

## The Brief History of the New-York Coffeehouse Company Limited

### Abstract

At the turn of the 20<sup>th</sup> century, Budapest was famous for its Coffeehouse Culture. One of the most popular Café was the New-York Coffeehouse; today, it is remembered for its literary life. After 20 years of operation, in 1913, new people bought the tenant's rights and established the first Coffeehouse joint-stock company in Hungary, called New-York coffeehouse Company Limited. This paper aims to analyze the operation of the Company in relation to the stock transfers, analysis of its profitability, and the changes in the transformations in the shares. The main goal was to figure out how the profitability and the stock transfers were connected to the contemporary social and economic circumstances. The years of the World Wars, Revolutions, the Great Depression, and the cultural/social life of the twenties had their deep effects on the life of the Company. The changes were perceptible for the public, too. Many articles were published about the hardships of the Company and the changing atmosphere of the Coffeehouse. These were different; not all of them damaged the interest of the Company Limited equally. Still, the difficulties influenced the stock transfers, profitability, and the everyday life of the Managers and Shareholders. These circumstances are parallel to the changes of the Company.

**Keywords:** New-York Coffeehouse Company Limited, Coffeehouse Culture, Stock transfer, shareholders' list, Vilmos Tarján,

### Introduction

At the beginning of the 20th century, Budapest was called the „Coffeecity”<sup>1</sup> by Dezső Kosztolányi, the famous Hungarian Poet. It got this label because the Coffeehouse was one of the main public space for the contemporary citizens of Budapest.<sup>2</sup> It was part of the people's everyday routine to drink their daily coffee in their stamping ground. In 1894 there were 355<sup>3</sup> Coffeehouses in Budapest. This number was raising as in 1895 there were 663<sup>4</sup> Cafés in the city. In 1896 it achieved its highest number when there were 249 Coffeehouses and 426 “café measurements” which were Coffeehouses with a smaller scale of services.<sup>5</sup> This rise could have been the effect of the Millennial Celebrations. After the series of festivals, the number of Coffeehouses decreased to 431.<sup>6</sup> The New-York Coffeehouse was established in this competitive environment and got the task to stand out from its first day in 1894.<sup>7</sup>

While dr. Miksa Arányi, originally Max Aufricht (teacher, writer, jurist),<sup>8</sup> was living in Paris, got acquainted with the director of the New York Life Insurance Company. He asked Arányi to build out the network of his company in Hungary. The part of the plan was to build an enormous and richly ornamented center of the insurance company, the future New York

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<sup>1</sup> *Kosztolányi, Dezső*: Budapest a kávéváros. Budapesti Negyed 4. (1996) 7–11.

<sup>2</sup> *Gyáni, Gábor*: Budapest története 1873-1945, In: Bácskai, Vera, Gyáni, Gábor, Kubinyi, András: Budapest története a kezdetektől 1945-ig, Várostarténeti tanulmányok 6., Budapest, 2000. 179–180.

<sup>3</sup> *Zeke, Gyula*: „Budapest a kávéváros”. Mikes International, 2. (2002) 10.

<sup>4</sup> <https://www.arcanum.hu/hu/online-kiadvanyok/Lexikonok-a-pallas-nagy-lexikona-2/> Downloaded: 11. 10. 2020.

<sup>5</sup> <https://www.arcanum.hu/hu/online-kiadvanyok/Lexikonok-a-pallas-nagy-lexikona-2/> Downloaded: 11. 10. 2020

<sup>6</sup> *Zeke, Gyula*: „Budapest a kávéváros”, Mikes International, 2. (2002) 10.

<sup>7</sup> *Pesti Hírlap*: 1894. október 25. 9., *Vasárnapi Ujság*: 1894. Nr. 46. 764–765.

<sup>8</sup> Magyar zsidó lexikon. Edited: Ujvári Péter. Budapest. 1929.

Palace.<sup>9</sup> The architects – Kálmán Giergl and Flóris Korb – could build everything they dreamed of, as there was not a cost limit. According to Andor Kellér, the writer, this was the insurance company’s eccentric advertisement where they equipped the café shop to show their wealth, to inspire trust, and to amaze people.<sup>10</sup> They reached their goal. After the opening, the newspapers referred to the café as the most beautiful Coffeehouse in the world.<sup>11</sup>

Sándor Steuer was the first tenant who rented the fully equipped<sup>12</sup> Café for the first time. Steuer’s brother, Gyula, was a famous Café owner before;<sup>13</sup> this profession was not new to him. Based on his previous experiences, his main goal was to attract the solvent upper-class, not the bohemians who lived a free and easy life. However, the luster of the Café went around fast enough and people from all of the classes visited it. At night an Army Band provided music, conducted by Bachó, while in the souterrain people were playing billiard. People in Pest visited the Coffeehouse, but only once. Steuer did not manage to make the Coffee shop the home of any profession, so it did not have a character. Even though, it was the key to make a successful and profitable Coffeehouse in those times. In the end, he had to sell it in 1900 to the Harsányi Brothers.<sup>14</sup>

The name of the Harsányis was not unknown in this profession, since Rezső was a famous Café owner and his brother Adolf was a private teacher with a wide social network. They made the New-York the center of a vivid cultural life; it became the meeting place of famous writers, poets, artists, and actors during their ownership. They turned it into a “Literary Coffeehouse”.<sup>15</sup> The popularity of the New-York among artists was due to the social network of Adolf<sup>16</sup> and Reisz Gyula, the well-known and well-experienced waiter. These two people became the soul of the contemporary group of Café-owners and Café-workers.

The Harsányi Brothers and Reisz Gyula made the Coffeehouse to be the perfect workplace for writers. They ordered approximately 400 newspapers, established a library, gave free paper, ink, and a cheap menu called “írotál” (writer’s menu) at a discount price. During those years every memorable Poet was working here, the periodical “Nyugat” was edited on the gallery, moreover, the well-known critics established their famous and feared table near the entrance.<sup>17</sup> “The New-York Coffeehouse got its profession, the most splendid and most beggar one, the writing”.<sup>18</sup>

However, the Harsányis sold the Coffeehouse for 500 000 Ft in 1913.<sup>19</sup> It was bought by the Bánó and Szabó Company and they established the first Coffeehouse Corporation in Hungary, called the New-York Coffeehouse Limited. In this research paper, I would like to write about the history of this Company.

<sup>9</sup> *Csapó, Katalin*: A százéves irodalmi kávéház a „Newyork”, *Budapesti Negyed*, 4. (1996) 177.

<sup>10</sup> *Konrádyné Gálos, Magda*: A Newyorktól a Hungáriáig, Budapest. 1965. 7.

<sup>11</sup> *Pesti Hírlap*, 1894. 10. 25. 9.; *Vasárnapi Újság*: 1894. 46. Nr. 764–765.; *Budapesti Hírlap*, 1894. 10. 25.; *Pesti Napló*, 1894. 10. 14. 9.

<sup>12</sup> The price of the Palace was 1 203 000 Ft

<sup>13</sup> He rented the Lloyd Coffeehouse, the Fiume Coffeehouse, and the Abbázia on the Oktogon.

<sup>14</sup> *Saly, Noémi*: „Jean becsukta az ablakokat”. A Nyugat és a „nyugatosok” kávéházai. *Múlt és Jövő*, 69. (2008) 35–36.

<sup>15</sup> A Coffeehouse which was famous for the writers and poets who worked there.

<sup>16</sup> *Kálmán, Jenő*: Emlékek a Harsányi korszakból. In: A Newyorktól a Hungáriáig. Edited: Konrádyné Gálos, Magda, 1965, Budapest, 180.

<sup>17</sup> *Csapó, Katalin*: Százéves irodalmi kávéház a „Newyork”. *Budapest Negyed*, 4 (1996) 179–181.

<sup>18</sup> *Kálmán, Jenő*: Emlékek a Harsányi korszakból. In: A Newyorktól a Hungáriáig. Edited: Konrádyné Gálos, Magda, 1965, Budapest 180.

<sup>19</sup> *Csapó, Katalin*: Százéves irodalmi kávéház a „Newyork”, *Budapest Negyed*, 4 (1996) 185.

### **Focal points**

During my research, I had three major focal points that helped me to analyze the history of the New-York Coffeehouse Company Limited.

The first is about the changes of the authorized capital; the number, value, and currency of the stocks.

The second is about the periodization of the New-York Coffeehouse Company Limited by the stock transfers and the changes in the ownership.

Lastly, the profitability of the Coffeehouse Company concerning the stock transfers.

### **Sources**

The major sources of this research were the documents of the Company Registry which can be found in the Budapest City Archives.<sup>20</sup> No analysis can be read about these documents of the New-York Coffeehouse in the literature of Coffeehouses and Coffeehouse Culture in Budapest. The Company existed for 37 years, while 47 general meetings were held, and the whole documentation of these meetings was preserved for posterity. The minutes of the general meetings with all of its attachments, the reports of the executive and supervisory board, the balance and profit and loss accounts, procurations and power of attorneys as well as the list of shareholders. The last one helps to write the list of the owners of the shares and to reconstruct the stock transfers. The almost complete list of the shareholders can be reconstructed, but we do not know a lot about their identity, profession, and how they were connected to the New-York Coffeehouse before. This can be an interesting focus of the next research. On the other hand, the accounts make it possible to give a picture of the Coffeehouse's profitability. The Company Registry documents were completed with contemporary press materials and Vilmos Tarján's autobiography,<sup>21</sup> as primary sources.

With the help of these sources, I divided the history of the New-York Coffeehouse Company Limited into three major periods.

#### **First period: 1913-1921**

The Coffeehouse Company Limited was established on the 17<sup>th</sup> of June in 1913. According to the Deed of Foundation, the authorized capital was 150 000 korona, which was divided into 375 shares, each of them cost 400 korona. On the constituent general meeting, twelve people attended, even the Harsányi Brothers, who still owned 300 pieces of the stocks. But, they did not take part in the board of directors, and in the everyday management. This task was taken by Dezső Bánó and Lajos Szabó.<sup>22</sup> From this time, the New-York Coffeehouse was identified with Bánó&Szabó by the public.<sup>23</sup> From 1914 the name of the Harsányi Brothers did not even appear on the shareholders' list. They retired from the profession and started to trade with coffee machines and coffee beans.<sup>24</sup>

Bánó and Szabó directed the Café for 5 years. From 1914 to 1918, the shares belonged to the same seven people. Changes occurred only in the number of the owned shares, but these were only minor differences. All of the shareholders took part in the everyday life of the Coffee shop because all of them were part of the board of directors or the supervisory board.

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<sup>20</sup> BFL. VII.2.e – Cg.2497 New York Kávéház – 1659. box

<sup>21</sup> *Tarján, Vilmos*: (t.v.) -tól a Tarjánig, Budapest, 1937.

<sup>22</sup> BFL. VII.2.e – Cg.2497 New York Kávéház – 1659. box

<sup>23</sup> *Magyarország*, 09. 17. 1913.

<sup>24</sup> BFL. VII.2.e – Cg.2497 New York Kávéház – 1659. box

When the new shareholders took over the management of the Coffeehouse, they could not have guessed how difficult years they were facing. They started a new business without former experiences as they were originally merchants. They did not plan a significant renovation, only minor changes in the business. A kitchen was established, the Coffee shop became a Café-Restaurant which made the place a trendy all-night dinner place, until the March of 1916 when the regulations obliged the New-York to close at 1 a.m., every night. The Café that's door was never closed before.<sup>25</sup>

The first year of WWI was profitable in the history of the business, the war was a type of advertisement for the business. The guests came in to hear the news, the journalists were working from here, charity events were held.<sup>26</sup> As a result, the Coffeehouse was profitable during the World War. It was not significant, but at least it was not loss-making. It did not have debt, but could not set aside money. In 1918 the all reserved money was only 13450,40 korona.<sup>27</sup>

Table 1: Profit of the New-York Coffeehouse Ltd. 1914-1918

Year	Profit transfer from last year(korona)	Business year's profit (korona)	All profit (korona)
1914	-	11905,39	11905,39
1915	1905,39	1957,78	3863,17
1916	3863,17	792,34	4655,51
1917	4655,51	3711,48	8366,99
1918	8366,99	5083,41	13450,40

1918 brought the real change on the shareholders' list. The owners sold their shares, only Bánó kept his stocks from the previous owners, but he also sold them one year later. The remaining 325 stocks were shared by nine new people, whose name has been unknown in the history of the Café culture, until 1918.

Table 2: Shareholders' list from 1914-1918

Name	1914 Febr.	1914 Dec.	1915. Apr.	1916 Apr.	1916 Dec.	1918 May	1918 Aug.
Dezső Bánó	100	100	100	100	100	100	50
Lajos Szabó	100	100	100	100	100	100	
Sándor Horváth	55	50	50	50	50	50	
Ármin Bánó	10	25	25	25	25	25	
Miksa Schaeffer	10	25	25	25	25	25	
József Sterbetzky	50	25	25	25	25	25	
Gyula Királyfy	50	50	50	50	50	50	
Lajos Keleti							50
Miksa Aczél							75
dr. Miklós Gelléri							50
dr. Illés Fleischmann							25
Emil Schwarz							25
dr. Arnold Szűcs							25

<sup>25</sup> Erki, Edit: Kávéház-sírató. Törzshelyek, írók, műhelyek. Szekszárd, 1996. 73–75.

<sup>26</sup> *Budapesti Hírlap*, 1914. június 14.; *Magyarország*, 1914. augusztus 6.; *Budapesti Hírlap*, 1914. szeptember 8.; *Budapesti Hírlap*, 1914. december 20.; *Az Újság*, 1914. december 25.; *Budapest Hírlap*, 1915 szeptember 22.

<sup>27</sup> BFL. VII.2.e – Cg.2497 New York Kávéház – 1659. box

Manó Schwarz							25
Gyula Dénes							25
Oszkár Markovits							25

Despite being profitable, the popularity of the New-York Coffeehouse declined. The motto: “meet in the New-York after theatre” had changed to “meet in the New-York after the war”.<sup>28</sup> The former customers stayed away, the litterateurs also had to take their share from the wartime obligations. Who did still visit the New-York? The purveyors, gamblers,<sup>29</sup> thieves,<sup>30</sup> shady characters, “slacker” journalists, and the so-called “Konrads of the Coffeehouses”.<sup>31</sup> The atmosphere of the Café had changed, rationing was introduced, and the shareholders were changed, too.

There is no explicit clarification of the stock transfers in 1918, but the directorial reports mentioned the rising prices of the raw materials and the overhead expenses.<sup>32</sup> The stockholders were constantly changing until 1921. From 1918 to 1921 there were seven general meetings: 4 annual general meetings, and 3 extraordinary meetings.<sup>33</sup> This tells us, that there were many extraordinary problems which must have been solved. The ground rules were changed, new members of the executive and supervisory board must have been elected and because of some anomalies they the general meetings must have been reordered. The final accounts were not finished in time, which is explained by the difficulties and damages of the revolutions and the Hungarian Soviet Republic. The tardiness and disruption of the management refers to the challenges the Coffeehouse had to deal with after the First World War.<sup>34</sup>

This time, the beginning of the twenties is full of tragedy and crisis in Budapest. First, in the summer of 1918, the Spanish flu took its victims and made the Café empty. Margit Kafka and the wife of Karinthy died because of the virus, too.<sup>35</sup> The regular guests came in sometimes but did not spend their whole day working here. They were afraid of each other. Later during the period of the Hungarian Soviet Republic, there was no significant café life.<sup>36</sup>

These difficulties indicated the continuous changes on the shareholders’ list. 29 people owned the stocks between the 5<sup>th</sup> of August 1918 and the 15<sup>th</sup> of September 1921. From August of 1918 Miksa Aczél, Lajos Keleti were the main shareholders with six other people. They planned many changes in the Coffeehouse, wanted to make a bakery and bar, but they could not finish their plan. They did not have a stable financial position; they sold their shares to the members of the Haas family. They bought out the shares continuously, until the September of 1920. By that time, 7 out of the 10 shareholders were called Haas. However, they also sold their shares before the general meeting on the 15<sup>th</sup> of September and resigned from their memberships in the executive (Aladár, Lajos, Ignác, Antal Flaschner) and supervisory (Dezső, Andor, Elemér Fellner) board. They were replaced by Miklós Magyar, Béla Zoltán, Olga Herkovits and Vilmos

<sup>28</sup> Konrádyné Gálos, Magda: A Newyorktól a Hungáriáig, Bp. 1965. 14.

<sup>29</sup> Magyarország, 1917. július 31.

<sup>30</sup> Népszava, 1917. augusztus 12.

<sup>31</sup> Balázs, Eszter: Értelmiségellenesség az első világháború első felében: „kávéházi stratégiák” és „lógós” írók Budapesten, In: Értelmiségi karriertörténetek, kapcsolathálók, írőcsoportosulások. Budapest, 2016. 153–179. Konrads of the Coffeehouses: they were named after Conrad von Hötzendorf the chief of staff in the Austro-Hungarian Monarchy. Those people were nicknamed like that, who talked a lot about how the chief of staff should regulate the army, they had their own opinion, but they themselves did not take their part from the war, but lived their comfortable life in the Coffeehouses.

<sup>32</sup> BFL. VII.2.e – Cg.2497 New York Kávéház – 1659. box

<sup>33</sup> Klement, Judit: Egy családi részvénytársaság a századelőn. Gizella Gőzmalom Rt. 1905–1917. *Korall: Társadalomtörténeti Folyóirat* (2000) 67.

<sup>34</sup> BFL. VII.2.e – Cg.2497 New York Kávéház – 1659. box

<sup>35</sup> Konrádyné Gálos, Magda: A Newyorktól a Hungáriáig, Bp. 1965. 16.

<sup>36</sup> Konrádyné Gálos, Magda: A Newyorktól a Hungáriáig, Bp. 1965. 16.

Tarján, the representatives of the second period of the history of the New-York Coffeehouse Ltd. They have inherited a huge debt (100 569 korona) and a Café with dubious fame.<sup>37</sup>

Table 3: Shareholders' list 1918-1921

Name	08. 05. 1918. annual	10. 14. 1918. extraordinary	01. 14. 1919. extraordinary	01. 03. 1920. extraordinary	09. 15. 1920. annual
Dezső Bánó	50				
Lajos Keleti	50	50	50		
Miksa Aczél	75	50			
dr. Miklós Gelléri	50	10			
dr. Illés Fleischmann	25	50	50		
Emil Schwarz	25	5			
dr. Arnold Szűcs	25				
Manó Schwarz	25				
Gyula Dénes	25				
Oszkár Markovits	25	4	50		
Aladár Gy. Dénes		50			
Viktor Aczél		5			
dr. Vilmos Erős		50			
dr. Dezső Molnár		50			
Aladár Haas			50	90	100
Lajos Haas			50	90	100
Adolf Legmann			50		
Hermann Auslander			10		
Viktor Korányi			5		
Dezső Korányi			5		
Ignác Haas			2	10	10
Dezső Haas				10	10
Ferenc Haas				10	10
Jenő Haas				12	5
dr. Marcell Kemény				10	
Andor Haas					5
Béla König					5
Elemér Fellner					5
Antal Flaschner					125

### Second Period (1920-1936)

The main shareholder and character of the Café in this period was Vilmos Tarján, the famous ex-investigative reporter. He was a member of the executive board and responsible for the daily management, too. He introduced many reforms, made charity events, used the marketing well to

<sup>37</sup> BFL. VII.2.e – Cg.2497 New York Kávéház – 1659. box

advertise the Café, and had a broad social network, which he applied wisely to make the New-York a trendy and chic venue.<sup>38</sup>

Tarján was fired from the “Az Est” journal, because of an article about Béla Kun.<sup>39</sup> To solve his financial problem he started gambling in the Otthon-Kör. It took months to win 500 000 korona when he stopped gambling and rented the New-York Coffeehouse with his three partners. Béla Zoltán was the Chief Cashier of the Manfréd Weis Steel and Metal Works, Olga Herkovits, the daughter of a Café-Restaurant owner in Zombor, and Miklós Magyar a rich citizen in Budapest.<sup>40</sup>

After renting the Coffeehouse, it was closed for six weeks of cleaning and renovation. This time was enough to get rid of the dust and the suspicious customers, too. They established a kitchen, which made the New-York one of the best café-restaurants of the city under the direction of chef István Varga. After the inaugural, the New-York Coffeehouse became one of the most popular meeting places in Budapest. From the 1920-1930s, the New-York is not only a home for the writers but became a luxurious Coffeehouse. The most prominent people of the society, the biggest Hungarian and foreign stars visited it, according to a guestbook.<sup>41</sup>

Parallel to its popularity, it became profitable. In December of 1920, a 150 000 korona worth of tax upon luxuries must be paid,<sup>42</sup> which means, it had a significant amount of income. According to the general meeting in 1921, the Café became profitable, as the 100 569 korona deficit was turned into an 85 503 korona profit. This was the first time in the history of the Corporation, a dividend was paid (9000 korona). The Coffeehouse remained profitable until 1931.<sup>43</sup>

There were changes on the shareholders’ list until 1931, but these are not significant according to the constant changes from 1918-1920. The majority of the shares were owned by the four major shareholders (Magyar, Zoltán, Herkovits, and Tarján). There was a stock transit in 1921 when 5 of the minor shareholders sold all of their stocks and eight new people bought them, as well as the major shareholders passed some of their shares, too. In 1925 Zsigmond Keil sold his shares to Sándor Gottlieb, but there is no other share issue until 1927.<sup>44</sup>

Table 4: Shareholders’ list 1922-1936

Name	1922 Dec.	1923 Oct.	1924 Nov.	1925 Dec.	1926 Apr.	1926 Dec.	1927 Dec.	1928 Dec.	1929 Dec.	1930 May	1931 May	1932 May	1933 May
Béla Zoltán	50	50	5000	5000	5000	800	800	2000	2000	2000	2000	2000	2000
Miklós Magyar	50	50	5000	5000	5000	800	800	2000	2000	2000	2000	2000	2000
Vilmos Tarján	50	50	5000	5000	5000	800	800	2000	2000	2000	2000	2000	2000
Olga Herkovits	50	50	5000	5000	5000	800	800	2000	2000	2000	2000	2000	2000
Jenő/Jenőné Hartenstein	50	50	5000	5000	5000	250	250	380	380	400	380	380	400
Jakab Tihanyi	20	20	2000	2000	2000	250	250	380	380	400	380	380	400
Ignáczné Klein	20	20	2000	2000	2000	250	250	380	380	400	380	380	400
Henrik Pál	30	30	3000	3000	3000	250	250	380	380	400	380	380	400
dr. József Strasser	25	25	2500	2500	2500	200	200						
Géza Glaser	10	10	1000	1000	1000	200	200						

<sup>38</sup> Csapó, Katalin: Százéves irodalmi kávéház a „Newyork”, *Budapest Negyed*, 4 (1996) 186–192.

<sup>39</sup> Tarján, Vilmos: (t.v.) -tól a Tarjánig, Budapest, 1937. 149–150

<sup>40</sup> Csapó, Katalin: Százéves irodalmi kávéház a „Newyork”, *Budapest Negyed*, 4 (1996) 186–192.

<sup>41</sup> Saly, Noémi: Tarján Vili babérkoszorúja, Budapest, 13. (2016) 23–25.

<sup>42</sup> 25% of the price must have been payed.

<sup>43</sup> BFL. VII.2.e – Cg.2497 New York Kávéház – 1659. box

<sup>44</sup> BFL. VII.2.e – Cg.2497 New York Kávéház – 1659. box

István Varga	10	10	1000	1000	1000	200							
Zsigmond Keil	10	10	1000										
Sándor Gottlieb				1000	1000	200	200	100	100	100	100	100	100
Béla Vágó							200	380	380	300	380	380	
József Friedmann													300

The most important changes were in the authorized capital, the number, value, and currency of the stocks. According to the Deed of Foundation, the authorized capital was 150 000 korona which was divided into 375 shares valued at 400 korona each. But, because of the economic conditions, the significant rise of the overhead costs, the salaries, and the commodity prices, and the planned developments, the authorized capital was raised to 15 million korona. This was divided into 37500 shares, valued at 400 korona each. All of the new shares were subscribed by the previous shareholders; there were no new people on the shareholders' list. This refers to some stability in the life of the company.<sup>45</sup>

The introduction of the pengő in 1926 brought some changes, too. According to the opening balance, the authorized capital was worth 50 000 pengő and they could put 2000 pengő in the reserve fund. And according to a ministerial decree,<sup>46</sup> it was divided into 5000 pieces of shares, all worth 10 pengő.<sup>47</sup>

This condition changed one year later because the directors implemented some reconstructions,<sup>48</sup> and the rent was remarkably raised when New York Palace was bought from the Est concern by the Adria Insurance Company. The authorized capital was doubled (100 000 pengő). The new shares were bought in equal proportions (12500-12500) by the four major shareholders.

Table 5: **Changes in the shares**

	1920-1923	1924-1926	1927	1928-1936
Number of the shares (db)	375	37 500	5000	10 000
Cost	400	400	10	10
Currency	korona	korona	pengő	pengő
Authorised Capital	150 000	150 million	50 000	100 000

The company became loss-making from 1931. In that year they could cover the loss from the reserve fund, but later the loss was carried forward to the next business year. The table shows not only the business years' losses, but the numbers include the transferred losses from the previous business year.

Table 6: **Profit and loss of the New-York Coffeehouse; 1920-1934**

	1920	1921	1922	1923	1924	1925	1926 pengő	1927	1928	1929	1930
<b>Profit</b>	8550	530667	858613	47798943	46122220	99502293	23238	20605	20032	-	3757
	1931	1932	1933	1934	1935	1936					
<b>Loss</b>	26570	9295	10308	32497	68277	36769					

The beginning of the loss-making period coincides with the effects of the Great Depression in Hungary. Tarján mentions the specific symptoms of it in his management reports and

<sup>45</sup> BFL. VII.2.e – Cg.2497 New York Kávéház – 1659. box

<sup>46</sup> Every share must be worth minimally 10 pengő.

<sup>47</sup> BFL. VII.2.e – Cg.2497 New York Kávéház – 1659. box

<sup>48</sup> Tarján, Vilmos: (t.v.)-től a Tarjánig, Budapest, 1937. 161.



autobiography. These were the dumped prices, the reduced consumer abilities, the continuously decreased prices, the fact that the increasing burdens could not be passed on by the customers. There were expenses which could not be reduced, such as the rent, the taxes, and the electricity bill; moreover, the cost of hiring music bands was getting expensive, too.<sup>49</sup> These cost a lot; meanwhile, they had to survive in a competitive environment. Parallel with the financial issues, Tarján reported in his autobiography that beer bars became more popular in these years, people visited the Coffeehouses less frequently. He tried to attract customers with cheap menus, but it was not economically viable. In these years, the “Nagykörút” the area where the New-York was located became less popular among the citizens, the nightlife centralized between the Nagymező Street and the Oktogon.<sup>50</sup>

The problems of the Coffeehouse were visible to the public, too as many articles were written about the debate of the rent, the demands of the creditors.<sup>51</sup> As a result of the problems, the owners of the Coffeehouse called for a moratorium made a private arrangement and tried to sell their shares immediately.<sup>52</sup> They honored all of the requests of the new main shareholder, gave the stock free even it was not the practice. The former shareholders got rid of a 350 000 pengő worth debt.

### **Third Period (1936-1949)**

The last period of the Coffeehouse's history last from 1936-1949, but the last general meeting was held in 1947. During this 13 years long period, 46 people owned the shares. According to the previous periods, this is a quite high number which reports about the complicated and uncertain condition of the Café. Some shareholders are well-known people who owned and directed a Coffeehouse before, but most of the shareholders are unknown people who invested his saved money.

First, from 1936-1937 Menyhért Kraszner, the previous owner of the Japán Coffeehouse, owned the majority of the shares. He had four partners in the business, but all of them sold their shares in 1937.

From 1937 to 1939, dr Sándor Tomaschoff and dr Géza Schmidl were the main shareholders and passed them to dr Viktor Géza Frank who was the main figure of the Café until 1942. Until 1944 the famous Café owner family, the Spolarichs took over the New-York and try to make it profitable. They did their best to make it successful again, they even try to change its name to the Spolarich New-York Coffeehouse, but the registry court did not let them to do that. Just like their predecessors, they failed. After them, six new people owned the shares, who sold it to fourteen new shareholders in 1947. Not only the unknown, inexperienced people but the very prestigious owners managed the New-York in these years. None of them could maintain their business for a long time and had to sell it, which shows the hardships of the years before and under the Second World War.

According to its profitability, the Coffeehouse is loss-making except the years of 1941 and 1943. The hardest years were from 1944-1947. A bomb had hit the New York Palace on the 17<sup>th</sup> of 1944 so they had to close it until the May of 1945 when it was repaired and opened again. Later because of the inflation the number of customers raised, but still, the business was not profitable. The stabilization did not make the life of the Café owner easier. The sales declined which was a problem for the management.

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<sup>49</sup> BFL. VII.2.e – Cg.2497 New York Kávéház – 1659. box

<sup>50</sup> Uo. 193-196.

<sup>51</sup> *8 órai Újság*, 1933. január 14.; *Az Est*, 1933. január 14.; *Friss Újság*, 1933. január 15.; *Pesti Napló*, 1933.február 05.; *Pesti Hírlap*, 1936.április 16. stb.

<sup>52</sup> Uo. 193-196.

No balance account was made in this period, except the opening balance in 1947 when the Forint was introduced. The authorized capital was defined as 150 000 Ft which was divided into 5000 pieces of 30 Ft valued shares.

It could not be reconstructed who owned the shares from 1947 to 1949 because no general meeting was held. In 1948-1949 the members of the executive and supervisory board resigned from their position. In the January of 1949, the ministry designated a manager to run the cafe (László Hima). The last piece of document formed in the life of the Company was written on the 6<sup>th</sup> of September in 1949 when because of its liquidation it was asked to delete it from the company register.

After the end of the New-York Coffeehouse Company Limited, the building was used for various purposes. Firstly it was a warehouse of sport equipment, after that, it was used by the IBUSZ until 1954 when the Café reopened as the Hungária Café. From the 1980s the public started to call it the New-York Coffeehouse again.

### **Conclusions**

The history of the New-York Coffeehouse Company Limited can be divided into three major parts, according to the stock transfers (1913-1920; 1920-1936; 1937-1949). Within that there are more minor eras. The frequency of the stock transfers is connected with the profitability and attendance of the Coffeehouse. In calm and lucrative periods, the shareholders did not want to sell their stocks, but in hard, loss-making times they wanted to get rid of them. The shareholders were the main souls of the Coffeehouse. During the productive and profitable years, they were always talented and committed people. But, there were years, when experienced, previous café-owners tried to make the Coffeehouse profitable, but failed. It was because of the economically and socially tragic times, such as during the Revolutions and the Second World War. However, during these historical eras, mostly inexperienced and less successful people bought the shares and managed the Coffeehouse.