



Volume 4. Forging an Empire: Bismarckian Germany 1866-1890

Receipt of Monies from France and Expenditures in Germany from the French War Indemnity (1870s)

After victory in 1871, the Germans imposed the unheard-of sum of five billion francs as a war indemnity on defeated France. This table details both revenues and expenses as this enormous influx of capital was channeled to various projects and German states. Apart from causing French antipathy, the resulting cash surplus stimulated economic growth (including unhealthy speculation) in Germany after 1871, which ended abruptly only a few years later. The sum of 4 million thaler designated as “endowments” was to honor victorious generals. But Kaiser Wilhelm’s generosity prompted fierce debate. To some Germans, this monetary windfall for a small group of senior officers seemed badly out of proportion with the suffering or death of those who actually did the fighting. To other observers it smacked of élitism and absolutism: only in a bygone age, not in the new German Empire, would a supreme warlord distribute war booty to his praetorians. War Minister Albrecht von Roon did not help the government’s cause when he declared in the Reichstag that ordinary foot-soldiers who had lost limbs in the war had already increased their honor. But in the end the generals got their money.

War indemnity	5,000,000,000 Fr.	
Interest	301,191,959 Fr.	
	5,303,191,959 Fr.	= 1,413,651,189 thalers
Paris contribution		53,505,865 thalers
Surplus of taxes and local contributions collected in France		17,600,000 thalers
	Total sum	1,484,757,054 thalers
Minus value of railway in Alsace-Lorraine		86,666,666 thalers
	Net	1,398,090,388 thalers
Expenditures:		
1. Reich Invalid Fund		187,000,000 thalers
2. War invalid pensions before Reich Invalid Fund		16,196,674 thalers
3. Compensation for war damages and contributions		38,800,000 thalers
4. Indemnification of German Shipping Company		5,600,000 thalers
5. Restructuring and equipping German fortresses		72,000,000 thalers

6. Restructuring and equipping fortresses in Alsace-Lorraine		43,280,950 thalers
7. Expansion of railways in Alsace-Lorraine		57,205,887 thalers
8. Reich War Treasury		40,000,000 thalers
9. Compensation for Reich expenditures for warfare, indemnification for railway administrations, restoration of war maps, war memorial coins		43,120,793 thalers
10. Occupation costs		21,815,000 thalers
11. Surplus costs of occupying army in Alsace-Lorraine		4,581,938 thalers
12. Expansion of the navy		31,949,890 thalers
13. Firing range of artillery testing commission		1,618,267 thalers
14. Amount towards operating fund of the Reich Treasury and towards firm advances for the Army Administration		8,270,000 thalers
15. Assumption of tariff and tax credits granted by German states		19,792,719 thalers
16. Construction of Reichstag building		8,000,000 thalers
17. Assistance for the Germans expelled from France		2,000,000 thalers
18. Endowments		4,000,000 thalers
19. Purchase of the Radziwill-Palace in Wilhelmstraße		2,011,328 thalers
	Total	607,243,446 thalers
Remaining		790,846,942 thalers
With interest approx.		793,000,000 thalers
Bavarian share		90,200,411 thalers
Remaining for the other German states		702,799,589 thalers
For their common account, towards paying off the Reich debt for coastal fortifications, extension of office buildings, etc.		6,119,000 thalers
Württemberg receives		28,500,870 thalers
Remaining for North German Confederation, Baden, and South Hesse		668,179,719 thalers
For the common account:		
Operating fund of the postal administration	1,750,000 thalers	
Restoration of the army	106,846,810 thalers	108,596,810 thalers
Remaining for distribution among		559,582,609 thalers
North German Confederation	530,116,053 thalers	
Baden	20,133,182 thalers	
South Hesse	9,333,674 thalers	559,582,909 thalers

Source: F. Hirsch, ed., *Gebhardts Handbuch der Deutschen Geschichte* [*Gebhardt's Handbook to German History*], 6th ed. Stuttgart, 1923, vol. 3, pp. 740-41.

Original German data reprinted in Johannes Hohlfeld, *Deutsche Reichsgeschichte in Dokumenten 1849-1934* [*The History of the German Reich in Documents 1849-1934*]. Berlin, 1927, pp. 85-86.

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