Lessons learnt from the meat price reform in Hungary in 1976
by András Lukács

Many people express concern about the possible negative effects of high energy prices due to increased energy taxes and/or a stricter emission trading system. However, there should not be any concern about increased energy prices affecting the poor if there will be proper compensation. Such compensation could be done quite easily, there is nothing new about this.

An instructive example of such a measure is the Hungarian meat price reform. In the first half of the 1970s, meat was heavily subsidised in Hungary. In 1976, the government decided to remove these subsidies and implemented a meat price reform which resulted in a substantial increase in meat prices. At the same time, practically every citizen received an equal monthly extra payment as compensation. Therefore, people did not complain, and the poor people were really happy about the reform because they consumed less meat and lower quality meat (i.e., they spent less for buying meat) than rich people did, and thus they received more money from the compensation than they lost due to the increased meat prices.

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The English translation of the communication of the Hungarian government on the meat price reform

Communication on the increase of consumer prices for meat and meat products and on income supplementary measures

Pursuant to a decision of the Council of Ministers [Hungarian government], the consumer price of meat and meat products will be increased by an average of 30 per cent from 5 July 1976 and, in this connection, the household income will be supplemented from July 1976.

The consumer price of meat and meat products has remained unchanged since 1960, but the costs of production, processing and marketing have increased significantly, so that consumers have received an average state subsidy of 18.30 Forints per kg of pork and 26 Forints per kg of beef. The low consumer price in relation to the real cost also encouraged people who previously produced meat for own consumption to buy meat more cheaply in shops, which increased the demand for central supply.

An important objective in setting the new consumer prices was to improve price ratios. Therefore, within the 30 percent price increase for meat and meat products, the price of carcasses will rise by 40 percent and meat products by 26 percent. Canned meat and meat products will increase by 24%. There will be a larger increase for lean meat and a smaller increase for meat with large bones, such as heads and feet. For pork cuts, short loins will be
62 Forints per kg, thighs 58 Forints and ribs 40 Forints. For beef, the price of white pork loin will rise to 60 Forints per kg and that of thick shoulder to 52 Forints. Prices of sausages, meat cheeses and cold cuts will increase less than average, while smoked and cooked meats, especially salami, will rise more. Among other meats, poultry meat will increase by 20% and live and frozen fish by 30% on average. The consumer price of edible bacon will increase by an average of 20 percent; the price of lard and fat bacon will remain unchanged.

Prices for commercial catering and workplace catering will also rise in line with the change in consumer prices. Only the cost increase due to the rise in meat prices should be included in the price of restaurant meals.

The increase in consumer prices is accompanied by income supplementary measures.

All employers, with the exception of agricultural cooperatives, are obliged to pay a wage supplement of 60 Forints per month from July 1976 to their employees who are subject to an employment, membership or insurance obligation and who are in a servant relationship with them, to apprentices employed on a skilled worker's wage and to professional members of the armed forces and corps. Agricultural cooperatives may also pay their workers a supplement. The amount of this allowance – up to a maximum of 60 Forints – is determined by the General Assembly.

The supplement is exempt from deductions from wages and does not form the basis for payroll tax, contributions, pensions, sick pay, and maternity allowance. Furthermore, it cannot be taken into account in the calculation of employment benefits, nor can it be included in average earnings or in the income level of producer cooperatives.

The amount of pension benefits and other regular monthly benefits under the pension scheme is increased by 60 Forints. At the same time, the spouse’s allowance paid to pensioners is increased by 60 Forints per month. The family allowance is increased by 60 Forints per child. Mothers on childcare allowance will receive a supplement of 60 Forints per month, regardless of the number of children. The family allowance for dependants of persons performing military service and the income support allowance for dependants will be increased by 60 Forints per month.

Measures have also been taken to supplement the grants for students of vocational and medical schools. The 60-Forint supplement will also be paid to college and university students who receive a scholarship.

The supplement is paid only once a month and for one person per month. The allowances are paid for the first time in July 1976. The supplements for retirement and other regular benefits were already paid to those concerned at the end of June.

The measures will be accompanied by an average increase of 15 per cent in the standard meal ration in budgetary institutions, in the trade unions and company holiday centres and in children’s institutions run by companies. Therefore, the holiday centre fees for adult meals and the fees for meals paid to employees of budgetary institutions (including employees of the trade unions and company meals and of company children's institutions) will increase. The new fees will enter into force on 1 January 1977; until then, the cost of the increase will be borne by the budget. There will be no increase in the boarding fees for children in budgetary, company childcare, student welfare and other social institutions, nor in the amounts paid for children in the trade union, budgetary and company holiday schemes.

The detailed rules on price increases and income-increasing measures, and changes in the price of meat and meat products are published in the official gazette.

*Translated with the help of https://www.deepl.com/translator*

NÉPSZABADSÁG

Közlemény a hús és húsfélek fogyasztói árának emeléséről, s a jövedelemkiegészítő intézkedésekről

A Minisztérium határozata alapján a hús és húsfélek fogyasztói árak 1976. július 5-étől átlagosan 30 százalékkal, 1976. július 30-ától pedig 20 százalékkal, augusztus 30-ától pedig 15 százalékkal növekednek. Így a fogyasztói árak két százalékkal növődnek, s az árak növekedése a hús és húsfélek árak növekedését is erősítjének. Ez az árának növekedése és a hús és húsfélek árának növekedése is feltételező a kedvezőbb ipari és szállítási feltételek. A hús és húsfélek árának növekedése a jövedelemkiegészítő intézkedések megvalósításához vezetett, mivel ez az intézkedés a jövedelemkiegészítő intézkedések megvalósítására vezetett.

A jövedelemkiegészítő intézkedések át foglalták a közösségi iparban és a mezőgazdaságban a hús és húsfélek árának növekedését. A jövedelemkiegészítő intézkedések a hús és húsfélek árának növekedését erősítették, s az intézkedések a jövedelemkiegészítő intézkedések megvalósításához vezetett.

A jövedelemkiegészítő intézkedések megvalósítása a hús és húsfélek árának növekedésének erősítése miatt a hús és húsfélek árának növekedése is feltételezhető a jövedelemkiegészítő intézkedések megvalósítására vezetett.

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Minden eddenél nagyobb részvételval

Megbeszédődött Budapesten a nemzetközi fizikai diákolimpia

(Tudósítónként)

Szombaton megbeszéltek Budapesten a 9. nemzetközi fizikai diákolimpia küzdelméi. Az el- só napen a tíz országot képviselő évek óta alatt három emléeti feladatot kellett írásban megoldania, bizonyítva ismeretét, és megint más, hogy hogyan tudja alkalmazni őket. Vásznak a Balaton partján pihenni gell, két-két tanár kisérletében. A tanárok, a szervezőkkel együtt, a nemzetközi zúri tagjai is. Újra szabad a feladatokkal, a kémiai reaktív tárgyakat, az elégedetlen, hogy hogyan tudja alkalmazni őket. Vásznak a Balaton partján pihenni gell, két-két tanár kisérletében. A tanárok, a szervezőkkel együtt, a nemzetközi zúri tagjai is. Újra szabad a feladatokkal, a kémiai reaktív tárgyakat, az elégedetlen, hogy hogyan tudja alkalmazni őket.