



# Budapestre vonatkozó ujságcikke

Összérték

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Citizens of Bpest enjoy cut rate prices for food

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## CITIZENS OF BUDAPEST ENJOY CUT RATE PRICES FOR FOOD AS RESULT OF CITY'S ACTIVITY

Budapest has suddenly changed itself from being Austria-Hungary's dearest city to the cheapest, writes Curtis Brown in the Springfield Republican. This is entirely the result of municipal trading.

At a municipal meeting last month Burgermeister Barny announced that the cost of food in the last four years has been reduced 19 per cent, whereas in Vienna in the same period, the average price of necessaries has gone up 14 per cent.

While Vienna is the dearest city in central Europe, and suffers from chronic high price riots, Budapest citizens are rejoicing in general cheapness.

Austria and Hungary have the same tariff system. The only difference is that in Vienna the storekeeper makes a big profit, whereas in Budapest you now buy your meat, eggs and vegetables in stores conducted by the city, which make no profit at all. "Our town," says Herr Barny, "is becoming a universal trader. That is the only way to fight high prices."

### Municipal Ownership Did It.

Budapest's initiative in starting municipal food stores is a result of the bread riots of four years ago.

Vienna clamored for relief, but the government gave none. The municipality kept to the policy initiated by the late Burgermeister Lueger—"handsome Carl"—the policy of favor-

ing at all costs the small storekeeper.

Budapest did the opposite. It resolved that as the government would not cut down the tariff, it would cut down the storekeeper's profits, and ever since then it has been cutting them down.

First Budapest started as a butcher. It established in Buda, in Pest, and in the Altófen district, handsomely equipped municipal meat stalls. The stalls were intended for the poor. But

as the meat was better and cheaper than in private stores, all classes patronized them. Prices were about three-quarters of the private stores' prices. The butchers were threatened with ruin. They sent complaining deputations to the inexorable municipality and the inexorable municipality replied that it would open more stores.

The municipality then relented, and made an agreement with the butchers. If they would cut down their prices it would open, it promised, no more stores. The butchers had to face the problem of making a profit out of lower prices. They made it by compelling the cattle dealers to cut prices. The cattle dealers next complained. This did not disturb the municipality, as the principle of Herr Barny and his fellow municipal traders is that each town should look after its own interests and ignore the interests of outsiders.

Next Budapest attacked the private bakers. It established four public bakeries and reduced bread prices 7

per cent. The private bakers were obliged to cut down their prices. Today in Buda and Pest 50,000 families, counting in all 250,000 persons, buy their bread from the city. Doctors say that Budapest's municipal bread is purer and more nutritious than the bread of other Austro-Hungarian cities.

Having established its position as retailer, Budapest challenged the producers and distributors. It was moved to this because the producers of meat, eggs, and milk in the country round have an agreement equivalent to a trust for keeping up prices. The municipality built additional slaughter houses and behind the trust farmers' backs began to import cattle, sheep and pigs from remote parts of Hungary.

The stock was bought on the spot at low prices, and by good organization was transported to the city at minimum rates. The city began selling its own meat, in its own stores. The farmers outside Budapest were angry but helpless, and they reduced prices.

The city next organized a big municipal general food store, to which it affiliated twenty-three branch stores in different wards. These stores sell practically all home-grown products. Their function is to frighten the private tradesmen and act as price regulators.

They forced down prices everywhere. Like the butchers, other traders implored the city not to ruin them. The municipality graciously granted their petition. "Keep prices down," said the town syndicus to a deputation of milk traders. "In that case we will put a limit on our competition. But if we find anyone making unreasonable profits we shall double the number of our stores."

Budapest municipality justifies this attack on private enterprise by the argument that private retail profits have been abnormally high. An examination made of the accounts of various traders confirmed this view. The traders predicted that they would be driven to bankruptcy. In reality the number of bankruptcies has fallen. The town has lost no money. The initial financing of its enterprises was difficult. A capital of over \$1,000,000 had to be invested.

But the loss suffered in several municipal enterprises was covered by the profits in others. The municipality's principle, as far as possible, is to make no direct profit.

1 Budapest polgárai alacsony árakat élveznek élelmezés tekintetében a város tevékenysége folytán. Eddig Bp. volt a monarchia legdrágább városa. Az utolsó négy évben 19%-kal olcsóbbodott az élelmiszer. Ezt a városi üzletk által érték el. Mészárszéket állított fel, mire a mészárosok kénytelenek voltak engedni magas áraikból. Egy Barny nevű polgármesternek lehet mindent köszönni. Kenyérgyárat állított fel és ezzel 7%-kal redukálta a kenyér árátstb. Mindezek arra szolgálnak, hogy a magán kereskedelmet mérsékeljék áraikban, és a rendkívül magas nyereségre dolgozó üzletekkel szemben olcsó konkurrenciát állítson fel. Több mint egy milliót fektettek be.