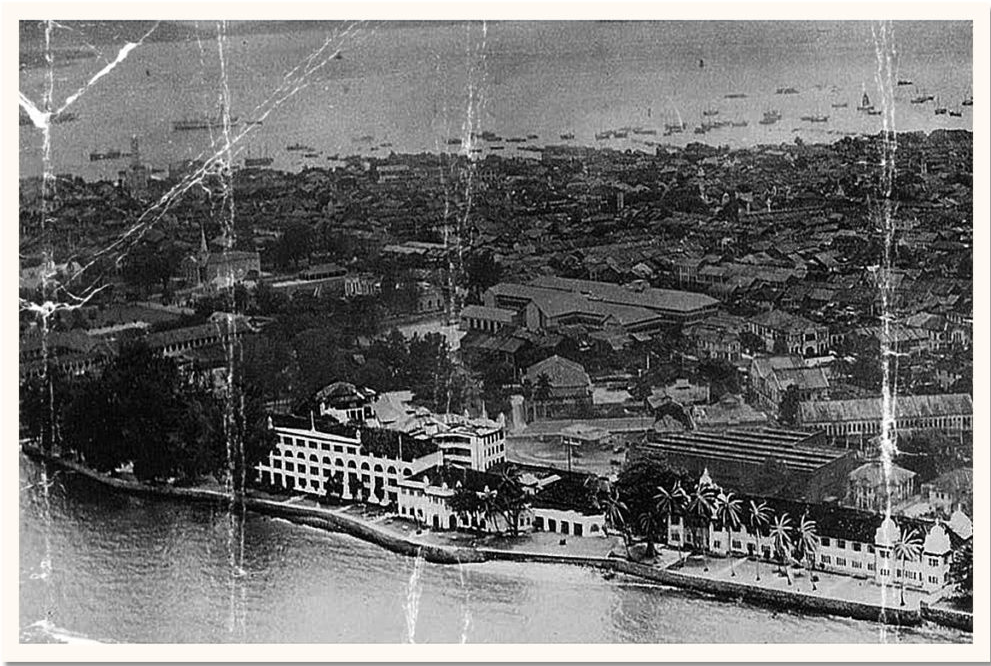
The 1920's were golden for E&O. The guests weren't just wealthy locals and tourists from around the world, but also movie stars and celebrities. At that time hotel had a tole of a social hub. Georgetown's white elite gathered there on Fridays to greet the new arrivals. The new American tourists were constantly arriving into town. Those tourists were dear to the E&O staff, thanks to their tipping habits. Other guests were amazed by their style and appetite to party. Those that were home-sick also found a refuge at the hotel. It was presenting some sort of home-remedy for those who were living out of England for a long time. Years passed and the bond with their homeland cooled down. On the other side, they didn't connect with Malaysia either. Drinking Gin&Tonic and reading the daily newspaper is not a habit that gets you accustomed to the new environment. Up the road was a true rival the Runnymede. They had expanded and refurbished the building in 1930, under the management of Messrs Poster and Parker. They added a nice ballroom on the ground floor, pairing to one in E&O.

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E&O hotel history

Behind the gaming tables, huge danger appeared. There were no guests paying with cash, their word was as good as cash. They would simply sign 'chits' for their bills, which would be collected up within three to six months. Only then they sent them for a final settlement. One regular guest owed as much as 9,000 Straits dollars (today that would be about US\$60,000). Later when the rubber and tin recession broke out, the 'chit' credit system turned out as a terrible debt trap. By 1930 the owner Arshak Sarkies had accumulated to some 14,000 Strait dollars (almost US\$99,000) debt for his own entertainment at his hotel. Sometimes he would forget what hotels purpose is and would simply invite his friends to stay at E&O for free.

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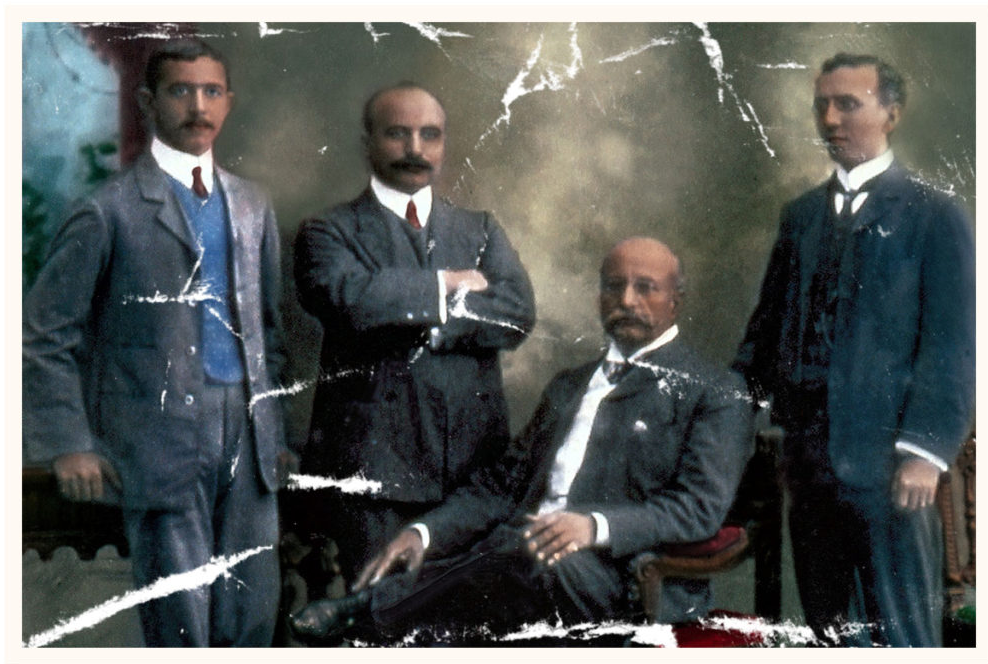


*E&O hotel history*

In 1927 new plans for expansion were presented. There would be another ultra-modern, three-story, 68-room wing on the eastern side of the hotel. This site was owned by fellow Armenian Thaddeus Paul. The deal Arshak had made with Paul was that the new block would be built on Paul's land with 50 years lease. Paul as the landlord would hold the freehold and leasehold titles. This new block would then be leased from Paul, while Paul would also lend some 250,000 Straits dollars (about US\$ 1.7 million) towards overall reconstruction costs. The chosen architects for this new block were French architecture firm Messrs Brossard Mopin Malaya Ltd, led by W. Herman, who was a notable architect at that time. The work was completed two years later and concluded with a big masked ball. The new dome was positioned where the former central drive-through open courtyard had been. Linking the old and new wings together. The dome was almost 16 meters in diameter and was declared as "the most striking feature of the new extension and the biggest dome in the East". There was also new Palm Court, lately known as Goldie's which became a favorite for rendezvous. On every Sunday the orchestral concerts were also featured there. The novelty was the personal electric lift, which was one of Malaya's earliest passengers lift. This lift is still working today, after all these years. At the sea-side, they connected gardens and made 305-m continuous promenade. Sadly, the cost was the shadow from huge trees, which were removed. The hotel now had



a total 71 sea-view rooms and around 30 others. Every room had an English-style long bath with running hot and cold water, two large beds and a telephone. International reviewers conceded that E&O was one of the finest "East of Suez". The investment was huge and there were suggestions that the hotel books weren't in good order.



*Sharkies brothers*

As the inevitable collapse approached, Arshak quarreled over the bookkeeping with his 50 per cent-partner and fellow Martyrose Arathoon. Desperate Arshak turned to Indian moneylenders in 1929, what was a sign of a catastrophe for this hotel. Arshak died on 9 January 1931 at the Penang General Hospital, of liver failure. His funeral was the largest and best-attended Penang had seen in decades. He died in debt of half million Straits dollars (US\$ 3.6 million) to his own hotel company, and for another 40,000 (US\$ 290,000) to the moneylenders, who had exacted interest rates from him ranging from 8 to 15 percent. Hotel was almost unoccupied and incapable of paying the monthly rent to the creditor Thaddeus Paul. He had lent Arshak about 400,000 Straits dollars (US\$2.9 million). Paul died soon after Arshak and the Bankruptcy procedure was on Arshak's partner Arathoon. E&O was in 1933 subsumed under the new Raffles Hotel Ltd company, created that year. However, the hotel remained a nonviable drain on this company and so in 1938, the decision was taken to sell it. The buyer was Arshak's rival and neighbor Runnymede Hotel. The E&O was a bargain buy, at only 120,954 Straits dollars (about US\$1 million). Anyway, that wasn't the biggest fall of this mighty hotel. The Japanese were about to extend World War II to Asia.



*Butler Call is still there*

Controversial British evacuation in the face of the Japanese, left locals alone to shift for themselves. Evacuation of the city was ordered only for 'pure' British residents. When the Japanese arrived, they found hotel empty. The authorities' instructions were to make sure that there was no liquor left around the hotel for the Japanese. The surroundings of the hotel were on fumes for a few days, due to all the buzz running down the drains and smashed bottles. Penang's civilian suffered terribly from Japanese bombing raids. During the Japanese occupation of Penang, military officers used the hotel as their own private club, now renamed The Penang Haitan Ryokan. The military HQ was right next door to the hotel. Allies started their air raids on Penang and hotel was in big danger due to the Japanese HQ on this location. Luckily there was no big harm. For Japan, everything changed when the 'A-bomb' was dropped on Hiroshima.





E&O hotel history

Next time the history of the hotel after WWII. The new era and blooming times were just amazing.

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