Summary

In 1830, the world's railway network consisted of only a few dozen miles, the majority of which ran from Liverpool to Manchester. There were over 4,500 miles in 1840, and over 23,500 miles in 1850. Most of them were built in significant part using British finance, British iron, machinery, and know-how during a few spurts of speculative frenzy known as the 'railway manias' of 1835-7 and notably in 1844-7. These investment booms look illogical because few railways were much more profitable to investors than other types of business; in fact, most made tiny returns, and many yielded almost nothing: in 1855, the average interest on capital invested in British railways was just 3.7%.

