THE ECONOMIC SIGNIFICANCE OF RAILWAYS IN XIX C. AND CONCEPT OF SOCIAL SAVING

SUMMARY

The article presents the discussion on social saving brought by the railway when it replaced other means of transport in cargo shipments. The discussion was initiated by R. W. Fogel, a representative of New Economic History. According to his calculations, the social saving brought about by the railways in the United States was not significant.

The research in other countries demonstrated how the social saving changed depending on geographical conditions, introduction of other means of transport and the level of economic development. The analysis of the case of economically backward Russia proved the economic significance of the railway. It contributed, among other things, to the growth of grain exports and made shipments less seasonal.

The critics of Fogel rejected the assumption that historical reality was an perfect market system. They claimed that the acceptance of neoclassical assumptions concerning perfect competition and perfect allocation of production factors led to the underestimation of social saving.

Translated by Andrzej Mielcarek