

Ortsempfänger, Volksfernseher und Optaphon: Die Entwicklung der deutschen Radio- und Fernsehindustrie und das Unternehmen Loewe, 1923–1962 [“Ortsempfänger,” “Volksfernseher,” and “Optaphon”]: The Development of German Radio and Television Industry and the Loewe Company, 1923–1962]. By *Kilian J. L. Steiner*. Essen: Klartext Verlag, 2005. 381 pp. Index, notes, bibliography, appendices, maps, tables. Cloth, €29.90. ISBN: 3-898-61492-1.

Reviewed by Peter Jelavich

In this revised version of his dissertation, Kilian Steiner examines the Loewe electronics company from its inception in 1923 until the death of its founder Siegmund Loewe in 1962. The enterprise is notable not only for its longevity as a relatively small, yet successful, firm in a dynamic commercial and technological field, but also as a company owned and managed by a Jewish family that was able to regain control of it after World War II. The title refers to three products that exemplified Loewe’s diverse offerings in consumer electronics: a radio, a television, and an early audiocassette recorder.

During the Weimar era, the firm was run primarily by the brothers David Ludwig and Siegmund Loewe. While the former contributed most of the business smarts, the latter was responsible for technological innovations. In his early years, before and during World War I, Siegmund had been employed by the two largest firms in the growing telecommunications industry: Telefunken and Huth. In 1920 Huth sent him to the United States for several months, where he witnessed the birth of American radio broadcasting. Telefunken and Huth provided him with useful contacts (and some future employees) after the Loewe firm was founded in 1923, the year public broadcasting was launched in Germany. But Telefunken and Huth—along with the Lorenz company—were also the giants that stood in the way of upstart companies entering the market. Loewe banded the smaller electronics companies together into the Verband der Radio-Industrie (VDRI), an organization that could stand up to the big three. Eventually, VDRI was able to force them into licensing and patent-sharing agreements, which eventuated in a de facto cartel.

Within that cartel, Telefunken still stood on top, not least because it claimed hefty licensing fees from the production of all vacuum tubes that were the central components of radio receivers. But since those fees were assessed on a per-tube basis, Loewe was able to diminish Telefunken's advantage by having his research division design a composite tube, whereby the three individual tubes of the standard models could be replaced by a single globe comprising the three components. In 1926, this three-unit tube (*Dreifachrohr*) was added to a simple receiver that was tuned exclusively to the local station, and the *Ortsempfänger* ("local receiver") was born. Its advantages were simplicity of use and, especially, low cost, since its price was one-third that of comparable units retailed by other companies. It was the most popular radio sold between 1926 and 1930, hence the most successful German radio until the Nazis forced the electronics industry to design and promote the *Volksempfänger*, a cheap mass-market device, which ensured that all citizens could hear the Führer's voice. Ironically, even the name of the Nazis' *Volksempfänger* (people's receiver) was foreshadowed by Loewe, whose advertisements claimed that the *Ortsempfänger* was so affordable that it could be dubbed a *Volks-Gerät* (people's gadget).

Having made both a technological and a market breakthrough with the *Dreifachrohr*, the Loewe company's research division began to work on another promising emerging technology, television. Indeed, during the years 1931 to 1933, Loewe applied for more television patents than any other company in the world. But then disaster struck with Hitler's coming to power, though the effect was not immediate. The Loewe enterprise was protected, at least for a while, by the fact that it possessed so many important patents and enjoyed sympathetic support from other companies, most notably Telefunken. Loewe and other companies attempted to develop a marketable television (*Volksfernseher*), but the firm was slowly squeezed out of the running due to pressure both from Nazi officials and from rival electronics firms, which took advantage of the anti-Jewish laws. In that regard, an employee of Bosch played an especially nasty role. Finally, Siegmund Loewe was forced to leave Germany in 1938; he eventually landed in the United States, where his brother had already settled at the outset of the Third Reich.

The third and last part of the story takes place in the postwar era, when Siegmund Loewe was able to return and reclaim his business. He profited from the economic boom

of the 1950s by selling radios and televisions, but his company lost its commercial edge, despite the fact that it tried to market two forward-looking products: the *Optaphon*—an audiorecorder that employed cassette-enclosed tapes (rather than open reels)—and videorecorders for television. According to Steiner, high cost and consumer hesitancy, along with the decline of the Loewe company’s marketing savvy, led to commercial failure. When Siegmund Loewe died in 1962, his company was sold to Philips, which—like Grundig, the postwar German success story in consumer electronics—had come to dominate the field.

The most interesting aspect of Steiner’s work is this narrative history, which he has been able to piece together from a wide variety of private and public archival sources on two continents, despite the loss of many potentially pertinent records during the war. Steiner, however, is not content merely to provide a historical narrative; he also wants to test some of the theses proposed by Alfred Chandler in *Inventing the Electronic Century* (2001), in particular the notion of a “learning base” founded on “technical, functional, and managerial” knowledge. Steiner concludes, with some caveats, that by the end of the 1920s, Loewe had attained a solid learning base in all three Chandlerian categories, but that, during the Third Reich, the technical base was lost due to the “brain drain” of key Jewish engineers and scientists employed by Loewe. This scenario seems to call into question the import of Chandler’s assertion that “individuals come and go, but the organization remains” (Chandler, 2001, p. 2). Yet at the outset of his study, Steiner concedes that the small size of Loewe’s firm might make it an inappropriate example to test Chandler’s theses, based as they are on large-scale corporations; he even suggests that it might be more appropriate to turn to Edith Penrose’s *Theory of the Growth of the Firm* (1959). Steiner’s difficulty in matching his data to theories of corporate growth is partly traceable to the tentative nature of his attempt. But I suspect that it is due even more to the fact that, for a relatively small Jewish firm in twentieth-century Germany, the contingencies of drastic political change and potentially murderous racial discrimination trump any general theory of business history. That is why, in the end, Steiner’s work is most valuable as a narrative of the rise and fall of an innovative and gutsy company in very troubled times.

*Peter Jelavich, a professor of history at the Johns Hopkins University, is the author most recently of Berlin Alexanderplatz: Radio, Film, and the Death of Weimar Culture (2006).*