Globalization and De-Globalization: Shifts of Power and Wealth
Annual meeting of the BHC, 14-16 March 2019, Cartagena/Colombia
Session: 1-G: Diplomacy in Global Business, 15.03.2019

Nina Kleinoeder, Institute for Economic and Social History, Philipps University of Marburg/Germany
Nina.kleinoeder@staff.uni-marburg.de

- Extended Abstract -

A “place in the sun” (Bernhard von Bülow, 1897)?
German business in colonial railway building in Africa (1880-1920)

“We request that German missionaries and German businessmen, German goods, the German flag and German ships are respected just as any other power. [...] We do not want to outshine anyone, but we also request our place in the sun.”

When Bernhard von Bülow (1849–1929, state secretary of foreign affairs) claimed this “place in the sun” in December 1897 in the German Reichstag, he commented on a specific situation in China, where the German military had occupied the bay of “Kiaotschou”. He defended the military action in front of the Reichstag as a matter of security for German missionaries. Most interestingly, his statement is connected with general arguments of imperialistic power and the claim for economic influences in the global markets in particular: The imperialistic claim for a “place in the sun” was therefore closely connected to economic protagonists. Nevertheless, they are still fairly unknown and overlooked by colonial research. There has also been little business historical research specifically on German enterprises in colonial Africa.

When Germany entered the era of formal imperialism with the announcement of the so-called African “Schutzgebiete” (protectorates) in the 1880s, new trading areas unfolded for German enterprises in Africa.¹


investments and markets. This was not only the case for the selling of consumer goods or the exploitation of resources. On the contrary, in my paper I challenge this view by exploring the building of colonial railways as a promising, profitable and prerequisite market in itself.

The questions are raised how and why German enterprises began taking action in the infrastructural opening of the African continent at the turn of the 20\textsuperscript{th} century. While German colonial commitment remained highly costly and in the end turned out to be a national economic loss, private investment in infrastructure and transport seemed to pay off: What paths did German railway building follow, and which networks of protagonists can be identified? Did the entrepreneurs expect profits from such future markets or did private business activity rather remain a special-case within state-driven investments in a setting of formal colonial expansion?

Only ten years after the beginning of the formal colonial rule, the first German colonial railway (“Usambara-Eisenbahn”) was opened in “Deutsch-Ostafrika” (today Tanzania). These early attempts of railway building in East-Africa demonstrate the struggle for financing the risky and highly unpredictable projects. Only after years of financial negotiations, the track was finally built as a private investment.\footnote{See Franz Baltzer: Die Kolonialbahnen mit besonderer Berücksichtigung Afrikas, Berlin und Leipzig 1916, p. 27, 35.} Consequently, political power and (in)formal colonial rule was dependent on the private willingness to invest in the new colonies. This, on the contrary, was clearly hindered by risky local situations (e.g. the fear of local uprising), difficult geographical and mostly unknown surroundings and the lack of practical experience in this field.\footnote{See Boris Barth: Banken und Konzessionsgesellschaften in den deutschen Kolonien. Betriebswirtschaftliche Kalkulation und deutscher Imperialismus, in: Annali dell’Istituto storico italo-germanico in Trento 24 (1999), p. 191-215, see here p.200-202.}

Based on new material from the foreign trade statistics\footnote{Hungerland, W. & Wolf, N. "An Anatomy of Germany’s Foreign Trade, 1880-1913: New Data, New Insights", mimeo, Institute of Economic History, Humboldt-University of Berlin, 2018.} and sources from the business archives of the suppliers, the paper demonstrates that due to public intervention and financial guarantees, German railway building finally became a promising market for the businesses involved after the turn of the century. I argue that we have to take a closer look at the actual protagonists involved, in order to create a more comprehensive picture of German colonialism beyond colonial (administrative) power and local implementations. As part of the imperial project, German enterprises participated in the formal colonization of Africa, but at the same time, they followed their own economic agenda.\footnote{See for German finance and imperialism, pointing in the same direction, see Barth 1999, p. 213-215.}