

The Adèle Spitzeder Banking Swindle in Bavaria (November 28, 1872)

Abstract

The British Foreign Office appointed diplomatic envoys not only to the capital of the German Confederation and the German Empire but also to the capitals of individual German states. One such envoy who knew Germany well was Robert Morier (1826–1893), who served as British envoy to the Kingdom of Bavaria in the 1870s. In this report from Munich, Morier recounts a banking swindle perpetrated by a middle-aged woman named Adèle Spitzeder. Morier describes how the so-called Founding Era [*Gründerzeit*] in Germany (1871–73), the period immediately after the Franco-Prussian War, opened the door to hucksters big and small, due to the “greed and fanaticism” of the “ignorant population.” His account also shows how rapid changes in Germany’s economy, society, politics, and culture reinforced each other at this time, for instance by fueling anti-Jewish feeling. The humor and sarcasm that Morier sprinkles through his report reflect his astonishment that Spitzeder—“half Saint, half bacchante”—could dupe Bavarians with her “hiccupping benedictions.”

Source

Robert B. D. Morier to Earl Granville, Munich, November 28, 1872

[Received 2 December by Messenger Biehl. For: Gladstone / Chancellor of Exchequer; G[ranville]]

The great Adele Spitzeder banking swindle

Adèle Spitzeder, middle aged spinster, formerly an actress of little professional repute but enjoying extra professionally a very questionable reputation, afterwards bank directress, now in jail on the charge of fraudulent bankruptcy, is undoubtedly the personage who at the present moment deserves the greatest share of attention on the part of any one desirous of making himself acquainted with the social, political and religious condition of Bavaria.

Some two years and half ago the lady in question announced that she was ready to undertake the business of banking for the people.^[1] The wave of liberal reforms which, with the Empire, had broken over Bavaria had repealed the Usury laws^[2] and the Jews were sucking the life blood out of the faithful devotees of an Infallible Pope. But a Saviour had arisen in the person of Adèle Spitzeder. Saint Crispina, as one of her organs in the Press in good faith christened her, had dived into the mysteries of Hebrew finance and had learnt the secret of profitably employing money borrowed at a 100 per cent: her mission, however, being to the poor and needy she would only take small sums, the savings of the peasant, the servant and the artizan. To these she would give 8 per cent per month for their money paying them two months interest in advance. Beginning at first upon a small scale and repaying punctually at the end of three or six months the sums deposited with her the lady after a time found herself at the head of an enormous business.

Having adroitly appealed to the two most powerful forms of the Real and Ideal in a debased and ignorant population, greed and fanaticism, and having taken care that the professional fanatics i.e. the editors and the writers of the Ultramontane Press and the wire-pullers of the Ultramontane party and of the so-called “Catholic” and “Peasant Unions”, should be the first to taste of the forbidden fruit, [note in margin: ‘What?’], she soon found herself, to the great disgrace of Munich, mistress of the entire Press of the capital, three papers only excepted. Between these latter and especially one of them, the Neueste

Nachrichten, the organ of the National-liberal and Imperial, or, as it is here, and with some Justice, termed the Prussian party, and the organs of the people's bank arose a war to the knife, carefully planned and mis [*sic*] en scène by the Spitzeder, by the light of whose flames new victims were daily allured into her nets. The fury of the liberal organs, which in Germany are mostly in the hands of literary Jews, was craftily kept at white heat by the cry of "Down with the Jews" and by daily attacks of the most virulent and scurrilous kind on the Hebrew race in the abstract and individual Rothschild and the like in the concrete. Every outburst which followed on these attacks was a fresh advertisement for the People's Bank.

At last, the Government remaining inactive, though it is asserted that judicial proceedings might at an early period have been instituted, the Society for the Voluntary Relief of the poor, took the matter in hand and endeavored by every means in their power to warn the population of the risk they were running.[3] The result was a run of some days on the bank which, however, after 2 or 300 thousand florins had been paid across the counter, was successfully weathered. And here again political passion and religious fanaticism came to the help of the People's Banker. The Society for the Voluntary Relief of the poor is a liberal society, whose efforts have been mainly directed against the results of Ecclesiastical political-economy and the mendicancy fostered by Monks and Religious Houses. Hence, like everything else in a country passing through such a political crisis as that in which Germany is at present engaged, this Society has a very distinct political color and it was sufficient for it to have been the quarter whence the note of alarm was first sounded and for a run upon the bank caused by that alarm to have been successfully withstood, to stamp a measure, undertaken from purely philanthropic motives, with the character of an unsuccessful attack made by Antichrist upon the Holy catholic religion and to create a delirium of enthusiasm for the victorious benefactress. The infallible Pope, Adèle Spitzeder and 96 per cent was a very successful cry when opposed to that of Jews, Protestants Liberals and Prussians.

During the six months which followed, a sort of madness seems to have seized upon the population and especially the peasant population. In whole districts not only were the Savings' banks entirely emptied but peasant proprietors sold their freeholds, or heavily mortgaged them, to carry the proceeds to the till of Saint Crispina. In the Street in which her bank was situated this holy woman further established an eating house where for 3 Kreuzers pious catholics were regaled with an excellent dinner and beer ad libitum.[4]

She herself the while lived in a style calculated to impress the public mind with the very profitable nature of her business. What amount of truth there may be in the account of the orgies and the scenes of profligacy and low debauchery, which are said to have nightly taken place in the Spitzeder Palace, I shall not pretend to say, because the attacking party cannot be said to have been over choice in the selection of their means of attack. But a wholly unprejudiced eyewitness gave me an account of her progress through a county district in which he happened to be staying, the incidents of which are worth recording. She arrived splendidly attired, at the village Inn, where my friend was dining, with two carriages and four & accompanied by a body guard of some half dozen gentlemen, dressed in black evening coats, white cravats and yellow kid gloves, in one of whom the ostler of the Inn recognized a former waiter and in another the former official sweeper of the Munich cattle market. Hampers of champagne were produced and a feast of portentous dimensions was inaugurated. In a short time the villagers got wind of who their guest was and dense masses of peasants surrounded the Inn and entreated of her to appear. The Lady, flushed with her libations, descended accompanied by her black coated and white cravated following and, half Saint, half bacchante, marched triumphantly through the village between the serried ranks of population, who bowing to the ground kissed her hands, clutched ravenously at the florins she distributed and received with uncovered heads her hiccupping benedictions.

At last the crash came. Not only was the affair assuming financial proportions calculated to cause the most serious alarm but the political side of the question was becoming daily more intensified by the approaching municipal elections. By her great success and popularity and by the lavish distribution of

largesses Adèle seriously threatened to turn the scale against the liberal party which has for some years reigned Supreme in the Municipal Council. Such a victory in the Capital might have disturbed the even balance now existing in the country at large between the two parties. Her bankruptcy on the other hand if it could be brought about before the day of election^[5] could not but lead to such a state of Anti Spitzeder exasperation as would insure victory to the liberal side. The Government, vehemently called upon to take some kind of measure, was at last induced to issue a public warning^[6] which was followed by a sufficient run on the bank to enable a consortium of creditors, doubtless packed by the Managers of the Liberal Press, to call upon the Tribunal to make a preliminary inquiry into the solidity of the Bank. According to the forms of Civil Procedure in force in Bavaria this preliminary inquiry can be accompanied by a preliminary civil arrest, but such was the state of the public mind that the Tribunal did not venture to take this measure without previously calling upon the Government to consign the troops to the barracks and to surround with a military cordon the whole quarter in which Adèle's bank was situated.^[7]

The descent of the police took the lady wholly by surprise and the appearance presented by her house, when the sanctuary had been broken into, is said to have been passing strange. Images of the Virgin Mary, Crucifixes, Mass books with literature of a very different description, articles of female attire of every sort and of the costliest kind, diamond necklaces, string of pearls, jewelry in every shape mingled up with countless bills of exchange heaped up unsorted and unregistered in every nook and corner, on the chairs, on the tables and on the floor, in utter and horrible confusion.

The next day the civil suit was changed into a criminal prosecution for fraudulent bankruptcy. The bubble had finally burst and the panic stricken multitudes woke to the realities of the situation. The assets do not much exceed a million of florins, the liabilities are believed to be probably in excess of 10 millions.

It would be difficult to overestimate the blow which this gigantic swindle has inflicted upon the ultramontane cause, for though it would be most unfair to identify with it the more respectable leaders of the party who, the Archbishop of Munich^[8] amongst the number, did warn the public against the undertaking, yet the fact that Dr. Sigl, the editor of the Vaterland, the most virulent and most active organ of the Ultramontanes, was one of the most conspicuous agents of the bank and that he and the other myrmidons of the Ultramontane Press in return for fabulous sums of money taken out of the pocket of the poorer classes, did inflate the bubble to the ruinous proportions to which it attained, cannot be got over. Nor will the recollection of the sums of 8 and 10 thousand florins given in a lump by the Spitzeder for various "Catholic Unions", and now being digested by those Societies, easily pass away from the public mind. Nor again can the solidarity of the Pope and of the highest dignitaries or the Catholic Church, the Bishop of Mayence^[9] included, with Dr Sigl and the Vaterland, whose efforts on various occasions have received the highest ecclesiastical commendation, be forgotten. In a word the cause of the Infallible Pope, who be it noted has had to deny in a Roman newspaper^[10] the charge of having received money from the Spitzeder, has been hopelessly identified in the eyes of educated Germany with that of this modern financial Circe and her obscene crew, and a proportionate amount of grist has been brought to the Prussian mill.

Apart however from the religious and political aspect of the affair the moral & social mischief caused has been of a very grave kind. Whole classes of the population, who had ceased to work and had lived on their monthly dividends and their 3 Kreuzer dinners, now find themselves not only deprived of their savings but entirely demoralized by months of idleness and riotous living. Large numbers moreover, wholly ignorant of money transactions and who sold or bought Spitzeder bills without the formalities of the law, find themselves, without a notion where the matter will end, involved in civil lawsuits and even in criminal proceedings, and daily fresh arrests take place of persons implicated in the transactions. One murder has already been recorded as the direct consequence of this new kind of Catholic banking, that of a wife by her husband, a peasant who revenged himself with his hatchet for the ruin brought upon him by his wife's faith in Saint Crispina:

“Tantum religio potuit sudere malorum”!^[11]

NOTES

[1] Note in pencil at top of page: “The metaphors are about as good as the divinity. [Illegible initials].” (Footnote from Mößlang and Whatmore)

[2] From January 1, 1872, usury was regulated by § 291 of the Imperial Criminal Code, which superseded the Bavarian Penal Code. (Footnote from Mößlang and Whatmore)

[3] Morier is referring to the first public warning against Spitzeder's operations, issued by the Munich *Armenpflegschaftsrat* on February 27, 1872. (Footnote from Mößlang and Whatmore)

[4] The offices, as well as Spitzeder's private flat, were located on Munich's *Schönfeldstrasse*. The so-called *Volksküche* was opened on September 22, 1872. (Footnote from Mößlang and Whatmore).

[5] The municipal elections were scheduled for November 28-29, 1872. (Footnote from Mößlang and Whatmore).

[6] The ministry of the interior issued public warnings on October 30 and November 5, 1872; on November 7, the Munich police department, in a detailed declaration, also followed suit. (Footnote from Mößlang and Whatmore)

[7] On November 12, 1872, after a preliminary inquiry concerning the bank's assets, the bank was closed and Spitzeder arrested. (Footnote from Mößlang and Whatmore)

[8] Gregor von Scherr. (Footnote from Mößlang and Whatmore)

[9] Wilhelm Emmanuel von Ketteler. (Footnote from Mößlang and Whatmore)

[10] *L'Osservatore Romano*, on November 26, 1872. (Footnote from Mößlang and Whatmore)

[11] Latin: “So much wrong could religion induce.” (Footnote from Mößlang and Whatmore)

Source: British Envoy to Bavaria Robert Morier to British Foreign Secretary Earl Granville, No. 39, Munich, November 28, 1872, The National Archives, UK, FO 9/216; reprinted in Markus Mößlang and Helen Whatmore, eds., *British Envoys to the Kaiserreich 1871-1897*, 2 vols., vol. I, 1871-1883 (Camden Fifth Series, vol. 51). Cambridge: Cambridge University Press, 2016, pp. 448–52. Available online at: <https://www.cambridge.org/core/journals/royal-historical-society-camden-fifth-series/volume/5F056ACE3AF9F8AA0965FC88CBE75926>

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