

The German National Railway Confronts its Competitors, 1920-1939

Alfred C. Mierzejewski

Department of History

Athens State College

In a major policy statement issued in January 1930, the German National Railway Company, Deutsche Reichsbahn-Gesellschaft (DRG), warned the German public that unregulated freight truckers threatened their commonweal economy: "This competition from trucks in long distance traffic, in both economic and transportation terms, is unhealthy and dubious in every way" [DRG, *Reichsbahn*, 1930, p. 61].

Throughout the 1920s, trucks had been siphoning away the DRG's most lucrative freight traffic. The railway's board of directors considered that the resulting losses were serious enough both to threaten the solvency of Germany's largest enterprise and to undermine its socially oriented tariff structure. Should that tariff structure collapse, many inside and outside of the Reichsbahn feared that the commonweal, corporatist organization of the German economy would fall with it. The Reichsbahn saw itself as the defender of the traditionally organized capitalist system in Germany. It regarded competition as inherently wasteful, and like many others in Germany at the time, saw profit for specific enterprises as less important than the creation and preservation of jobs and the construction of a socially acceptable, commonweal economic order.

This paper analyzes the response of the Deutsche Reichsbahn to truck competition for its high-margin freight traffic. It tells the story of how a technologically innovative industry outside the established freight truckers, attacked the established transportation mode in German society, the railway, and thereby challenged the structure of the German economy. It approaches the story from the standpoint of the Reichsbahn, the embodiment and protector of the corporatist, commonweal economy in the years 1920 to 1939 [Abelshausen, 1984, pp. 285-317; Bowen, 1947; Wehler, 1974, pp. 45-52; Nicholls, 1994, pp. 15-28].

Throughout the 1920s and 1930s, the Reichsbahn remained the largest transportation agency in Germany, yet its share of traffic declined as a result of the increased use of motor vehicles. In the all-important freight market, the DRG satisfied 80% of demand in 1925, while trucks had only 2% of the market. By 1930, trucks had doubled their modal share and by 1937 had tripled

it [Hoffmann, 1985, p. 417, Table 88]. Trucks had seized much of the Reichsbahn's local freight business and much of its parcel and express business over all distances. Moreover, they had registered gains in the Reichsbahn's most lucrative traffic segment, long distance carload freight. In contrast, the gains made by the inland waterways were not seen by the Reichsbahn as so threatening because they affected low-margin bulk commodity traffic. The DRG clearly recognized the upward trend in truck traffic and, aware that trucks had taken a major share of the freight market in the United States, developed a response.

The Reichsbahn, even after 1924 when it was organized as a government-owned, privately operated company, did not behave in a capitalist, free market fashion. It functioned as a public utility that was charged with serving the transportation needs of German society while paying its operating and capital costs from its own revenues and credit. Thus, the DRG, and especially its permanent officials, the *Beamten*, perceived itself as playing an important role in the government's effort to achieve socially desirable outcomes such as the decentralization of population and industry [Sozialisierungskommission, 1922, p. 279, DRG, June 24, 1929, p. 51; Giese, 1930, pp. 67-68]. The Reichsbahn was actively engaged in subsidizing disadvantaged groups such as the poor, peasants, veterans, and the aged [Kärner, 1927, p. 156, Lerverve, December 14, 1929, p. 36]. It was also an agent in the government's effort to support infant industries and to promote exports.

The Reichsbahn pursued these ends through two means. First, it used its operational and procurement policies to stimulate economic development in selected areas and industries. Among its most important measures in this regard was its operation of lines in areas that generated little traffic. These secondary lines (*Nebenbahnen*) accounted for 42.6% of the DRG's total track in 1928. However, they generated only about 6% of its freight traffic and 13% of its passenger business [DRG, *Reichsbahn im Geschäftsjahr 1928*, 1929, p. 105]. Not surprisingly, their financial results were poor. In 1930, while the main lines achieved an operating ratio (cost/revenues) of 85.9, the secondary lines suffered from an operating ratio of 140.3 [Vogt, March 23, 1932, p. 297]. The Reichsbahn also purchased rolling stock to create or to preserve manufacturing jobs [Stieler, May 25, 1925, p. 273]. Between 1919 and 1923, the German railways purchased thousands of locomotives that they did not need. By the end of the 1920s, the DRG was again purchasing engines to prevent unemployment in the locomotive industry. The clearest example of this policy was the acquisition of the Class 03 express locomotive designed for use on secondary lines and the more lightly built main lines. In February 1929, the DRG issued an order to its procurement arm to obtain the new light express locomotive. During the discussion of the appropriation for these engines in the meeting of the Reichsbahn's board of directors on March 14, 1929, the DRG's general director, Julius Dorpmüller, said: "If we order locomotives now, that would only be to support the locomotive industry" [DRG, March 14, 1929, pp. 17, 18]. At the time that Dorpmüller made that statement,

the DRG owned about 1,800 locomotives more than it needed [Dorpmüller, March 27, 1929, p. 269]. In 1925, the Reichsbahn had owned as many as 6,000 locomotives surplus to its needs. Put differently, in March 1929, about 7.5% of the locomotives owned by the DRG had been acquired because of its management's and the government's desire to provide employment in the locomotive and associated industries. Thousands of others, of course, served the money-losing secondary lines.

Even more significant was the Reichsbahn's use of its tariff to promote the achievement of social goals. The DRG offered numerous deeply discounted passenger fares to disadvantaged groups. The definition of the disadvantaged was continually expanded, so that 55.8% of all passengers used discount fares by 1929. This discount traffic yielded only 24% of total passenger revenues [DRG, *Geschäftsbericht*, 1930, p. 57]. To pursue its socially and politically ordained goals, the Reichsbahn underpriced the lowest class and overpriced first class in its passenger trains. Significantly, express and accelerated trains (*Schnellzüge* and *Eilzüge*) both earned a profit – that is, they both earned their direct operating costs, their cost of capital, and a small surplus. However, regular passenger trains, which were ridden by the mass of discount users, lost enough to eliminate the surplus earned by the fast trains and create an overall operating loss on the Reichsbahn's passenger service. In 1929 this loss amounted to 147 million RM. The mere fact of passenger deficits was not viewed with alarm, since the Reichsbahn's predecessors before World War I had sustained similar losses for the same reason. The troubling fact was that these losses had grown, and, because of the decline in the railway's overall share of passenger traffic, the Reichsbahn expected them to increase [Tecklenburg, December 17, 1930, p. 1294, Übersicht 3]

Commonweal priorities also determined the Reichsbahn's freight tariff structure, although the net result was different. The DRG calculated freight tariffs based on a combination of a classification of freight according to market value and the distance required to transport that freight. Freight was classified in such a way as to impose a greater burden on high-value finished goods in order to earn a surplus that would permit lower tariffs for bulk commodities such as coal and grain. In 1920 the Reichsbahn introduced a stepped distance tariff (*Staffeltarif*) that was designed to encourage long-distance shipments through low prices in order to promote national political unity [Scholz, June 24, 1929, p. 10; DRG, March 8, 1932, p. 2; DRG, 27/28 May 1929, p. 2; RVM, 1922, pp. 18-21]. In addition, specific industries were favored with commodity rates (*Ausnahmetarife*) that drastically lowered transportation prices. The commodity rates were frequently below the railway's operating costs [DRG, 1929, p. 8]. In January 1928, the officer in the DRG's Finance Section responsible for its annual budget and closing accounts, Ludwig Homberger, stated the railway's tariff priorities clearly: "While in general, privately operated railways follow the rule of setting tariffs as high as the traffic will bear – which they are fully justified in doing – for the German National Railway the problem is to be solved in such a way that tariffs should be so high as, or

better put, so low as just to cover the production costs of the railway, while assuring its financial stability and the maintenance of its assets" [Homburger, January 11, 1928, p. 14].

The financial result for the Reichsbahn of the commonweal freight tariff structure was that only carload traffic moving over medium and long distances earned a profit. Using 1929 as an example, less-than carload freight (LCL, *Stückgut*), and express (*Eilgut*) together ran a deficit of 70 million RM. In contrast, carload business earned a surplus of 1,128 million RM, more than sufficient to offset the deficits in LCL, express, and passenger traffic and give the DRG an annual operating surplus of 861 million RM [Tecklenburg, December 24, 1930, p. 1317; Tecklenburg, June 14, 1933, p. 512]. In effect, carload traffic subsidized LCL and passenger service. However, from the mid-1920s carload traffic was increasingly sought by independent truckers and was ever more frequently carried by trucks owned by manufacturers (*Werkverkehr*). This development, which the DRG expected to accelerate, jeopardized the railway's commonweal tariff structure and the shape of the German economy based upon it [Vogt, June 24, 1929, p. 14].

The vigorous competition offered by the truckers was the outgrowth of the changed transportation market and government action in the years immediately after World War I. In 1919 and 1920, the railway was unable to satisfy the demand for freight service as a result of personnel problems and rundown physical plant. The Reich Transportation Ministry and many state and local governments intervened to organize Motor Truck Companies (*Kraftverkehrs-gesellschaften*) using army surplus vehicles [Teubner, March 15, 1928, pp. 288-89]. Many army surplus vehicles were also sold to small private operators. With this stimulus, the truckers gained a foothold in the market and, after the railway had overcome its problems by 1922, exploited their service advantages and the artificially high price charged by the Reichsbahn for local shipments and for high-value goods to divert business away from the railway.

The trucking industry consisted of four groups. In addition to the government-sponsored companies, there were many independent operators, frequently small family companies with one truck that offered services at very low prices. They relied on unpaid labor from family members working long hours to reduce operating costs. Indeed, many of these operators were unaware of their costs because they did not keep books. They simply sought business wherever and at whatever price they could get it. Quite different were the forwarders (*Spediteure*), companies, in some cases quite large, that arranged transport for shippers using whatever mode they judged appropriate. Some forwarders organized subsidiaries to operate trucks, usually for pick-up and delivery from the railway, while others relied on local independents to supply truck service. The forwarders drove the price of local pick-up and delivery up to the level of the Reichsbahn's short-distance tariffs, thereby making it difficult for the railway to offer a long-distance through price that was competitive with the independent truckers in the long-distance market. Finally, a growing number of manufacturing companies obtained their own trucks to

carry freight for their own internal needs and to deliver finished goods to customers and retailers.

The Reichsbahn felt the loss of traffic to truckers with increasing severity during the 1920s. However, defining a policy to counter road competition while fulfilling the commonweal goals imposed upon it proved difficult. The DRG's board of directors and its permanent officials held divergent views on what countermeasures should be taken. The board wanted to lower prices and enter the trucking business, while the majority of the officials hoped to maintain the status quo. The officials dominated the DRG's truck policy. Initially, the Reichsbahn attempted to cooperate with the truckers based on the "...correct realization that every struggle in the transportation field hurt the national economy..." [Teubner, September 9, 1925, p. 301]. Johannes Vogt, head of the Traffic Department (*Verkehrsabteilung*) in the Reichsbahn's headquarters (*Hauptverwaltung*) stated publicly that road and rail should live together peacefully with trucks acting as feeders for trains [Vogt, 1928, p. 176]. But in the board meeting of September 28, 1928, its chairman, Carl Friedrich von Siemens, argued that the DRG should enter the trucking business itself. He was supported by the other members of the board.

Indeed, the Reichsbahn began using trucks on a small scale for local pick-up and delivery in 1920 [Weirauch, 1927, p. 62]. Then, on March 29, 1924, it entered into a cooperative arrangement with the government-sponsored trucking companies to form the German Truck Company (*Kraftverkehrdeutschland*). In effect, the railway and the public truckers attempted to divide the market. The public truck companies would provide local service, while the Reichsbahn would handle long-distance traffic [DRG, 1927, p. 572; Werneke, 1927, pp. 229-30].

It soon became apparent, however, that the government truck companies were inefficient and that the serious competition came from elsewhere. Consequently, on November 15, 1928, the Reichsbahn ended its association with Kraftverkehrdeutschland [Leverve, December 14, 1929, p. 60]. It then began to seek other partners. The first was the Post Office (*Reichspost*). The Post Office had begun operating passenger buses, which also provided parcel and express service in rural areas and between some major cities. In July 1929 the Reichsbahn and the Post Office agreed not to compete. The Post Office would handle rural passenger service while the DRG would have all freight business [DIHT, 1930, pp. 202-3]. The Reichsbahn then began using contractors to provide truck service in rural areas, either where no rail line existed or to replace trains on unprofitable lines [DRG, September 18, 1928].

Simultaneously, the Reichsbahn entered into negotiations with the forwarders in an attempt to obtain their cooperation. Vogt, who represented the railway in the talks, asked the forwarders to cut their local rates and to offer highly discounted LCL tariffs for combined shipments (*Sammelgutverkehr*). Under the latter arrangement, the forwarders would gather small shipments from many shippers and combine them into a single carload, enabling the Reichsbahn to offer them the lower carload tariff. Vogt told the forwarders

that the Reichsbahn wanted to cooperate with them, not drive them out of business, and that their trucks should feed freight to the railway [DRG, December 10, 1928, pp. 40-42].

While attempting to divide the market with its competitors, the Reichsbahn also sought legal protection. Laws were passed by the national government in 1925, 1927, and 1928 that required truckers to obtain licenses, which the DRG could veto, and increased taxes on motor vehicles. But all three measures focused on truck lines, thereby missing the Reichsbahn's competitors, the independents and the factory operators [RGI, August 26, 1925, pp. 319-20; RGI, December 31, 1927, pp. 509-12; RGI, October 20, 1928, pp. 380-82].

In the meantime, the Reichsbahn took steps to improve rail service and to reduce its operating costs. A study commissioned by the German Chamber of Industry and Commerce (*Deutscher Industrie- und Handlertag*) in 1930 found that the operating costs of the railway ranged from about half to just 15% of those for trucks in 1928 [DIHT, 1930, pp. 7-8]. Nevertheless, because of their convenience and because of the commonweal tariff schedule used by the Reichsbahn, the railway continued to lose business. The DRG estimated that it lost 180 million RM in freight revenues to trucks in 1928, up from 155 million in 1927 [DRG, December 31, 1929].

These losses, and the prospect that they would increase, prompted the Reichsbahn to take more energetic action. The board of directors repeatedly and heatedly discussed the matter, calling upon the government to collect accurate statistics on truck traffic, to compel the truckers to bear a tax burden equal to the Reichsbahn's and to let the DRG operate large numbers of trucks itself [DRG, January 22, 1929, p. 34]. Siemens was convinced that the railway was not doing everything possible to defend itself. The board understood that their tariff system subsidized the economy and openly called for government regulation of the transportation market. If the government would not regulate the market, the board demanded that the Reichsbahn be relieved of its common carrier responsibilities so that it could compete on an equal basis [DRG, January 22, 1929, pp. 39-41]. However, a majority of the Reichsbahn's own officials never accepted this view. They were supported by the Reich Transportation Ministry, which announced its refusal to help the DRG in a meeting held on February 7, 1929 [DRG, February 7, 1929].

The board commissioned a study by headquarters to explain the Reichsbahn's position to the public. That booklet, *Reichsbahn und Kraftwagenverkehr* (Reichsbahn and Motor Vehicle Traffic), appeared in January 1930. The Reichsbahn posed as the custodian of the public good embodied in its tariff structure. Truckers endangered that commonweal tariff and thereby jeopardized the socio-economic balance in Germany. In the Reichsbahn's view, the truckers were offering socially corrosive services when they invaded the Reichsbahn's long-distance traffic domain. The DRG offered a compromise solution. The truckers would concentrate on local services, feeding traffic to the more economical long-distance trains of the Reichsbahn. In return, the

DRG offered to forego operating trucks itself [DRG, 1930b, pp. 43, 64, 68, 72, 74, 76]. As the report concluded, "Its goal is to ensure the railway a large traffic volume and above all a satisfactory income..." [DRG, 1930b, p. 80]. Sufficient revenues would allow the Reichsbahn to continue to fulfill its social obligations. In an article that appeared shortly afterward in the railway's official weekly, Vogt called for a monopoly of long-distance freight service by the DRG under government auspices. He emphasized that the Reichsbahn could only operate trains [Vogt, May 21, 1930, pp. 597-98]. The Chamber of Industry and Commerce concluded that the Reichsbahn wanted to run only trains [DIHT, 1930, pp. 30-31].

The Reichsbahn's pamphlet sparked enormous controversy, but prompted no cooperation from the truckers and no protection from the government. While the issue was debated in public, the DRG moved to meet its competition. It created a new type of light freight train with specially modified cars to increase the speed and reduce the operating costs of local freight and LCL [Rehbein, 1985, p. 140]. In 1926, but increasingly from 1928, it began offering K-Tariffs, special individual rates with heavy discounts, to lure shippers back to the rails or to prevent them from leaving in the first place [DRG, September 26-28, 1927].

The Reichsbahn also sought legal protection. Dorpmüller personally intervened with the Prussian state government to convince it to enforce existing laws to limit truck competition [Dorpmüller, March 19, 1929]. He also directly approached the Reich transportation minister, Theodor von Guérard, in September 1929, predicting dire financial consequences if the DRG were not protected from its competitors [Dorpmüller, September 12, 1930, p. 1].

Nevertheless, the DRG's losses continued to mount. The truckers increased their market share even after the Depression struck Germany. While the truckers expanded their business by 50% measured in ton kilometers between 1928 and 1930, the Reichsbahn's freight traffic fell by 16.7% [Leverve, May 10, 1930, p. 38]. The rising losses combined with the absence of government protection forced the Reichsbahn to act more boldly.

At the board meeting of January 27, 1931, the Reichsbahn decided to purchase Germany's largest forwarding company, Schenker [Baumann, December 5, 1934, p. 647; DRG, January 27, 1931, p. 15]. In effect, Schenker would create a cartel with selected local truckers that would allow the DRG to control prices for local pick-up and delivery, enabling it to lower the door-to-door prices that it could quote to shippers. The Reichsbahn would thereby again become competitive on price in the vital, lucrative medium- and long-distance carload sectors.

The Reichsbahn's newly named spokesman on the trucking issue, Eberhard von Beck, explained the railway's position in an article in its official organ. He called for a division of the overland freight market in order to protect the Reichsbahn's social tariff structure. The DRG would not operate trucks itself, he argued. Instead, its group of forwarders would help it compete with the independent truckers [Beck, February 11, 1931, pp. 160-69].

The Schenker deal triggered massive protests from the independent truckers, the forwarders, and the truck manufacturers. They all accused the Reichsbahn of attempting to create a monopoly of land freight transport. The Association of German Forwarders, for example warned the Reich Transportation Ministry that the Schenker contract would result in a monopoly for Schenker, "...and the other members of the free German forwarding industry would either disappear or would survive for a short time as helots of the Schenker Company" [VDS, June 29, 1931, p. 3]. The Reich cabinet and the Transportation Ministry immediately intervened and suspended the purchase of Schenker and the organization of the cartel, not so much because they objected to the Reichsbahn's attempt to organize the market, but because the railway had acted without prior government approval. Siemens quite correctly saw the government's action as an attempt to protect its regulatory authority over the Reichsbahn [DRG, March 24, 1931, p. 11]. The government forced the Reichsbahn to allow all forwarders and truckers into its cartel in return for legally binding the truckers to the railway's tariff schedule. Through a regulation promulgated on October 6, 1931, the government set maximum rates for local freight transport so that the DRG could cut its door-to-door prices to competitive levels, and set minimum rates for long-distance shipments to prevent truckers from undercutting the Reichsbahn's long-distance carload tariffs [RGBI, October 9, 1931, pp. 558-61, 572-77]. In this way, the government also moved a step closer to organizing the freight transport market fully. Von Beck interpreted the law as another battle in the struggle between free market truckers and the socially oriented railway [Beck, October 15, 1931, p. 1115]. In his view, the aim of the law was to protect the DRG and the public from price competition and to restrict competition to the "natural" realm of quality of service [Beck, June 2, 1932, p. 480].

The Reichsbahn quickly realized that the new law offered it no relief because it was unenforceable [DRG, November 29, 1932, p. 4]. Thousands of trucks were operating without licenses and offering prices far below the specified levels [Beck, 1932, p. 20]. The bitter disappointment at the failure of the government's initiative prompted the Reichsbahn to renew its demands for a government-sanctioned land freight traffic monopoly that it would manage [Vogt, May 4, 1932, p. 438; DRG, July 1, 1932, pp. 4-5]. The Reichsbahn still did not want to operate trucks itself, but sought to control those who did in order to preserve its commonweal tariff structure [Beck, 1932, p. 26].

The coming of Adolf Hitler's regime in January 1933 offered the Reichsbahn new hope. By this time, Siemens had retreated to the background. Dorpmüller, who was more sympathetic to market control and authoritarian government, now exercised paramount influence over Reichsbahn policy. He approached Hitler personally, hoping to gain a monopoly of land transport for the Reichsbahn [Reppen, Booms, 1983, pp. 226, 229]. During the spring of 1933, it seemed to Dorpmüller that he had won the support of Hitler [Reppen, Booms, 1983, pp. 331-32]. Yet Vogt sensed that others were moving to gain control of the trucking industry ahead of the Reichsbahn. For this reason, and

to satisfy Hitler's expressed wishes, the Reichsbahn placed orders for over one thousand trucks during the spring and summer of 1933 [DRG, May 3, 1933, pp. 5, 12, 14].

The most serious competitor to the Reichsbahn was Fritz Todt, a member of the Nazi Party, head of its Office of Technology, and chairman of the Reichsautobahn Company. During 1933 and 1934, he and the truck manufacturers gradually convinced Hitler not to grant the Reichsbahn a land freight monopoly. As early as July 1933, the transportation minister, Eltz-Rübenach, personally ordered the Reichsbahn to end local delivery services with its own trucks and raised the possibility of the Reich's creating a national truckers' organization separate from the railway [Eltz-Rübenach, July 1, 1933]. A few days later, Hitler told Dorpmüller's assistant, Wilhelm Kleinmann, that high-value freight would shift to the roads, while the railway would retain bulk commodity traffic [Sonderausschuß Reichsautobahnen, July 27, 1933, p. 8].

Until the summer of 1934, Hitler, in characteristic fashion, delayed a final decision on the relationship between road and rail in Germany [Lammers, November 29, 1933; Lammers, September 1, 1934]. He then decided to divide the market between the Reichsbahn and a compulsory national trucking organization. Hitler first informed Dorpmüller that he was moving in this direction in September 1934 and finalized his decision in November [DRG, September 4, 1934, pp. 17-19; DRG, November 27-28, 1934, p. 1, DRG, November 28, 1934, p. 1]. For the foreseeable future, the Reichsbahn would not get a monopoly of land transport.

On June 26, 1935, the government created the National Truck Operating Association (*Reichs-Kraftwagen-Betriebsverband*, RKB). The RKB was designed to end price competition among long-distance truckers and between them and the Reichsbahn. The RKB set long-distance freight prices in accordance with the Reichsbahn's tariff, allocated traffic to truck operators and collected payment from shippers. Membership was compulsory [RGBl, 1935, pp. 788-93]. The cartel created by the Reichsbahn and Schenker was abolished, although the railway continued its relationship with the forwarder. In effect, the Nazi government had reinforced the corporatist, commonweal structure of the land freight transportation market in Germany, though not in a form that pleased the Reichsbahn.

As with the law of October 1931, the regulation of 1935 could not be completely enforced. The RKB was unable to police its members and even arranged for kickbacks to shippers to lure them away from the Reichsbahn [RBD Dresden, March 31, 1937]. Maverick truckers continued to undercut the Reichsbahn's tariff [Gruppe A, July 8, 1937, pp. 8-9]. While continuing to call for a government-orchestrated division of the transportation market to preserve its social tariff schedule, the Reichsbahn aggressively moved into the trucking business itself [Rückblick, January 14, 1937, p. 23; Trierenburg, March 2, 1939, p. 201] (see Tables 1-3). Yet, as late as 1938, the Reichsbahn's board of directors still emphasized that it did not want to ban trucks; it simply wanted to control them [DRB, 2 July 1938, pp. 26-27].

Table 1: Trucks Owned by the Deutsche Reichsbahn, 1929-1938

Year	Trucks
1929	35
1930	45
1931	66
1932	135
1933	144
1934	1,278
1935	2,083
1936	2,196
1937	2,083
1938	2,229

Sources: 1929-1931, DRG, *Die Deutsche Reichsbahn im Geschäftsjahr 1931* (Berlin, 1932), p. 335; 1932-1937, Ref 11 to Ref 10, 11 Vkk 691, Berlin, 8 December 1937, p. 1, BA R5/3128; 1938, DRB, *Statistische Angaben über die Deutsche Reichsbahn im Geschäftsjahr 1938* (Berlin, 1939), p. 315.

Table 2: Tonnage Carried by Reichsbahn Truck Service

Year	Total	Contractors	Reichsbahn
1924	65,323	—	—
1925	98,769	—	—
1926	196,382	—	—
1927	317,512	—	—
1928	249,346	—	—
1929	231,911	—	—
1930	180,132	—	—
1931	203,568	—	—
1932	168,522	—	—
1933	895,980	—	—
1934	2,972,043	—	—
1935	4,745,295	2,129,109	2,616,186
1936	4,356,172	1,518,177	2,837,995
1937	4,306,230	1,235,523	3,070,707
1938	4,557,814	1,275,355	3,282,459

Sources: 1924-1929, DIHT, *Eisenbahn und Kraftwagen* (Berlin, 1931), p. 5; 1930-1932, DRG, *Statistische Angaben über die Deutsche Reichsbahn im Geschäftsjahr 1932* (Berlin, 1933), p. 234; 1933-1934, DRG, *Statistische Angaben über die Deutsche Reichsbahn im Geschäftsjahr 1934* (Berlin, 1935), p. 268; 1935, DRG, *Statistische Angaben über die Deutsche Reichsbahn im Geschäftsjahr 1935* (Berlin, 1936), p. 165; 1936, DRB, *Statistische Angaben über die Deutsche Reichsbahn im Geschäftsjahr 1936* (Berlin, 1937), p. 165; 1937-1938, DRB, *Statistische Angaben über die Deutsche Reichsbahn im Geschäftsjahr 1938* (Berlin, 1939), p. 201.

Table 3: Reichsbahn Truck Service Net Ton Kilometers in millions

Year	Total	Contractors	Reichsbahn
1924	0.30	0.30	—
1925	1.17	1.17	—
1926	3.11	3.11	—
1927	5.46	5.46	—
1928	4.78	4.66	0.12
1929	4.77	4.39	0.38
1930	4.81	3.67	1.14
1931	4.77	2.91	1.85
1932	2.59	0.32	2.27
1933	17.39	15.15	2.25
1934	60.9	39.90	21.0
1935	93.5	45.4	48.1
1936	121.9	44.9	77.1
1937	202.3	86.9	115.4
1938	299.6	153.3	146.3

Sources: 1924-1930, V., "Die Entwicklung des Reichsbahnkraftwagenverkehrs," *Verkehrstechnische Woche*, 25 (8 April 1931): 248; 1931-1933, "Die Entwicklung des Reichsbahnkraftwagenverkehrs seit 1929," 64. VR, 27-28. November 1934, BAC 43.01/71, Bl. 107; 1934, estimate based on DRG, *Statistische Angaben über die Deutsche Reichsbahn im Geschäftsjahr 1934* (Berlin, 1935), p. 268; 1935, DRG, *Statistische Angaben über die Deutsche Reichsbahn im Geschäftsjahr 1935* (Berlin, 1936), pp. 165, 266; 1936-1938, DRB, *Statistische Angaben über die Deutsche Reichsbahn im Geschäftsjahr 1938* (Berlin, 1939), pp. 201, 300.

The issue of who would dominate the land freight market was then overtaken by events. As a result of Germany's massive rearmament program and resulting economic boom, the Reichsbahn had all of the traffic that it could handle by 1938. Consequently, its continued loss of market share faded into the background. At the same time, the truckers were also fully employed. When Hitler launched World War II in September 1939, most civilian trucks were requisitioned by the military, leaving the Reichsbahn to bear the full burden of land freight traffic in Germany.

This overview of the Reichsbahn's struggle against truck competition illustrates how its commonweal tariff structure rendered it vulnerable to unregulated truck competition. The Reichsbahn was conscious of its role as defender of Germany's commonweal market organization and was therefore reluctant to engage in outright price competition. Consequently, it repeatedly attempted to use the traditional German method of cooperatively dividing the market with its competitors and restricting competition to service quality. It was for these reasons that the Reichsbahn wanted to run only trains and why it delayed offering its own truck services until 1933. Even then, the Reichsbahn entered the truck business only under pressure from Hitler and when it seemed that the monopoly that it hoped for was within reach. When that monopoly

was denied by Hitler, the Reichsbahn used trucks as its last line of defense until rearmament and war swamped both it and its road competitors in a flood of traffic. Before the war interrupted developments, the contour of a settlement in the traditional German fashion had emerged: the market had been divided and price competition had been all but suppressed.

Abbreviations

BA	Bundesarchiv Koblenz
BAC	Bundesarchiv, Abteilungen Potsdam, Aussenstelle Coswig (Anhalt)
DRB	Deutsche Reichsbahn
DRG	Deutsche Reichsbahn-Gesellschaft
DIHT	Deutscher Industrie- und Handelstag
HV	Hauptverwaltung
RBD	Reichsbahndirektion
RGBI	Reichsgesetzblatt
RVM	Reichsverkehrsministerium
VDS	Verein Deutscher Spediteure e.V.

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