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## **/// Concessions and Loss of Power:**

### **The History of the Hungarian Record Producing Company in the 1980s**

#### **Abstract**

Whether we are talking about domestic record publishing or cultural life, the HRME has remained in a key monopoly position since 1951. By marketing Hungarian musical artists in the socialist bloc, and by domestically releasing pop albums regardless of the artists' socialist or capitalist background, they fulfilled an important "bridging" role. Evidently, all of this came to fruition after extensive diligent censorship, harming creative freedom and the right of a significant and culturally inclined portion of society to consume art. Thus, the engagement of the Hungarian pop record culture on an international scale became nothing more than proof of a fake, Kádár-era cultural policy trope.

This article examines how the publishing politics of the record enterprise adapted to the single-party state's "double authority," as well as to the intentions of the Central Committee (KB) Hungarian Socialist Workers' Party (MSZMP) Central Committee (KB), the Department of Science, Education, and Culture (TKKO), and lastly the Ministry of Culture's Department of Music and Dance Arts. How much did the enterprise comply with the intentions of these institutions – or alternatively, did it have any discretion or a potential to tactically modify them? Furthermore, I present the connection between the function of the Central Committee (KB) of the Hungarian Young Communist League (KISZ) and the publishing politics of the HRME. I build my observations from the ground up in my text, including recollections from artists that released LPs. All of this evidence reveals the methods which the HRME used to meet the expectations of cultural policies founded on communist ideology – which ironically decided which records could be released or how they should be modified according to the profit each would bring.

Additionally, I showcase how the HRME changed its publishing policies step by step from the beginning of the eighties. This entailed the partial publication of previously banned bands, developing new organizational structures, as well as establishing private recording studios by investing capital from musicians.

I pay special attention to the HRME's loss of monopoly based on a 1986 press law, which led to the regime change starting off in the record industry, even before it had affected the political sphere. Furthermore, I discuss the how the two leading figures of HRME, Jenő Bors and Péter Erdős, began losing their power and influence—the former suddenly, and the latter gradually.

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### **= = = Ambivalent Processes at the Company and in Hungarian Cultural Politics**

In the history of the Hungarian Record Producing Company (*Magyar Hangfelvevőgyártó Vállalat*, MHV),<sup>1</sup> in line with its previously pursued pragmatic stop-go policy, the 1980s in particular were about cautious retreats and concessions. These concessions were made to pop rock musicians and to the market participants emerging at the end of the decade, though there were still artists who, metaphorically speaking, were never allowed to cross the Company's threshold. Accordingly, in the 1980s, the Kádár system's stance towards pop music became, if possible, even more ambivalent than before, a change best measured by the operation of its institutional framework. By the beginning of the decade, the system had either integrated or eliminated music groups that still presented a serious conundrum at the end of the 1970s.<sup>2</sup>

The political system's increasingly lenient stance produced an intellectual trend among musicians that party leadership opposed most thoroughly. Because they raised their voices against the party-state so vehemently, going as far as to use crude and obscene language, many of them were even successfully labeled as racist. Most of these accusations were based on disinformation, but the state managed to deceive the wider public by spreading a series of misbeliefs through the media and creating urban legends, such as members of the band Beatrice grounding up

1 = = The Hungarian Record Producing Company (*Magyar Hangfelvevőgyártó Vállalat*, MHV) was established in accordance with Decision No. 206/1951 of May 24 by the Popular Economic Council via the merger of several smaller private record publishers. The MHV thus acquired a monopoly and maintained its dominant position almost to the very end of the party-state era. MNL OL XIX-A-19-b, 28. d. 206/1951; Founding Regulation of the MHV, May 24, 1951. MNL OL, M-KS 288. f. 33/1962, g. ó. e. 181–95. The Agitation and Propaganda Committee on the MHV, 1962.

2 = = Among the "black sheep," Hobo Blues Band's first album was approved for release in September 1980, followed a year later by P. Mobil's first album, while the third group, Beatrice announced its disbandment on August 22, 1981. Bence Csatári, "A Kádár-rendszer könnyűzenei politikája" (PhD diss., Eötvös Loránd University, Faculty of Humanities, Doctoral School of History, 2008), 281.

a live chicken on stage, or László Földes (Hobo) drinking blood at concerts. Similarly, by the middle of the 1980s, they managed to convince the public – including a large portion of its rock loving youth – that the name of the band CPg was an acronym for “Cigány Pusztító Gépezet/Galeri” [“Contraction/Crew that Purges Gypsies”]. This was a complete lie, since their name actually stood for “Coitus/Come on Punk Group.”<sup>3</sup> However, it was completely true that this band wrote openly anti-communist song lyrics, which drew the ire of those in power.

According to party-state logic, it was not enough for the National Office of Production (*Országos Rendező Iroda, ORI*)<sup>4</sup> or other production organs to revoke the operating licenses of offending musicians: they retorted by bringing these cases to court and giving prison sentences to young adults and even to teenage musicians under 18, whose ideological views were far from comprehensive or fixed. Among the bands prosecuted by the state—CPg, Mos-oi, Közellenség, Auróra—only Mos-oi could be considered racist, but they merely received a suspended prison sentence, while a good number of anti-communist musicians were imprisoned.<sup>5</sup> This illustrates well the stance of the late Kádár era, which feared not racism, but anti-communism most of all. It is not surprising that the punk and skinhead bands that managed to stay on the music scene remained the subject of agent reports until 1989.<sup>6</sup>

From a different perspective, the power structures of the 1980s also adopted a more human façade than before. More than once, guided by a sincere or apparently sincere impulse, part of the political elite directly inquired about the pop musicians they had approved. Among other factors, this was due to the fact that on November 1, 1982, the Secretariat of the Central Committee of the Hungarian Socialist Workers’ Party (*Magyar Szocialista Munkáspárt, MSZMP*) issued a decision in favor of the political thaw in which it promoted a stronger relationship

3 == On the fate and banning of CPg, see Tibor Takács, *Botrányt akarunk! – Rágalmak a CPg és a magyar punkmozgalom ellen* (Jaffa, 2021).

4 == As the legal successor of the State Concert and Variety Show Directorate, the National Office of Production was a Hungarian monopoly company in charge of organizing concerts between 1958 and 1991. As a censorship institute, it issued operating licenses to musicians who passed the required examinations, and it also established their performance fees. Based on skill, musicians were sorted into the categories A, B, C, and D, which also determined their salaries. The Office organized concerts for contracted musicians, and it was also responsible for approving concerts booked by musicians. Bence Csatári, “Az ORI története,” *Fons*, (2008): 51–80.

5 == János Sebők, *Rock a vasfüggöny mögött* (GM és Társai, 2002), 340–54.

6 == ÁBTL 3.1.5. O-19799/1-2; ÁBTL, 3.1.9. V-164155/1-2. Beyond work, object, and investigation dossiers, we have also found internal affairs network reports on CPg in the Daily Operative Information Reports (Napi Operatív Információs Jelentések, NOIJ): ÁBTL 2.7.1. III/III-146, August 25, 1983; ÁBTL 2.7.1. BRFK-79, May 25, 1984; ÁBTL 2.7.1. III/III-100, May 28, 1984.

between leading politicians and artists.<sup>7</sup> However, this might have also been motivated by considerations of exercising greater party-state influence on the arts. To give an example of what this decision produced, Secretary György Aczél of the Central Committee of the MSZMP and First Secretary György Fejti of the Central Committee of the Hungarian Young Communist League (*Kommunista Ifjúsági Szövetség*, KISZ) attended the First Meeting of Young Artists. This was a three-day event held in Budapest at the Sports Arena and the Circular Arena, where János Bródy also performed on July 23, 1983.<sup>8</sup> Meanwhile, the pop music productions of the United States and Great Britain became increasingly more accessible. In 1982, the Hungarian public could attend the screening of the 1969 London Hyde Park Show featuring the Rolling Stones,<sup>9</sup> though we must add that Polish rock fans were allowed to see the Rolling Stones not only on screen, but live and as early as 1967.<sup>10</sup>

The process discussed above showed signs of increasing acceleration. Only a year prior, it would have been unheard of that at the rock festival in Tata,<sup>11</sup> music insiders in Hungary were officially allowed for the first time to watch the concert film *Woodstock*.<sup>12</sup> This might have been an early manifestation of the aforementioned November 1, 1982 decision issued by the Secretariat of the Central Committee of the MSZMP. Foreign celebrities now began to frequent the Budapest Sports Arena more often, and Hungarian bands were seemingly more frequently in international circulation. This included their contribution to Live Aid in 1985, during which the public could listen to all the leading Hungarian pop music artists for two days in a row.<sup>13</sup> On September 6, 1988, the Hungarian pop music scene stood up once again, not for a starving Africa this time, but for human rights with clear political undertones. The party organs continued to support

7 == Henrik Vass, ed., *A Magyar Szocialista Munkáspárt határozatai és dokumentumai 1980–1985* (Kossuth, 1988), 414–17.

8 == MTVA-MTI, July 23, 1983.

9 == ÁBTL, 3.1.2. M-41343. February 5, 1982. "Dalos" Report by "Dalos" [code name] on pop music life.

10 == "Tényleg vodkával fizették ki a Rolling Stonest Varsóban?," *Koncert.hu*, June 7, 2018, accessed November 8, 2024, <https://www.koncert.hu/hirek/-/tenyleg-vodkaval-fizettek-ki-a-rolling-stonest-varsoban-/>.

11 == A detailed account has since been published on the meeting between Hungarian leadership and the pop musicians. See Lajos Boros et al., eds., *Könnyűműfaj '81 – Popzene és környéke egy tanácskozás tükrében* (A KISZ Budapesti Bizottsága Politikai Képzési Központjának kiadványa, 1981).

12 == Interview with András Muzsay, one of the musicians of the Demanders of Urban Music movement (*Városi Zenét Akarók*, VÁZA), October 8, 2006.

13 == The event series received serious press attention and was discussed by various daily newspapers; see *Ifjúkommunista*, vol. XXIX, no. 12, 1985: 35–39. The entire event was broadcasted live by Radio Petőfi, one of the stations of Hungarian Radio, and in January 1986, Hungarian Television broadcasted a series of hour-long compilations of the event.

them because officially, their demonstrations were against colonization and the oppression of minorities. Yet everyone knew that if one read between the lines, their ideas also comprehended the democratic deficits of the states of the Eastern Bloc.<sup>14</sup> On the previous day at the youth political rally held in Debrecen, several thousand young people attended the performance of János Bródy and others in front of Déri Museum, where they demanded the strengthening of progressive political and social processes—an earnest of what was to come. The Hungarian concert in the worldwide tour Human Rights Now!, organized for the fortieth anniversary of the Universal Declaration of Human Rights, was staged at the People's Stadium and featured performers such as Sting, Bruce Springsteen, Peter Gabriel, Tracy Chapman, Youssou N'Dour, János Bródy, and Hobo Blues Band. The political weight of the rally and the winds of change are evident from the fact that the main sponsor of the event was János Berecz, a member of the Political Committee of the MSZMP and a secretary of the Central Committee, who also exchanged a few words with Bródy on the occasion.<sup>15</sup>

Another aspect of the shift in Hungarian pop music policy was a more lenient stance towards expressions of national sentiment. The rock opera *István, a király* [Steven, the King] brought these sentiments to the widest audience possible: not only was it released as a double album, but it also achieved profound success with its nationwide concert tour.<sup>16</sup> This premiere reintroduced the playing of the Hungarian National Anthem at non-official state events,<sup>17</sup> which had not been previously endorsed by the party-state. Gábor Koltay's words from 1985 echoed not only the significant impact of the rock opera on public thinking, but also the increasingly more positive attitude of the party-state towards rock music:<sup>18</sup>

14 == Tibor Seifert, ed., *Magyar történelmi kronológia 1971–1990* (Ikva, 1994), 118.

15 == MTVA-MTI Fotóarchivuma, September 6, 1988. Inscription on the back of János Bródy's photograph.

16 == For a long time, Hungarian party leadership remained ambivalent towards the premiere scheduled for August 18, 1983, as it had both supporters and opponents among the secretaries of the Central Committee. According to certain memoirs, Mátyás Szűrös, a secretary for external affairs appointed only a month before the premiere, opposed the rock opera the longest. Interview with Iván Gál, director of the Office of Youth Production (*Ifjúsági Rendező Iroda*) and short-term director of National Office of Production, June 26, 2005.

17 == Feró Nagy, *Boldog szép napok* (Nagyferó Produkció 2005), 160–61.

18 == One particular piece of evidence is the information report submitted in May 1986 by Minister of Education Béla Köpeczi to the Agitation and Propaganda Committee of the Central Committee of the MSZMP on the substantive and organizational issues of entertainment and entertaining, prepared for their upcoming session of June 24, 1986. MNL OL, M-KS 288. f. 41/1986, 469. ó. e. 15–16. Information report by Minister of Education Béla Köpeczi for the Agitation and Propaganda Committee of the Central Committee of the MSZMP on the substantial and organizational issues of entertainment and entertaining, May 1986. For a detailed analysis, see Bence Csatári, "Köpeczi Béla 1986-os jelentése a hazai könnyűzenei élet helyzetéről," Archivnet.hu, Magyar Nemzeti Levéltár, <https://archivnet.hu/kopeczi-bela-1986-os-jelentese-a-hazai-konnyuzenei-élet-helyzeterol>, accessed November 8, 2024.

“[T]his production could only be realized thanks to the liberality and good will of the official party and state organs and institutions. You see, the total budget amounted to twenty million forints, of which we only had a coverage of eleven or twelve million forints.”<sup>19</sup>

Another form of (indirect) financial support by the state was the 1983 abolition of the “kitsch tax,”<sup>20</sup> which was a discriminative measure adversely affecting pop music.<sup>21</sup>). This opened the way for persons not employed by a production office to organize performances for a fee, effectively becoming the competitors of the National Office of Production.

Under the political regime, the institutions monopolizing pop music during the Kádár era always had to keep two important factors in mind: compliance with communist ideology, and profit-orientedness. However, serving two masters did not always bring satisfactory results; sometimes the ideology suffered, and other times profits could not be maximized, and though the latter never incurred retaliations, the former did. The pressure to comply with the abovementioned criteria occasionally led to failure, and generally speaking, much depended on the character or sympathy of the decision-makers, who could bring profits but could also cause deficits. Regardless, a certain pro-capitalist attitude, hitherto alien to the system, had completely permeated the Hungarian pop music scene. Music artists obviously earned more than the average citizen, and at the same time operated as “micro-enterprises” because they themselves created the conditions for making music and therefore had to spend more than average on their instruments and appearance. They also managed themselves, which was equally unusual or rather forbidden in the Kádár era. The same applied to pop music state institutions: although they also had to comply with the criteria set by the planned economy,

19 == Artisjus Archives (*Artisjus Irattár*; hereafter AI), Jogi Osztály 'Legal Department', 39043. István, a király. Letter by Gábor Koltay addressed to the Management of the Office of Authors' Rights, February 1, 1985.

20 == Order No. 6/1971 (XII. 17) signed by László Orbán, the First Deputy of the Minister of Education, was issued to establish the income tax of persons engaged in liberal professions, and it introduced a classification of certain branches of the arts. Section 2 of the Order did not include the activities of dance music composition, dance song lyric-writing, and dance music performance in the category of “socially valuable arts,” and it therefore established a higher tax rate for these than for similar arts, which caused a great uproar among pop musicians. *Magyar Közlöny*, vol. XXVI, no. 95, December 17, 1971: 1054.

21 == Decision No. 45/1983 (XI. 20.) of the Council of Ministers on general income tax ended the negative discrimination towards composers and performers of pop music, which had been in effect since 1971. We could argue that another positive change was Paragraph 1 of Section 47 of Decision No. 19/1983 (VI. 15.) of the Council of Ministers granting greater freedom of production organization by repealing previous restrictions, in particular Points c and d of Section 156 of Government Decree No. 17/1968 (IV. 14.) *Magyar Közlöny*, vol. XXIII, no. 31, April 14, 1968: 350–54. *Magyar Közlöny*, vol. XXXVIII, no. 52, November 20, 1983: 863–66.

due to the particularities of the genre, they could only achieve partial compliance, and by their nature, they could not circumvent the presence of market regulators. This fact became increasingly more obvious over time, which is why these institutions, including the National Office of Production and the MHV, sought more and more to comply with the laws of commercialization. The latter repeatedly attempted to reform their operation in multiple ways so as to protect their dominant position in the market, and it was not their fault that their hopes for success were not justified. In the 1980s, the increasingly lax state hierarchy loosened the reins of the MHV until, to complete the metaphor, it tossed the reins aside with the coming of the political system change and basically left a socialist corporation that had seen better days to its fate. In the following, we shall elaborate on this process in greater detail.

### **== Structural Reorganization and Technical Developments at the MHV**

Wherever possible, the party-state attempted to appoint reliable party functionaries to leading positions in pop music institutions, in which roles they were in charge of promoting ideologically impregnable works.<sup>22</sup> From February 15, 1965 until 1989, the MHV was directed by Jenő Bors,<sup>23</sup> and from the time of Péter Erdős' recruitment on January 1, 1968, pop music record publishing became increasingly—and from the 1970s, very obviously—governed by his personal taste and ideological convictions.<sup>24</sup>

One sign of the winds of cultural political change was the fact that from 1983, the MHV was divided into two editorial boards, though it still maintained its monopoly.<sup>25</sup>

22 == Interview with László Benkő, the keyboardist of Omega, February 8, 2016.

23 == MNL OL, XIX-I-4-c, 70. d. 129088-VI-1964. Review of the MHV by the Ministry of Education, March and April, 1964.

24 == On account of his participation in the Hungarian Revolution of 1956, Péter Erdős received an eighteen-month prison sentence in March 1957 and was passed over for a long time afterwards in consequence. Eventually he was employed among others by Artisjus. On January 1, 1968, he joined the record publishing company, where he was second-in-command below director Jenő Bors and considered by many as the one actually in charge of pop music record publishing. Judit Acsay, *Hogyan készül a popmenedzser? – Erdős Péterrel beszélget Acsay Judit* (Unió, 1990), 138, 155, 161, and 166.

25 == The management of the MHV had considered reform at least two years beforehand. In his letter dated October 23, 1981 and addressed to the Department of Science, Education and Culture of the Central Committee of the MSZMP, Jenő Bors wrote, "In our pop music activities, we must execute reforms in the direction of decentralization, democratization, and garnering the support of our contributors with firmness and by setting aside all bureaucratic obstacles, just as we have done before. However, our reforms must be carried out in the areas we have designated and not the areas our 'critics' have chosen." MNL OL, M-KS 288. f. 36/1981, 20. ó. e. 6–7. Jenő Bors' letter addressed to András Rátki of the Department of Science, Education and Culture of the Central Committee of the MSZMP on account of press attacks on the MHV, October 23, 1981.

The first editorial board founded two labels: Start, which espoused new musical styles and the debut of new music groups, and Favorit, which curated the recordings of already established music groups and solo artists. According to Jenő Bors, the second editorial board housed the labels Bravo and Pepita: the former to promote outstanding performances, and the latter to endorse traditional music categories. Bors made this announcement on August 2, 1983 at the press conference held for the opening of the Company's new studio in Törökbálint,<sup>26</sup> with the declared objective that these somewhat competing labels would create even better quality productions and thus increase the Company's revenue. However, there was a considerable overlap between the newly established categories, since it was difficult, or at the very least highly subjective, to determine whether the MŰV considered a performer as "merely" established—in which case they were promoted by Favorit—or if their performance had become outstanding enough to assign them to Bravo. Add to this the fact that the newly published discs were often inconsistently labeled,<sup>27</sup> and we may say that the spirit of competition (though not in the market economic sense, since the MŰV had maintained its monopoly) manifested unevenly in the business policy of the MŰV. Additionally, the system of criteria described above was not necessarily the sole arbiter of which golden egg-laying goose was assigned to which coop. The competition between the MŰV labels was further reinforced by Bors' announcement that the labels would have equal budgets in 1983, but moving forward, their performance and record sales would decide what share an editorial board or label would receive from the MŰV budget. This was not at all characteristic of the party-state's methods—think only of the state endorsement of giant socialist corporations that "produced" nothing but waste and losses. Promoting competition between the labels was an explicitly profit-oriented step that sometimes involved personal attacks, such as Bors and Erdős teaming up to turn label directors against each other over the fate of a given record release.

Beyond the four new record labels described above, a sort of "parallel state" was established under the name Professional Management Office (*Pro Menedzseriroda*), which not only chaperoned the Neoton Família music group, but which in 1983 also set the goal of marketing an additional ten to fifteen bands. It had the advantage of Péter Erdős' influence and social capital, as well as of existing in a physically separate space; the office was located in District VI in Danjanich

26 = "New pop music recording studio," *Népszabadság*, August 3, 1983, 9; Judit N. Kósa, "Állami hanggyár," *Népszabadság* online, accessed November 8, 2024, <http://nol.hu/kultura/allami-hanggyar-1624869>.

27 = One striking example is the first and last album of Slamó Band, which was credited to the band of István Slamovits, the former solo guitarist of Edda. The disc released by the label Bravo on June 3, 1985 contained nothing but schematic and unimaginative songs, and not even the fact that they invited Feró Nagy as a guest singer could give it any real interest. Its failure directly resulted in the disbandment of Slamó Band in 1986.

Street, while the other labels were situated at the established headquarters under No. 1 Vörösmarty Square, in the socialist-realistic building mockingly called “the Messed Up Palace.” Despite these advantages, the management gradually lost its influence, and by the advent of the political system change, the office was only one among many, especially if we take into account that the MHV had already established a department primarily in charge of jazz music, which managed the label Krém.<sup>28</sup>

By the mid-1980s, there were eight pop music distribution labels at the MHV,<sup>29</sup> the publishing activities of which were based on another explicitly capitalist enterprise in the form of private studios producing recordings for them. These studios did contractual work for the MHV, thereby partly establishing capitalist relations within the micro-environment of the pop music scene and contributing to the production of an ever-increasing volume of records. Their partly capitalistic nature can be explained by the fact that the studios were privately owned, but they all received their orders from a single monopoly.<sup>30</sup>

One of the private studios was Studio Phoenix (*Főnix Stúdió*); it was owned by recording engineer János Bohus, who set up a studio at his house in District XVIII, Pestlőrinc (today called Pestszentlőrinc), and it was initially less well equipped than the sound studio of the MHV under No. 47 Rottenbiller Street. The first recording at Studio Phoenix was the first album of Bojtorján titled *Csavargó-dal*, and according to the members of the band, they were allowed to spend more working hours there—260 in total—and in a more familial atmosphere than if they had been admitted to the official studio of the MHV. Initially Péter Erdős made no explicit promises to release the recordings, but at the same time, he put his “conductor general,” Levente Szörényi, in charge of music direction, trusting

28 == This label was directed by Sándor Benkó, the founder of Benkó Dixieland Band. [http://www.allmusic.hu/index.php?SID=&oldal=eloadalista&h\\_id=1029](http://www.allmusic.hu/index.php?SID=&oldal=eloadalista&h_id=1029) and <https://info.bmc.hu/index.php?node=artists&table=CD&id=2858> (accessed September 1, 2024.) They preceded every other label by releasing an album as early as 1982.

29 == The 1986 revision of the MHV by the Ministry of Culture mentioned the label GONG, which was in charge of meeting real demands by importing Western hits to Hungary. According to them, “Domestic demands are for the immediate release of new music material from the West. However, this largely depends on the willingness of license sharers, and especially on the currency options of the company. It has been established that in the last period, products published under the label GONG have made a significant amount of pop music hits accessible to customers.” MNL OL, XIX-I-9-pp, 57. d. ‘1981 Audit of the MHV’. From 1986, these seven labels were supplemented by the label Profil, which primarily specialized in pop music products and published the albums of Neoton Família, Dolly Roll, Erika Zoltán, Pa-Dö-Dö, Rezső Soltész, Gábor Ihász, and Dr. Beat, among others. Discogs, “Profil,” Discogs, accessed November 8, 2024, <https://www.discogs.com/label/33789-Profil?page=1>.

30 == For more on the economic profit-oriented ethos of the Kádár era, see Attila Antal, *Chicago a Dimitrov téren – Neoliberalizmus és a Kádár-rendszer* (Napvilág, 2021).

that his routine and talent would ensure the quality required. In the end, Erdős was so pleased by the quality of the recordings that he released the album, which soon became a gold record. He also offered the band an exclusive contract that granted performance royalties for the members of Bojtorján, which was not only unusual in the party-state era, but a first among the states of the Eastern Bloc. This was not typical communist procedure, since artists on the east side of the Iron Curtain were not indulged with extra financial opportunities. Yet the exclusive contract did allow the MHV to step up as the guardian of socialist morals and reject certain musical endeavors on that account.<sup>31</sup>

Another, more important private studio was owned by the band Omega; it started its operations in 1980. By that time, Omega had reached such high standards in recording that it seemed expedient to establish a permanent Omega studio that could even be rented out to other bands. Due to the low capacity of the MHV studio in Rottenbiller Street, these bands would have been forced to wait for a long time, if they were given a chance at all. Instead, they could now use Omega's studio and release their albums in the foreseeable future. According to János Kóbor, the singer and front man of Omega:

Considering the antecedents, it seemed expedient for us to take this step, but beyond the studio space, we also upgraded the sound equipment to a level that met every requirement of the period. We could thus rent it out to anyone, and they were happy to use hitherto unknown Western technology at their concerts. Even before this, we were pretty much forced to get our own studio, because from the second half of the 1970s, we never had enough time while staying in Hungary to record a complete album at the studio of the MHV. So instead we made our own recordings, and this gave us enormous freedom. After the German recordings, we could do the Hungarian voiceovers, the special effects and the master recording as well. We had been doing this ever since our English album *Time Robber* came out in 1977, but by 1980, we had a stable, rentable studio in Hungary, which we had erected in the yard of my house in Húvösvölgy. We then moved it in 1989 to Törökbalint, when we took over the old Studio Hungaroton. The first recording there was *Rock and roll party by Hungaria*, but a great many people came to us, and by then the MHV was glad because they saw us as a helping hand, since their goal was also to publish as many records as possible. On the other hand, by letting us do our own thing, they were basically compensating us for not letting us go to a bigger global company in the past. This is how we received Hungaria and others, including *Hobo Blues Band*, *Laci Komár*, *LGT*, *Karthago*, *P. Mobil*, and *KFT*. This high demand was a good thing for us, since we usually only needed our own studio

<sup>31</sup> == It was in reference to the latter that Péter Erdős halted work on Bojtorján's Christmas single, then chose to approve their album in 1984. Interview with Győző Kémény, the front man of Bojtorján, January 18, 2018.

for an extended time once a year, and in the remaining time, new bands could come in.<sup>32</sup>

Omega purchased their Western equipment using the revenue from their Western tours and with both the permission of the International Concert Directorate and the cooperation of state corporations such as Metrimpex, the Interag Foreign Trade Company, and the Atomic Research Institute of the Hungarian Academy of Sciences.<sup>33</sup>

Despite competing with Omega, the MHV wanted to remain at the forefront of studio development, especially once it realized that the conditions at its studio in Rottenbiller Street were not optimal for advancement, and that better conditions were indispensable for creating more revenue. In accordance with the noise ordinance in effect, the studio in Rottenbiller Street could not be used after 8 pm, as contemporary soundproofing was not sufficient to avert conflict with the residents. For these reasons, they supplemented their activities in Rottenbiller Street by setting up a studio in the former Ráczug Castle in Törökbálint and equipping it with state-of-the-art equipment, mostly procured from the United States and financed with foreign currency and loans. This was a great show of their growing entrepreneurial spirit, since they were willing to implement technological developments in the hopes of creating more revenue even at the cost of taking out loans; indeed, they sank forty-four million Hungarian forints into renovating the castle they rented from the local state farm so they could have their recording equipment running night and day. Before this, recording engineer Ferenc Dobó must have scouted sound studios in London to find the most suitable equipment for the MHV: the MCI sound mixer, which they then purchased from the United States. “Nearly three thousand controls, over a thousand LED and signal lights, and thirty-four electronic scale measuring devices—all wrapped in a remarkably elegant form,” he said of the equipment, which was truly state-of-the-art in that period.<sup>34</sup>

32 = = Interview with János Kóbor, June 3, 2019.

33 = = Interview with János Kóbor, June 3, 2019. The monopoly organization also known as the Foreign Impresario Office became the International Concert Directorate (Nemzetközi Koncert Igazgatóság, NKI) on July 1, 1960, but it only started its independent activities on January 1, 1961. In music circles, its name was shortened to “Interkoncert.” It engaged in both classical and pop music activities, bringing foreign productions to Hungary and sending Hungarian performers abroad, with wildly fluctuating efficiency depending on the circumstances. At the beginning of 1988, they lost their monopoly to the softening of the Kádár system but still continued their activities even after the political system change. For more details about the organization, see Bence Csatóri, “Amikor csak egyetlen sztárfotóra tellett – Az Interkoncert könnyűzenei koncerttevékenysége,” in *Keletről jön a legújabb rockszenzáció!* – A magyar könnyűzene külföldi jelenléte a Kádár-korszakban, ed. Tímea Murzsa (Hangfoglaló Program Könyvek, 2018).

34 = = Judit N. Kósa, “Állami hanggyár,” *Népszabadság* online, accessed November 8, 2024, <http://nol.hu/kultura/allami-hanggyar-1624869>.

## **= = Market Economic Influences on Record Releases**

In the 1980s, many of the measures implemented by the MHV were clearly influenced by taking into account such fundamental factors of the market economy as utilitarianism. For this reason, the change in the political system did not bring much change to the field of record publishing in Hungary, at least in the economic sense. The Company's publishing policy took care to only lend its power to those who supported the party-state's cultural policy or who at least were not hostile towards it, or to those who were able to convince the MHV coryphes of their loyalty. But even beyond this, one sign of the thaw was that most of the bands previously barred from publishing, such as P. Mobil, Hobo Blues Band, A. E. Bizottság, and a few alternative bands, were finally given the opportunity to publish their albums.<sup>35</sup>

It is interesting to note that due to taking market factors into account in propaganda, classical music was pushed into the background and had its allocated budget decreased between 1978 and 1980. Meanwhile, pop music received more money for advertising: in 1978, the budget was only 2.3 million, but by 1980, it had grown to 3.7 million Hungarian forints. This tendency continued towards the change of the regime, and pop musicians received more and more performer royalties as well; between 1984 and 1985, classical music performer royalties increased only by 21.1 percent, while in the entertainment category, this figure was 51.4 percent. This increase correlated with recording times, in which pop music achieved an increase of 38.8 percent between 1984 and 1985.<sup>36</sup>

The economic situation of the Company can be illustrated by the fact that, in the period following the installation of the factory in Dorog at the end of 1976,

35 = = Jenő Bors reported on this to the Department of Science, Education and Culture of the Central Committee of the MSZMP on October 23, 1981. He claimed that "[W]herever we gave in to political extortion, we always got the short end of the stick, and whenever we stood our ground, intentions of demagoguery and disturbance were forced into retreat. We stood our ground on the issue of Beatrice, and Beatrice disbanded. After some hesitation, we stood our ground on the issue of Kopaszkutya, and [Hobo Blues Band] chose to cooperate with us and work on a new and acceptable album. At the pop music meeting in Tata [the Tata Forum], Deputy Minister Dezső Tóth clearly drew the line by saying that politically and ideologically hostile, hateful and wild groups who perform without a license have no place in youth entertainment, and mentioned URH, Bizottság, and Kontroll Csoport by name. The pop music insiders present agreed to this, and distanced themselves from such adventurous endeavors." MNL OL, M-KS 288. f. 36/1981, 20. ó. e. 2-3. Jenő Bors' letter addressed to András Rátki of the Department of Science, Education and Culture of the Central Committee of the MSZMP on account of press attacks on the MHV, October 23, 1981.

36 = = The Ministry attempted to assist the MHV by boosting the publishing of the less profitable classical music records via premium objectives and directed financial aid from the Cultural Fund, but in light of the above, it is clear that these measures were not quite sufficient. MNL OL, XIX-I-9-pp, 57. d. 'Documents of the Report on the 1986 Comprehensive Supervisory Examination of the MHV'.

the MHV was initially unable to take full advantage of its capacity. This allowed albums of less cultural political importance to be published, and it also explains why political leadership allowed the Company to wage-pressure the companies of capitalist states such as Canada or Portugal. As consumer choices increased, the MHV was driven by financial utilitarianism to maintain a retail network, since rural distribution was less successful in the stores of Könyvért and ÁFÉSZ due to the inefficiency of the incentive schemes in place.<sup>37</sup> Here the shift towards paying attention to market factors is also evident, as is the fact that in order to increase efficiency, the state allowed the MHV to establish various corporate economic working communities, the vast majority of which worked on weekends and public holidays, or went abroad in increasing numbers to scout export opportunities. In the wake of these changes, the contingencies of socialist record distribution were gradually decreased. By 1986, only one third of imported records were made in socialist countries, with half of these coming from the Soviet Union.<sup>38</sup>

The winds of change and the MHV's greater esteem for popular culture are clear from the fact that in the mid-1980s, the MHV increased the fees of pop music performers more than the fees of classical music performers, and it did so of its own volition. The fact that they were not following higher orders is proved by the fact that in its 1986 comprehensive supervisory examination, the Ministry of Culture criticized the MHV for paying significantly above average fees to several pop music bands. The latter included the bands Bikini and V'Moto-Rock,<sup>39</sup> and according to the figures of the report, their recording costs were double compared to those of Neoton Família. They also criticized the fact that Pál Gábor, the recording director of Delhusa Gjon, stayed at the Duna Intercontinental Hotel, which in that period cost an enormous amount of money (almost 100,000 Hungarian forints). Other bones of contention included Attila Horváth, a lyric writer for Lajos Som's new band Senator, who received 10,000 forints for "coaching" when his name did not appear in the list of artists. In the thawing political system, however, the MHV entered into an exclusive contract with forty-six pop and rock musicians despite these condemnations; the contract granted these artists special

37 == MNL OL, XIX-I-9-pp, 57. d. '1981 Audit of the MHV'.

38 == MNL OL, XIX-I-9-pp, 57. d. 'Documents of the Report on the 1986 Comprehensive Supervisory Examination of the MHV'.

39 == As late as the mid-1980s, the MHV continued to hound certain music artists and these two bands in particular over their album cover designs. One side of the album cover for *Garázskijárat* by V'Moto-Rock featured a globe showing the map of the US, which immediately had to be changed to a map of the Soviet Union, and the officials of the MHV instructed graphic designer Gábor Kapusi to incorporate large red surfaces when designing Bikini's next album cover. The softening of the political system is evident from the fact that despite the implementation of none of these guidelines, in 1987, the album cover of *Monddel* by Bikini won an award in the design category. *Kultúrház*. MTV1, June 24, 2005.

treatment in return for producing more profit. Based on *performer* royalties paid in 1985—royalties paid per record were called mechanical royalties –, the top five were all pop musicians, with the top spot awarded to Péter Wolf and the rest to the members of Neoton Família (Éva Csepregi, Ádám Végvári, György Jakab, and László Pásztor).<sup>40</sup>

While the MHV switched to almost capitalist methods, as late as 1986 it was forced to jump through the hoops of the Ministry of Culture. Only half of the management consisted of party members, and yet the supervising Ministry heaped almost absurd praises on their cadre policies. This can be attributed to the softening of the system, along with the fact that the local party organ, the union, the socialist brigade meetings, the youth parliament, and the newly established art council of the MHV (an advisory board which included pop musicians) were all considered the custodians of “corporate democracy” by the Ministry, which believed that these forums allowed every worker to stay informed on the most important developments. The Ministry particularly highlighted the institution of collective agreements and the “confidential board,” which convened once or twice a year to discuss the most important issues at the Company as presented by the director, and the appointment of artists and performers to the arts council. On April 24, 1987, Jenő Bors made an explicit promise to the supervising Ministry that they would curb the fees paid to pop musicians; accordingly, on June 23, 1987, they put publishing worker Péter Rákosi in charge of closely auditing producer accounts.<sup>41</sup>

In spite of making gestures to appease the government, on August 28, 1987, Jenő Bors criticized State Secretary of Education Antal Stark and Deputy Minister György Vajda for the fact that the MHV’s obligatory contribution to the Cultural Fund had increased every year since its introduction in 1968, and yet they never received as much as they had contributed. In 1972, their contribution was 5.5 million Hungarian forints, and by 1986, most likely due to taking market economic factors into account, it had increased to 70 million—yet their state support for 1987 did not even cover their classical music costs. The introduction of new taxes also chafed the MHV, because while they were placed in a favorable profit tax bracket, they were also subjected to production levies. In Bors’ estimation, this made their situation less favorable than that of an average industrial company.<sup>42</sup>

40 == MNL OL, XIX-I-9-pp, 57. d. 'Documents of the Report on the 1986 Comprehensive Supervisory Examination of the MHV'.

41 == MNL OL, XIX-I-9-pp, 57. d. 'Documents of the Report on the 1986 Comprehensive Supervisory Examination of the MHV'.

42 == On November 9, 1982, the Political Committee issued a statement on the economic regulation of cultural activities, which posited that state sponsorship was determined by the combined factors of success and artistic value produced. Their language use suggested the consideration of financial interests, but in practice,

Jenő Bors' account from 1987 can be read as a report on the MHV's social and economic well-being, in which their diminishing trade with socialist countries was mentioned as a circumstance that threatened them with scandal on behalf of the "friendly" states (i.e., countries of the Soviet Bloc), which complained about the decreasing volume of Hungarian record exports. The economic crisis arising from the gradual collapse of the system became an undeniable fact to the MHV, which took urgent measures to remedy its losses while also acknowledging that they could not expect more state support; they feared that this meant they would not even be able to supply Hungarians beyond the border with Hungarian records. In light of these facts, the executive director of the MHV requested as a compromise that for five years starting from 1988, they would receive half of their present contribution as cultural support in exchange for improving their classical music publishing efforts.<sup>43</sup>

### = = = The Loss of the MHV's Monopoly and the Systemic Transformation

Beyond its economic difficulties, an even more drastic development for the MHV was the loss of its monopoly, which was announced on September 1, 1986 by the newly introduced press decree.<sup>44</sup> In accordance with this decree, Hungarian Television, Hungarian Radio, Mafilm, and any organizations with a special license would have the right to publish records and cassettes, which basically opened the floodgates of systemic change in the field of pop music. At the time, this pluralism was not yet fully realized because the license required was issued by the Ministry of Culture, which meant that the party-state could prevent the publishing of undesirable music products if it chose.<sup>45</sup> The first album in the Kádár regime that

they still refused to support successful pop music productions. Moreover, they stated that they had to raise the price of pop music products to support the other arts (and yet they also set the goal of evening out the price of tickets). Vass, "A Magyar Szocialista Munkáspárt," 418–25.

43 = = MNL OL, XIX-I-9-n, 11. d. 1. t. 'Music Department, 1987.' Jenő Bors' letter to State Secretary Antal Stark of the Ministry of Education and to Deputy Minister György Vajda, August 28, 1987.

44 = = Decree No. 2/1986 (IX. 1.) of the President of the Information Office of the Council of Ministers on local radio and television shows. *Magyar Közlöny*, vol. XLI, no. 36, September 1, 1986: 974–76. Decision No. 29/1986 (IX. 1.) of the Ministry of Culture on the licensing of certain press products and the display of imprints. *Magyar Közlöny*, vol. XLI, no. 36, September 1, 1986: 953–63.

45 = = The Association of Hungarian Music Artists also spoke out against the monopoly of the MHV. In 1987, the Association demanded a completely free record market. AI, 'Documents of the Legal Department'. 'Presidential Session of the Association of Hungarian Music Artists, November 12, 1987.' In its decision issued on April 21, 1987, the Political Committee noted that the Association opposed the Agitation and Propaganda Committee on this issue. Vass, "A Magyar Szocialista Munkáspárt," 328.

was not published by the MHV was the children's album *Biztatás* by Judit Pogány and the music group Tükör, which was released in 1987 by the Mini-Coop Corporation.<sup>46</sup> The second album, which was definitely in the pop music category, was *Pro Pátria* by the music group Profán, released by Hungaropop.<sup>47</sup> The third album, also released in 1987, was *Magyar Mise* composed by Béla and László Tolcsvay and produced by the Budapest Arts Week and Open Air Theater (*Budapesti Művészeti Hetek és Szabadtéri Színpadok*) organized by Gábor Koltay.<sup>48</sup> In all three cases, the organizations received their publishing licenses from the Ministry of Culture.

In his letter dated May 10, 1988, Gábor Koltay thanked Deputy Minister György Vajda for the opportunity to produce an album and also mentioned that his new production, the rock opera *A költő visszatér* [Return of the Poet] would be released through the MHV, stating that under the changing circumstances, the time was not yet favorable for private distribution. Another issue was crediting performers Miklós Varga and Gyula Deák Bill on the album, since they had signed an exclusive contract with the MHV and thus needed the Company's approval for other recordings. Since Koltay was well aware of the MHV's influence in record publishing, he made a fair proposal to Bors: they would prepare the recordings and hand them over free of charge (meaning that the costs of the sound studio and the recording fees of the artists would have been borne by the Budapest Arts Week and Open Air Theater), and they would also contribute to marketing, since having good press was in their mutual interest. Essentially, the MHV only needed to press the records. Koltay's gallant gesture was prompted on the one hand by the MHV's aloof business policy towards him, and on the other hand by the fact that they would have had to do the recordings anyway because the performance was mostly lip-synced at the Open Air Theater on Margaret Island. In his letter, he mentioned his fear to György Vajda that many party-state leaders might consider his directorial work as "flag-waving" business products. This was one of the reasons why he believed that the rock opera written by Géza Páskándi and the music group Kormorán could not be produced without the Ministry's help and advocacy, despite the increasing demands of the public.<sup>49</sup> No amount of ministerial advocacy

46 = = Discogs, "Pogány Judit & Tükör Együttes – Biztatás," Discogs, accessed November 8, 2024, <https://www.discogs.com/release/6667459-Pog%C3%A1ny-Judit-T%C3%B6k%C3%B6r-Egy%C3%B6ttes-Biztat%C3%A1s>.

47 = = Discogs, "Profán – Pro Pátria," Discogs, accessed November 8, 2024, <https://www.discogs.com/release/2911879-Prof%C3%A1n-Pro-P%C3%A1tria>.

48 = = Discogs, "Tolcsvay László\*, Tolcsvay Béla – Magyar Mise," Discogs, accessed November 8, 2024, <https://www.discogs.com/release/3958014-Tolcsvay-L%C3%A1szl%C3%B3-Tolcsvay-B%C3%A1la-Magyar-Mise>.

49 = = MNL OL, XIX-I-9-n, 17. d. 4. t. 'Music Department.' Open letter by Jenő Bors addressing accusations leveled at the MHV, November 8, 1988.

helped Koltay's cause at the MHV, however, and in the end the rock opera was produced by the privately owned Ring Publishing Company.<sup>50</sup> Another proof of the thawing of the political system was that by the end of the 1980s, Budapest Arts Week teamed up with the Céh Arts and Research Society and the cassette-producing Polymer Company to produce and distribute rock wedding banquet records completely independently of the MHV.<sup>51</sup>

The difficulties of private publishing were also discussed with regard to the budgetary control of the Rock Theater in March 1989. According to their report, *Jesus Christ Superstar* was released in 1986 by the MHV under their label Pepita,<sup>52</sup> but they were only going to pay the members of the Theater if they sold over 30,000 records. As they were unable to sell that many, Mátyás Várkonyi's theatrical company effectively closed at a loss. This is a good indicator of the fall of Hungarian living standards as well as the MHV's vague attitude towards the clerical theme of the rock opera, which was banned in 1972 and otherwise would likely have been a profound success.<sup>53</sup> In contrast, in 1988 the Rock Theater released the album of *Les Misérables* by way of Hungarian Radio under the label Radioton,<sup>54</sup> and the contributors offered to do the recordings for free, meaning they were paid exclusively from the profits of the record sales. By these means of distribution, the album eventually managed to fetch a profit.<sup>55</sup>

The MHV's gradually-lessening influence on the Hungarian record publishing market is perfectly illustrated by the fact that on November 8, 1988, Jenő Bors issued an open letter to protest against the rock magazine *Polip* founded in 1988, an unspecified show on Hungarian Television, and the radio show *Ötödik sebesség*. According to him, these media products leveled unfounded accusations, such as corruption and mismanagement, at the MHV.<sup>56</sup> The criticisms mentioned

50 == Discogs, "Kormorán/Páskándi\* – AKöltőVisszatér – Rockopera," Discogs, accessed November 8, 2024, <https://www.discogs.com/release/7537503-Kormor%C3%A1n-P%C3%A1sk%C3%A1ndi-A-K%C3%B6lt%C5%91-Visszat%C3%Agg-Rockopera>.

51 == Béla Jávorszky and János Sebők, *A magyar rock története 2* (Népszabadság könyvek, 2006), 283.

52 == Discogs, "Rock Színház – Jézus Krisztus Szupersztár," Discogs, accessed November 8, 2024, <https://www.discogs.com/release/1730978-Andrew-Lloyd-Webber-and-Tim-Rice-J%C3%Agzus-Krisztus-Szuperszt%C3%A1r-Jesus-Christ-Superstar>.

53 == Bence Csatári, *Az ész a fontos, nem a haj* (Jaffa, 2015), 142–44.

54 == Discogs, "Alain Boublil, Claude-Michel Schönberg, Herbert Kretzmer – Les Misérables: A Nyomorultak," Discogs, accessed November 8, 2024, <https://www.discogs.com/release/1731095-Alain-Boublil-Claude-Michel-Sch%C3%B6nberg-Herbert-Kretzmer-Les-Mis%C3%Agrables-A-Nyomorultak>.

55 == MNL OL, XIX-I-9-pp, 95. d. 'Audit of the 1988 Budget of Rock Theater.'

56 == MNL OL, XIX-I-9-n, 17. d. 4. t. 'Music and Dance. Deputy Minister György Vajda, 1988.' Open letter by Jenő Bors addressing accusations leveled at the MHV, November 8, 1988.

by Bors were obviously made in the spirit of Glasnost as popularized by Gorbachev: enabled by freedom of the press, an increasing number of harsh criticisms were published in the media about the anomalies of public life. According to Bors, the emerging competition forced them to spend more on commercials, which is why they strengthened the activities of their Advertising Committee, which was contracted by Hungarian Television to produce video clips. This was because Hungarian Television only accepted paid commercials but offered an opportunity for indirect advertisement through its broadcast of video clips.

By 1988, the eight record labels of the MHV all operated on separate advertising budgets, which they were relatively free to use as they saw fit; the only restriction was that they had to spend the money on promoting performers and building consumer anticipation. In spite of this, within a few years the average number of albums sold fell by 36 percent and by 1988, the number of singles sold fell by 45 percent, and only the number of cassettes sold increased by 10 percent. The MHV attempted to counterbalance this—and for a while succeeded—by publishing more types of products than previously. They were the ones to introduce CDs to Hungary by importing the necessary materials through their business partners in the US and Western Europe.<sup>57</sup>

Jenő Bors seized the opportunity in his 1988 open letter to give a retrospective of the decades-long operation of the MHV. Regarding their achievements, he emphasized that they had raised the number of pop music records from 50,000 to 300,000 and had been the first among the record publishers of the Comecon States to introduce performer fees based on record sales—which by then had been a decades-old practice in the democratic world. He attributed the Company's difficult situation to that of Hungary by mentioning inflation, the fall of living standards, increasing costs, and competition. Bors went so far as to make a rock historical statement in his open letter when he partially acknowledged the Company's responsibility for refusing to work with certain music groups. He mentioned no names but must have meant Beatrice and the representatives of the alternative music scene; at the same time, he suggested that in the West there were also bands that did not get the publicity they needed. Bors' explanations are not always sound, since unlike the Western world, he and Péter Erdős made their decisions based not only on revenue but also on ideological grounds. Nevertheless, Bors tried to preserve the appearance of the legitimacy of their publishing policy by saying, "[u]nder the dominant political circumstances, we worked in good faith and with conviction and did not point fingers at the higher-ups if we had to make decisions

57 = = The first CD was produced in Hungary in 1988 courtesy of the MHV, which released the compilation album *Platina* by Omega. Discogs, "Omega (5) – Platina 1977 – 1987," Discogs, accessed November 8, 2024, <https://www.discogs.com/release/4375620-Omega-Platina-1977-1987>.

that were unpopular or inconvenient to some.”<sup>58</sup>At the same time, in his retrospective of the Company’s past operations, he sought to cover for the Company by claiming that

[w]e have done everything to transcend limitations within reason [...] We were the first among the Hungarian institutions to endorse beat music at a time when Hungarian Radio still refused to acknowledge contemporary changes in style and fashion for years to come. We defended [the album] *Jelbeszéd* at a time when others banned it, when [the band] urged us to stand our ground against the tides, but we did not let it interfere with our federal obligations. We supported every brave and outspoken trend that took into account the priority of the social contract and social peace, but we refused to propagate anti-social attitudes that have led to skin-head movements in the present day.<sup>59</sup>

Regarding the near future, the attitude of the executive director of the MHV could be considered open-minded—by his own admission at least—and at the same time suggested uncertainty at the newly emerging political constellation: “The vast majority of the managers and workers of Hungaroton are strongly committed to expansion and are searching for economic and political ways of expansion together with Hungary.”<sup>60</sup>

Regardless of Jenő Bors’ intentions, by the end of 1988 the monopoly of the MHV had been so thoroughly undone that the rights and means to publish records were not only granted to the above mentioned institutions, but to private companies as well. One of the early birds, Ring Records, even came into indirect conflict with the MHV, which tried to prevent the private distribution of *Szerencsekerék* (the first album of Tátrai Band<sup>61</sup> to be released in 1987) by issuing a circular letter to record stores and forbidding them from receiving the discs.<sup>62</sup> However, the MHV was no longer able to stop the process, and private record companies of all shapes and sizes began to spring up like mushrooms. In 1988, there were nine-

58 = = MNL OL XIX-I-9-n 17. d. 4. t. Open letter by Jenő Bors addressing accusations leveled at the MHV, November 8, 1988.

59 = = MNL OL XIX-I-9-n 17. d. 4. t. Open letter by Jenő Bors addressing accusations leveled at the MHV, November 8, 1988.

60 = = MNL OL, XIX-I-9-n, 17. d. 4. t. ‘Music and Dance. Deputy Minister György Vajda, 1988.’ Open letter by Jenő Bors addressing accusations leveled at the MHV, November 8, 1988.

61 = = Music Internet Hungary, “Tátrai Band,” Music.hu, accessed November 8, 2024, [http://www.music.hu/eloadok/315/tatrai\\_band](http://www.music.hu/eloadok/315/tatrai_band); Tátrai Band, “Tátrai Band - Szerencsekerék (1987),” September 2, 2012, video, <https://www.youtube.com/watch?v=GBGgnGfGO2o>; Discogs, “Tátrai\* – Szerencsekerék,” Discogs, accessed November 8, 2024, <https://www.discogs.com/release/3557546-T%C3%A1trai-Szerencseker%C3%Agk>.

62 = = Sándor Kiss, *Tátrai Band – Az első tíz év* (T. B. Bt., 1998) 52–53.

teen private companies, which together released a total of seventy-two pop music albums.

In 1988, Feró Nagy and Beatrice (reunited in 1987) managed to make a deal with Ring Records to release an album, which immediately became a double album. Feró Nagy, who had been much maligned in the Kádár era, began negotiations with the MHV—but in a move that was faithful to the history and spirit of the band, he ditched the MHV for Ring Records and its director Péter Bálint. At the next management board meeting of the MHV, in which they were supposed to discuss which songs to allow or reject, Jenő Bors announced, “Gentlemen, Feró Nagy has deserted us!” (People no longer addressed each other as “comrade” in 1988.) These developments were especially spicy because Nagy had already received an advance of 200,000 Hungarian forints and Beatrice’s album was still on the MHV’s agenda with the list of songs almost finalized. In spite of this, Péter Erdős reacted by saying that it was worth paying 200,000 forints to get Feró Nagy out of the MHV’s hair.<sup>63</sup> To this day Feró Nagy maintains that it was during an interview with Erdős (which was only published well after the political system change)<sup>64</sup> that he finally realized that the MHV was leading Beatrice on and had never intended for it to publish its own album.<sup>65</sup> (In 1980 they were only allowed to publish a joint album with LGT and Omega, featuring songs from their concert at the Small Stadium.)<sup>66</sup> Of course, when forming our own judgement of the event, we cannot ignore the idea that Nagy might have been making excuses for himself by believing—and trying to convince the public—that as late as 1988, he would have never been able to release an album through the MHV and thus had to choose Ring Records. Let us also not ignore the possibility that he and Beatrice might have been able, in the midst of a considerably thawing dictatorship, to release an independent album; after all, his former band Bikini was allowed to release two albums in 1983,<sup>67</sup> and 1984,<sup>68</sup> and he was also allowed to record and publish the

63 == Interview with Lajos Boros, the CEO of the MHV brand, September 17, 2015.

64 == <https://www.youtube.com/watch?v=5nVDvwiXKAw> accessed July 2, 2024. In the film, the author of this study also spoke of his research on the operation of pop music institutions in the Kádár era. <https://www.youtube.com/watch?v=Mam4-m9JQCQ>.

65 == The front man of Beatrice expressed the same opinion during his podium talk with the author held at Theater Madách on October 8, 2018. <https://www.koncert.hu/koncert/beszelgetes-nagy-feroval-oktobero8-30259> accessed June 2, 2024.

66 == <https://www.discogs.com/composition/4012cbdb-07c4-4ec6-82d9-8ced2018d8ed-Jerik%C3%B3> accessed July 2, 2024.

67 == *Hova lett...* by Nagy Feró, Bikini. MK17761. Discogs, “Nagy Feró És A Bikini\* – Hova Lett...,” Discogs, accessed November 8, 2024, <https://www.discogs.com/release/2848010-Nagy-Fer%C3%B3-%C3%89s-A-Bikini-Hova-Lett>.

68 == *XX. századi híradó* by Bikini. SLPM 17847. Discogs, “Bikini (3) – XX. Századi Híradó,” Discogs, accessed November 8, 2024, <https://www.discogs.com/release/2701762-Bikini-XX-Sz%C3%A1zadi-H%C3%ADrad%C3%B3>.

rock opera *Hamlet*.<sup>69</sup> Regardless, though it made a successful debut, Ring Records eventually went bankrupt despite releasing songs by Tátrai Band and Beatrice and publishing the album *Tiltott gyümölcs*, which contained the previously banned songs of Hobo Blues Band. They simply could not keep up with their competition because, according to the official interpretation of events, they mostly engaged with niche music artists who did not draw a sufficiently large crowd and therefore had to cease operations in 1989.

Beyond Ring Records, the political transition swiftly ushered in a host of other small, privately owned record companies, whose greatest challenge was that the discs had to be produced by the MHV. Since they lacked not only the equipment to produce discs but also the capital to purchase the raw materials required, they had to limit themselves to publishing and distribution. The first private company to produce its own material was the Hungaropop Cultural Publishing and Service Company, but they were not the actual producers. It was Nívó Kft., founded in 1989 by awning and plastic manufacturer István Horváth, which used its own raw materials, the hardboard factory in Mohács, and molding equipment purchased from Yugoslavia to produce the albums *A szabadság vándora* by Ferenc Demjén<sup>70</sup> and *Ébresztő* by MHV (Menyhárt, Homonyik & Vikidál).<sup>71</sup> The resulting vinyl records were blue in color and created quite a stir, which led to their being banned in the summer of 1989. According to the Trade Quality Control Institute, the records were banned because they contained substances classified as harmful to health. Mean-spirited rumors have it that the MHV had a hand in the matter in an effort to protect its already-lost monopoly, as a result of which Nívó Kft. went bankrupt.<sup>72</sup> Nevertheless, even small companies were able to reproduce cassettes, which meant that they were not only able to compete with each other, but in theory that they had the means to challenge the MHV as well.

Beyond the companies discussed above, a fair number of the newly-emerging small publishers proved to be short-lived as well. For instance, the small cooperative Holdex, which started out in 1987 by publishing the cassettes of Karcsi Kadlott and went on to sponsor the talent show *Csillag születik*, eventually closed down. Proton Publishers proved a little more fortunate, since entrepreneur Ernő Enyedi decided to reallocate Holdex's revenue to it, and by this means it was able to draw most of the

69 == *Hamlet* by Nagy Feró. SLPM 37028. Discogs, "Nagy Feró – Hamlet," Discogs, accessed November 8, 2024, <https://www.discogs.com/release/3990502-Nagy-Fer%C3%B3-Hamlet>.

70 == Discogs, "Demjén Ferenc – A Szabadság Vándora," Discogs, accessed November 8, 2024, <https://www.discogs.com/release/3960198-Demj%C3%A9n-Ferenc-A-Szabads%C3%A1g-V%C3%A1ndora>.

71 == Discogs, "MHV (2) – Ébresztő," Discogs, accessed November 8, 2024, <https://www.discogs.com/release/1202899-MHV-%C3%89breszt%C5%91>.

72 == Jávorszky and Sebők, *A magyarrock története 2*, 283.

big names in pop music such as Ferenc Demjén, Gyula Vikidál, Sándor Homonyik, Miklós Varga, Edda Művek, Első Emelet, Pál Utcai Fiúk, and Európa Kiadó. They only started losing steam in 1992 with the rise of multinational corporations and later had to carry on with fewer market shares under the new name Python. In March 1989, György Vadász, the president of the baking cooperative Rákóczi, announced that they considered branching out into record publishing—which is how Rákóczi's publishers took on R-GO, Moho Sapiens, A.D. Stúdió, Tátrai Band, Zorán, and Judith Szűcs—but they also fell behind in the vicious competition sparked by the multinational corporations.

Beyond the companies mentioned above, several other small publishers specializing in niche music were founded at the dawn or in the course of the political transition including Nagyferő Produkció, Fekete Lyuk Hangja, and Trottell Records.<sup>73</sup> A unique moment in rock history was the small construction cooperative Stabil stepping up in 1989 as the main sponsor of the Stabil International Country Music Festival. The president of the company had formerly been a musician; he was the percussionist of the Silvers music group. At the time, his company was on the rise with commissions in Algeria, Austria, and West Germany, and in addition to construction work, they also began to dabble in record and cassette publishing. Their first product was the album *Fohász a szerelemért* by the Marcellina PJT in 1988, which sold a decent number of records, but in spite of this, they did not leave a strong impression in later years.<sup>74</sup> In the years 1990 and 1991, based on the experiences of the previous years, new record publishers emerged to replace the old ones; and with the sole exception of MHV-Hungaroton, these were themselves replaced by the multinational record publishers forcing their way into Hungary. These included Magneoton, Quint, MMC, Zebra, Craft Records, Records Express, and Rózsa Records, among others.<sup>75</sup>

It seems a strange twist of fate that Péter Erdős did not live to see the regime change, as he died on February 21, 1990, a month before the first free elections took place. As for Jenő Bors, the political changes had no favorable impact on his career: on July 16, 1990, he received notice of his immediate dismissal by Prime Minister József Antall's government. This hurried measure was due to the fact that Electric

73 = = Jávorszky and Sebők, *A magyar rock története 2*, 284–88.

74 = = Bence Csatári, *Vigyázz magadra, fiám! – A Bojtorján együttes krónikája* (Nemzeti Emlékezet Bizottsága, 2018), 205. The first album of the Marcellina PJT was officially credited to Szimultán Rt., in which Stabil had an interest. See Discogs, "Marcellina – Fohász A Szerelemért," Discogs, accessed November 8, 2024, <https://www.discogs.com/release/4339742-Marcellina-Foh%C3%A1sz-A-Szerelem%C3%Agrt>. In 1988, Szimultán Rt. was planning to release the album *Édes élet* by KFT at Christmas, but the distribution issues overwhelmed the company and resulted in its bankruptcy.

75 = = Jávorszky and Sebők, *A magyar rock története 2*, 289–92.

and Musical Industries (EMI) Ltd. wished to purchase the MHV at their estimated price of one billion Hungarian forints, and Antall's government dismissed Bors in order to prevent the signing of their carefully prepared and detailed contract. In Bors' place they appointed organist István Ella as the new director of the MHV, knowing he had no business sense at all. On July 24, 1990, a total of sixty-five musicians wrote a letter of protest to the Prime Minister on behalf of the music profession, but to no avail. In an evident effort to sabotage the purchase of the MHV, the newly appointed management asked for a price that the EMI group naturally declined. At this time, the Company was on the brink of bankruptcy; their coffers were empty, they had amassed tax arrears amounting to 50 million forints, and they were fast approaching the deadline for repaying the bank loans they had taken out on the disc factory and warehouse in Dorog, which amounted to approximately 100 million forints. The MHV's situation was further exacerbated by the fact that it could not compete with the onslaught of records coming in from the West, and it also found it difficult to compete with Hungarian companies. In the wake of this crisis, they dismissed editors-in-chief Imre Wilpert and Lajos Boros, then appointed László Benkő as the head of the pop editorial board of Hungaroton, who thus inherited only a medium-sized company from his predecessor.<sup>76</sup>

Even after the political transition, Jenő Bors' life was full of surprises—though upon consideration, what he did was quite natural. After his dismissal from the MHV, he founded Quint Record Publishers in the summer of 1990 for a chance to test himself in the market economy. In the course of his work there, he came to acknowledge that for the sake of profit, it was worth contracting musicians whom he had categorically rejected in the past. One of the most striking examples is Ferő Nagy, known in Hungary as the “Cockroach of the Nation” (*Nemzet csótánya*) and his band Beatrice, whose LP *Utálom az egész XX. századot* was published by Quint in 1991.<sup>77</sup>

In the field of Hungarian record publishing, the political and economic transition ended with the introduction of multinational corporations. Among the privately owned Hungarian companies, MMC Records directed by László Hegedűs was at the forefront of distributing international releases, as they signed a contract with the publishers Warner Music and Polygram (later Universal Music) in the summer of 1990. At the end of 1990, BMG opened its office in Hungary in order to sell licenses. In 1991, Warner Music purchased Magneoton and Polygram purchased MMC Records. In 1992, the EMI purchased Jenő Bors' company Quint Publishers,

76 == Jávorszky and Sebők, *A magyar rock története 2*, 288–89.

77 == Discogs, “Beatrice (6) – Utálom Az Egész XX. Századot,” Discogs, accessed November 8, 2024, <https://www.discogs.com/release/3666603-Beatrice-Ut%C3%A1lom-Az-Eg%C3%A9sz-XX-Sz%C3%A1zadot>.

and Sony Music started up its own independent company.<sup>78</sup> In this manner, the five “major” global record publishers were fully established in Hungary, and another period had come to an end in the history of Hungarian record publishing.

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János Kilián is the guitarist of the punk band Modell "S", 1982.

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