



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

Bismarck's Speech on the Prussian Indemnity Bill (September 1, 1866); Text of the Prussian Indemnity Law (September 14, 1866)

Since his appointment as Prussia's Minister President in 1862, Bismarck had been at loggerheads with liberals in the Prussian state parliament [*Landtag*] over the military budget and the reform of the Prussian army. Because the liberals did not succeed with their political demands, they refused to accept the state budget. Bismarck's response was to invoke the "gap theory," which postulated that the lack of an approved budget could not prevent state affairs from continuing, taxes from being collected, and state funds from being disbursed as usual. Even before Prussia's victory over Austria at the Battle of Königgrätz on July 3, 1866, Prussian liberals had begun looking for ways to work with Bismarck, and the setback they experienced in Prussian elections on the very day of the battle only accelerated their willingness to consider compromise. In August 1866, Bismarck introduced the Indemnity Bill to the Prussian *Landtag*. It retroactively legalized the state budgets from 1862 to 1866. On September 3, 1866, the *Landtag* accepted the bill. The first text reproduced below is an excerpt from a speech Bismarck delivered two days before the bill was passed. In it, he extends a double peace-offering: conciliatory words to his former opponents in parliament and the prospect of a peace with Austria that would consolidate Prussia's hegemony in northern Germany. The second text is a copy of the law itself.

I. Bismarck's Parliamentary Speech on the Prussian Indemnity Bill (September 1, 1866)

The more sincerely the Royal Government wishes for peace, the more its members feel the obligation to abstain from any kind of retrospective criticism, be it in the form of defense or attacks. Over the past four years, we have frequently advocated our respective viewpoints on both sides, sometimes with more bitterness than goodwill, and in these four years, no one has succeeded in convincing the other. Each protagonist believed he was correct in acting the way he did. In external affairs, too, it would be difficult for a peace agreement to materialize if one demanded that it be preceded by the one side acknowledging: "I now accept the fact that I have acted wrongly." We wish for this peace, but not because we are unable to fight; on the contrary, the tide is more in our favor today than it was years ago. We do not wish for peace to evade possible prosecution under a future law on [ministerial] responsibility; I don't believe we'll be charged – but if it does come to that, I don't believe we'll be convicted. Be that as it may, our ministry has been accused of many things, but fearfulness has never been one of them.

We wish for peace because in our view the fatherland currently needs it more than ever before; we wish for it and seek it especially because we believe we can find it at the present moment; we would have sought it earlier if we had had hopes of finding it then; we believe we can find it because you will have recognized that the Royal Government is closer to the tasks to which the majority of you are also committed than you may have thought it to be earlier; closer than the government's silence about things that must be kept silent would entitle you to believe.

For this reason, we believe we can find peace, and we are seeking it honestly; we have held out our hand to you, and the committee report gives us the guarantee that you will shake this hand. We will then solve the tasks that have to be solved in cooperation with you; I certainly do not exclude from these tasks improvements in the domestic fulfillment of promises made in the constitution. However, we will only be able to solve them jointly by recognizing, on both sides, that both sides are in fact serving the fatherland with the same good will, and we must do so without doubting the other's sincerity.

At this moment, though, the tasks of foreign policy still remain unresolved; the brilliant successes of our army have only, as it were, raised the stakes, and we have more to lose than before, but the game is not won yet; the more firmly we stick together at home, the surer we are to win it.

[. . .]

If it is commonplace to say, "What the sword won, the pen spoiled," then I have complete confidence that we will never have to hear, "What sword and pen have won has been destroyed from this rostrum."

Source: *Verhandlungen des preußischen Abgeordnetenhauses 1866/67 [Proceedings of the Prussian House of Deputies]*, vol. 1, pp. 173f.

Original German text reprinted in Ernst Rudolf Huber, ed., *Dokumente zur Deutschen Verfassungsgeschichte [Documents on German Constitutional History]*, 3rd rev. ed., vol. 2, 1851-1900. Stuttgart: Kohlhammer, 1986, p. 101-02.

Translation: Erwin Fink

II. The Prussian Indemnity Law (September 14, 1866)

Article I. The present law shall serve as an annex to the subjoining summary of the state's income and expenditures for the years 1862, 1863, 1864, and 1865, instead of the constitutional and annual accounting for each fiscal year, as a basis for the accounting by the state administration.

Article II. The state administration grants indemnity with regard to the lawfully established and in due course publicized state budget, with the exception of the resolution of the *Landtag* on the release of the state administration from proposal of a yearly accounting, to such a degree, that, considering the responsibility of the state administration, it shall be held as if the stewardship had been managed in the above-mentioned time on the basis of a lawfully established and in due course publicized state budget.

Article III. The state administration is hereby empowered to expend a sum up to 154 million thalers for the year 1866.

Article IV. The state administration is bound to place before the *Landtag* an accounting of the state income and expenditures for the year 1866–1867.

Wilhelm.

Count. v. Bismarck-Schönhausen. Baron. v. d. Heydt. v. Roon.

Count. v. Itzenplitz. v. Mühler. Count. zur Lippe. v. Selchow.

Count. zu Eulenburg.

Source of English translation: Louis L. Snyder, ed., *Documents of German History*. New Brunswick, N.J.: Rutgers University Press, 1958, p. 210.

Source of original German text: "Gesetz betreffend die Ertheilung der Indemnität in Bezug auf die Führung des Staatshaushalts vom Jahre 1862 ab und die Ermächtigung zu den Staatsausgaben für das Jahr 1866, 14. September 1866," ["Law Regarding the Apportionment of the Indemnity with Regard to the Management of the National Budget as of the Year 1862 and the Authorization of Government Spending for the Year 1866, September 14, 1866"] in *Preußische Gesetzsammlung [Collection of Prussian Laws] 1866*, p. 563, reprinted in Ernst Rudolf Huber, ed., *Dokumente zur Deutschen Verfassungsgeschichte [Documents on German Constitutional History]*, 3rd rev. ed., vol. 2, 1851-1900. Stuttgart: Kohlhammer, 1986, pp. 102-03.