



Volume 4. Forging an Empire: Bismarckian Germany, 1866-1890  
 Railway Construction (1850-1873)

Railway construction was a key factor in Germany's rapid industrial growth during the third quarter of the nineteenth century. Here, we see that the total length of railroad track in the country quadrupled between 1850 and 1873. Initially, German railways transported more passengers than freight cargo. By the end of the period under consideration, however, that situation had been reversed. The railway also became the largest employer in Germany: between 1850 and 1870 the number of employees increased tenfold. This table also shows that railway construction, which demanded huge amounts of capital, played a central role in the development of Germany's financial institutions.

**Figures Indicating the Success of German Railway Construction, 1850-1873**

		1850	1855	1860	1865	1870	1873
1	German Confederation/ German Reich	5,875	7,862	11,157	14,034	18,810	23,853
	Prussia	2,967	3,822	5,762	6,895	11,460	14,461
2	Workers employed (Germany) ad hoc basis	78,700	112,800	171,300	189,100	220,400	396,900
	Permanently	26,084	51,480	85,608	113,570	161,014	234,114
	In Prussia, permanently	13,706	27,380	44,852	62,294	106,542	162,114
3	Passengers per km	783	1,090	1,733	2,676	4,447	5,693
	Freight per km	303	1,095	1,675	3,672	5,876	10,060
4	Capital stock	891	1,329	2,152	2,772	3,945	5,531
5	Net investments	41	85	241	153	320	654
6	Average dividend of Prussian private railroads	4.4	6.6	5.4	8.9	7.6	5.6
7	Net domestic product German Reich	48.2	102.4	173.2	275.9	397.8	537.5
	Prussia	28.9	56.9	96.1	157.0	274.5	365.5

Explanatory note:

1. Length of rail network in the German Confederation/German Reich and Prussia in km.
2. Workers employed (ad hoc and permanent) by the German and Prussian railroad companies.
3. Passengers and freight transported by German railroads in passengers per km and freight per km.
4. Capital stock of German railroad companies at purchase prices (in million marks).
5. Net investments by German railroad companies at market prices (in million marks).
6. Average dividend of Prussian private railroads in percent.
7. Net domestic product of German and Prussian railroads at market prices (in million marks).

Source: Source: Hans-Ulrich Wehler, *Deutsche Gesellschaftsgeschichte* [*German Social History*], vol. 3, *Von der „Deutsche Doppelrevolution“ bis zum Beginn des Ersten Weltkrieges 1849-1914* [*From the “German Double Revolution” to the Beginning of the First World War 1849-1914*], Table 63. Munich: Beck, 1995, pp. 69-70.