

# Otto Glagau, *The Stock Market and Founding Era Swindle in Berlin* (1876)

## Abstract

---

Otto Glagau (1834–1892) was an antisemitic journalist and author who held liberalism and the Jews responsible for the onset of the “Great Depression” of 1873–1896. He also blamed them for the decline of German morals. He is best known for coining the phrase “The social question is the Jewish Question.” In this vein, he began to publish a series of articles in the popular journal *Die Gartenlaube* in December 1874. The last article was published a year later, and in early 1876 they were all collected into a book entitled *Der Börsen- und Gründungsschwindel in Berlin* [*The Stock Market and Founding Era Swindle in Berlin*]. In the following excerpt, taken from the book’s foreword, Glagau accuses the Jews of dishonest business practices and stock-exchange swindles during the “Founding Era” (1871–73). But with the same brush, he also tars “Manchesterism”—a contemporary synonym for rapacious capitalism—and economic “freedoms” of all sorts.

## Source

---

### Foreword

Until 1866, we pursued abstract politics in both Prussia and Germany as a whole. The catchphrases were “unity” and “liberty,” and everyone understood something different by them. At festivals and congresses, in associations and parliaments alike, people declaimed phrases and regaled themselves with them. In tradesmen’s associations, district clubs, and other groups, “education” and “enlightenment” were offered, the common people were drilled in preparation for political elections; in the parliaments, doctrinaire speeches were held, unfeasible resolutions passed. Among the masses, the same vagueness, the same confusion prevailed that was found in the heads of the leaders and people’s representatives.

After the War of 1866 and the reshaping of Germany, each and every one of the previous parties disintegrated, and two new ones developed from them. By and large, these two parties may be called the pro-Bismarckians and the anti-Bismarckians, and they were soon designated as “pro-Reich” [*reichsfreundlich*] and “anti-Reich” [*reichsfeindlich*] by a certain side. The long-awaited “unity” had arrived so suddenly—only it had come about in a different way and had assumed a different character than one had dreamed of or planned for. With respect to the outside world, this unity resulted in power and glory; at home, it changed the desire and striving for “liberty” in essential ways.

From that moment onward, the great “liberal” party, which jubilantly and reverently crowded around the statesman against whom it had fought so bitterly until then, struggled less for political than economic or—to be precise—Manchester-school “liberty”: the type that frees the trades, industry, and speculation from any legal barriers, replacing state supervision with “free competition,” and permits capital to do what it will. Instead of one “liberty,” we now received a whole range of freedoms: among them, freedom of theater, freedom of movement, freedom of usury, and above all—freedom of stocks and the stock market. These Manchester-school liberties poured down on us like a cloudburst—they did not allow us to come to our senses and have led us up the creek.

Freedom of taverns pushed the number of beer pubs and Schnapps joints to incredible levels. Freedom of theater blessed us with a plethora of suburban theaters and so-called burlesques, where nonsense reigns supreme and dirty jokes flourish; it threw the German theater, which was already declining

---

rapidly, completely to the dogs. Freedom of movement depopulated rural areas, stole the workers away from agriculture, and flooded the large cities, where brutality and insecurity, indecency and crime, poverty and misery, diseases and mortality have spiked dramatically since then. Freedom of trade harmed the trades and crushed the whole tradesmen class by giving favor to botching and bungling, by granting independence to the immature journeyman or apprentice. It allowed the masters, on the other hand, to sink to the level of paid laborers or factory workers. Freedom of usury granted privileges to the “sharks,” pawnbrokers, and resale traders, those vampires and leeches who stuff themselves silly with concern for neither prudence nor poverty, and who claim many victims from among all social classes. Finally, freedom of stocks—the worst of all—inaugurated the notorious founding and swindling era, set in motion the great stock market orgy, during whose course the entire population was plundered in the most impudent manner; and what inevitably ensued was the serious crisis that has been paralyzing gainful employment and commerce for years, and whose end is in no way foreseeable.

The “liberal” legislators in our parliaments are chiefly Manchester people, and they work, in conjunction with the “liberal” press, mainly in the interests of capital and the stock market. The Manchester-friendly legislation has caused a splendid bankruptcy, and, in order to cover it up, especially to divert attention from the terrible consequences of the criminal stock market and founding-era swindle, the protagonists threw themselves furiously into the *Kulturkampf* [cultural struggle] and are trembling now that it might end.

Government, too, is partly comprised of Manchester people, and the government has a partial responsibility for the ominous economic legislation that it has left almost exclusively to the “liberals,” offering only weak resistance to them from time to time. Even after the “Great Crash,” which already occurred in the midst of the crisis, the “liberals” under the leadership of Messrs Lasker and Bamberger knew how to push through the Reich Bank—that enormous foundation benefitting the financial and stock market barons—and did so against the will of Finance Minister Camphausen, who resisted at first and whose position was called into question.

Among the members of the government, rifts and helplessness prevail. In the Reichstag, Minister Delbrück explicitly emphasized the economic crisis, which he says will last for some time; Minister Camphausen was not willing to own up to it at all. In the [Prussian] Chamber of Deputies, Herr Camphausen remarked: I am convinced that the situation of our worker has never been as favorable as it is now. As a remedy for the ailing economy, he recommended—the reduction of wages. As if wages were not already continuously falling on their own; as if there had not been a work scarcity for a long time already! This provides evidence of just how unfamiliar the minister is with actual conditions! — In the Reichstag, Mr. Camphausen tried hard to exonerate the founders and the stock market at the expense of the public — “The public, enticed by profit-seeking, has encouraged fraudulent enterprises for a long time. The entire nation was more or less seized by a certain degree of swindling.” — “Today, the public has abandoned itself to an overly exaggerated mistrust. Today, funds are withheld, while a whole range of the most solid securities are offering very lucrative investments for them.” — As a result of this capital speech by the minister, the Berlin Stock Market attempted to stage a rally in late November; it failed dismally, however.

Although all branches of industry are languishing, trade and commerce are stagnating, new bankruptcies are being declared daily, and more workers are losing their job every day. The Manchester people—first and foremost, Herr Lasker—and the “liberal” press are nevertheless denying any actual state of emergency; and they dub those newspapers that take a stance against Manchester School mismanagement and warn of the dangers stemming from it partly as “scandal sheets” and partly as the “yellow press.”

Since 1866, we have essentially been conducting social politics. Since the “Great Crash,” world history no longer revolves exclusively around Prince Bismarck. Glory is certainly an intoxicating beverage, but it is

---

not filling for everyone; nonetheless, everyone demands (and demands first and foremost) nourishment and the bare necessities of life. Economic “liberties” cannot compensate for mounting taxes and burdens, for the abnormal price increases over recent years, and for the uncomfortable and unhealthy conditions that are arising in all areas. The Manchester-style economic policy has benefited only a small minority, primarily financiers and speculators; it has inflicted deep wounds on the people. The stock market and founding-era swindle has reduced our national assets by billions, produced general ill humor and bitterness, and supplied Social Democracy with droves of new followers.

The Manchester policy is actually dangerous to the public and the state. All upright and well-meaning people must fight it vigorously and join forces for this purpose, no matter what their party affiliation. One can already observe how newspapers of the most heterogeneous inclinations, clerical and democratic ones, conservative and Social Democratic ones, including those alleged “scandal sheets” and the “yellow press,” are joining hands and taking action against the Manchester “liberals” and the “economists,” against the exploitation of the people by the stock market, swindling, and usury. The bulk of the people are still under the spell of the “liberal” press, which leads them by the nose and fleeces them; there are still many, all too many people who are allied to capital and the stock market because of self-interest or fear; the honest and the brave still account for but a small handful of people, but their number is growing visibly, and their time will come very soon.

[...]

The Jews in particular feel hurt by my articles. Even before I stated the fact that they are mostly to blame for the stock market and founding-era swindle, their bad conscience prompted them to agitate against me. First, in response to the animosities and machinations that were directed against my essays; to completely justify and account for them; but at the same time also to show that I shall not be intimidated, I have included a variety of additions regarding the Jews in this book edition; they can be found in particular on p. 148ff and in the supplements. (p. 342ff.)

However, to prevent honest misunderstandings, to counter dishonest suspicions and denunciations, I expressly declare, by paraphrasing Windthorst, the member of the Reichstag from Meppen, that I do not intend to kill or slaughter the Jews, or to drive them out of the country; I do not intend to deprive them of anything they already possess, but I do intend to give them a working over and a fundamental one at that. No longer must misplaced tolerance and sentimentality, wretched weakness and fear prevent us Christians from taking action against the excesses and arrogance of the Jews. No longer must we tolerate the fact that Jews are everywhere forcing their way to the front, to the top, seizing the leadership and doing the talking. They always push us Christians aside, they push us against the wall, and they take away our air to breathe. They actually exercise sovereignty over us; they have a dangerous supremacy, and they exert a very ominous influence. After many centuries, it is once again the case that an alien tribe so small in number is dominating the great true nation. The entire history of the world knows no other example of a homeless people, of a race that is decidedly degenerate both physically and psychologically, having dominion over the entire world merely by means of cunning and cleverness, usury and haggling.

We can learn something from the Jews. From the baptized minister to the Polish scrounger, they comprise a single chain; joined tightly, they put up a united front against the Christians whenever the opportunity arises. Prince Bismarck, as his countless libel and slander suits demonstrate, has a very sensitive character and is certainly a powerful man. Yet you may insult the Reich Chancellor ten times more often than the shabbiest Jew. Just look askance at some Jewish junk dealer, and immediately the call resounds from Gumbinnen to Lindau, from Meseritz to Bamberg and Oppenheim: Israel is in danger! Mendel Frenkel, a Jew imprisoned in some Galician hole for fraud or theft, demands kosher meals in prison, and since he does not receive them, the entire European press clamors about judicial murder!

---

One Jew always takes care of the other; they incessantly promote each other in the most furious manner. Their writers and artists, their scientists and politicians are the talk of the town; they are paraded every day in the newspapers, showered with honor and rewards. If a Christian had put forth Lasker's "revelations," they would have received little attention, would have been forgotten quickly. But this way, the Jews put little Lasker on a pedestal the size of Mont Blanc; they praised and celebrated him as the personification of unselfishness and courage; they made him into a Jewish saint. Mr. Lasker, however, does not live on air but on a sinecure that he holds through the city mortgage bond office. And before that, when he was merely an unpaid candidate for public service, he received a hefty editor's salary from the *National-Zeitung*. Whether he still receives it I do not know. Eduard Lasker, too, just like the sun, is hardly free of spots. One spot, for instance, is his connection with Mr. Pelckmann, who betrayed his employer, Privy Councilor Wagener, to supply Lasker with the material for the "revelations," and who is now behind bars because of misappropriation. Another spot is Lasker's uncontrollable vanity, which he certainly shares with his entire people. Immediately after the "revelations," he published *Adventures of a Man's Soul* [*Erlebnisse einer Mannesseele*], in which he tells of his countless amorous affairs(!), and about which the publisher, Berthold Auerbach, said: "Compact and brief in form, noble and mature in content; these pages will, in my view, be of lasting value to German literature." Nevertheless, the entire edition was bought back for 5–8 thalers per copy because Herr Lasker realized that he had seriously compromised himself as well as various families. In the Reich Justice Commission, Herr Lasker tried to draw attention to himself through such a marvelous petition that afterwards he was forced to leave this body "because he was overburdened with work." Recently, he has rejoined the commission unnoticed.

The *Kulturkampf* was just what the Jews were waiting for, and they cannot get enough of it. The *Kulturkampf* is supposed to make people forget the stock market and founding-era swindle and gloss over the serious crisis and general state of emergency. If the Catholics were clever enough to make their peace with the national government—and it appears now as if there were inclination to do so on both sides—one would soon be able to recognize the common enemy; the true enemies of the Reich who have damaged the reputation of the German people so badly, who have so quickly cast a cloud over the glory of the new Reich. This is the reason why the *National-Zeitung* is full of worry and restlessness, calling out: No conciliation! We demand unconditional submission of the clerics! Even the word "peace" is offensive to it, causing it to scold the *Provinzial-Correspondenz*, which had used the term. When some in the Reichstag made moves to inquire about certain questionable railway priority bonds that had swindled money from the Reich Disability Fund, the *National-Zeitung* threatened the Center Party as though it were a small child, evoking the specter of the Reich Chancellor's "big and horrible-looking black briefcase," which would empty new anti-church laws all over Catholics; and to calm such unpleasant inquiries as much as possible, to exorcize the "scandal," it even began to flatter its feared adversary, Herr Windthorst, and it flattered Herr Bebel as well. At the start of the Reichstag session, it was terribly worried that the government might break with the Manchester policy, until an article in the *Provinzial-Correspondenz* allowed it to breathe a sigh of relief again. "Nothing has changed!" it rejoiced, suddenly praising the "serious and stately style" of the semi-official publication. But an amendment to the criminal law once again put it in a very embarrassing situation, and it did not know how it should twist and turn. On the one hand, it pulled Prince Bismarck along; on the other hand, it was embarrassed before the nation, fearing the upcoming elections. It lamented: "All of the criminal code paragraphs in the entire world cannot compensate for the damage that is caused when the unity between the government and the Reichstag majority is called into question!" And in fact, eventually it was prepared for a compromise again. At the end of the year, it is beating its breast and declaiming: "Prince Bismarck is a self-contained personality, and the National Liberals are even more unwavering"(!) Well, we will see about that! We would like to wait and see what kind of leaps and bounds the National Liberals and the Manchester people will perform to cling to the helm, and what will be left of them after the next elections!

[...]

---

My articles have brought about a great reversal in public opinion: Morally, the founders and founders' cronies have already been sentenced. The nemesis, too, is advancing—though very slowly as yet. Already some of the wretched have taken their own lives; recently, every now and then, the state prosecutor grabs one of them.

As I do not have to emphasize in particular, these essays are going far beyond the jobbers and founders, beyond the stock market and the Jews. They are directed against corruption in a society that is infiltrated by shady elements from top to bottom. They are aimed against corruption in the press—a press that has, generally speaking, declined immensely, and has become a prostitute up for sale. They are aimed against corruption in the parliaments, which require a rigorous purge. May the German nation look to the next elections, may it remember well the founders and the founders' cronies! If, with respect to his political friends who were involved in the founding, Herr Lasker wishes to distinguish between reputable and disreputable foundations, between reputable and disreputable participation, then this amounts to mere sophistry. There are no reputable foundations and no reputable founders or co-founders from the swindling era. Anyone who participated in the founding has also been paid for it, and namely always at the expense of the shareholders who were fleeced. Those who wish to act as the people's representatives and as legislators must above all have clean hands: Yet none of the founders and accessories to the founders has clean hands!

Source: Otto Glagau, *Der Börsen- und Gründungsschwindel in Berlin*. Leipzig: Paul Froberg, 1876, pp. 5–9, 30–35. Available online at:  
<https://www.digitale-sammlungen.de/de/view/bsb11335338?page=,1>.

Translation: Erwin Fink

Recommended Citation: Otto Glagau, *The Stock Market and Founding Era Swindle in Berlin* (1876), published in: *German History in Documents and Images*,  
<<https://germanhistorydocs.org/en/forging-an-empire-bismarckian-germany-1866-1890/ghdi:document-1814>> [July 02, 2025].