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## Preface to Gottfried Feder's Manifesto

### Description

by Alexander Jacob

Gottfried Feder was born in 1883 in Wurzburg and studied engineering at the Technical Universities in Munich, Berlin and Zurich. After the completion of his studies he set up a construction company of his own in 1908 under the aegis of Ackermann and Co. and undertook several projects in Bulgaria. From 1917 onwards he taught himself financial politics and economics and, in late 1918, not long after the proclamation of the Weimar Republic by Philipp Scheidemann in November of that year, Feder wrote a manifesto on usury[1] and sent it to the Kurt Eisner government, though he obtained no response. The Treaty of Versailles signed in June 1919 which determined Germany as solely responsible for the war and liable to reparations caused Feder to fear that Germany was now firmly in the hands of the international financiers. In September of that year, Feder established a militant league (Kampfbund) for the breaking of interest slavery and the nationalisation of the state bank. His anti-capitalism was bound also to racialism insofar as the international financiers were considered to be mostly Jews.

Feder's nationalist efforts drew him into a close alliance with the anti-Communist activist Anton Drexler (1884-1942) and Dietrich Eckart (1868-1923), the editor of the anti-Semitic journal Auf gut deutsch and later, of the National Socialist organ, Volkischer Beobachter. The three together formed, in January 1919, the Deutsche ArbeiterPartei(DAP)[2]. Adolf Hitler joined the DAP in late September 1919 and soon emerged as the leader of the party, which he renamed the Nationalsozialistische Deutsche Arbeiterpartei (NSDAP). Hitler too was influenced by the doctrines of the Thule society. had, even before his joining the party, attended Feder's lectures on economic subjects and wrote later in his Mein Kampf (1925/6) of this occasion:

For the first time in my life I heard a discussion which dealt with the principles of stock-exchange capital and capital which was used for loan activities ... The absolute separation of stock-exchange capital from the economic life of the nation would make it possible to oppose the process of internationalization in German business without at the same time attacking capital as such, for to do this would jeopardize the foundations of our national independence. I clearly saw what was developing in Germany and I realized then that the stiffest fight we would have to wage would not be against the enemy nations but against international capital.[3]

In the Foreword to the original 1923 edition of the current work, Der deutsche Staat, Hitler wrote that in this work the National Socialist movement had indeed acquired its "catechism"[4].

In 1920, Hitler, along with Feder and Drexler, composed the '25 point Programme' of the NSDAP. This programme rejected the Treaty of Versailles and called for a reunification of German peoples along with an exclusion of aliens, especially Jews, from national life. In February 1920, Hitler held a rally in which he presented the programme to the German people. Later, in 1927, Feder published a comprehensive version of the programme entitled Das Programm der NSDAP and seine

weltanschaulichen Grundlagen. In 1923, Feder offered a further elaboration of his national economic views in the present work, *Der deutsche Staat auf nationaler und sozialer Grundlage* [5], which was re-issued in 1932 in the “Nationalsozialistische Bibliothek” series [6].

Feder took part in Hitler’s failed Beer Hall Putsch against the Bavarian government in 1923 but was only fined 50 marks for unlawful assumption of authority since he had acted, for a day, as the new “finance minister”. In 1924, he was elected a representative to the parliament. In parliament, he demanded the confiscation of Jewish property and the freezing of interest-rates, which were key elements of the anti-capitalist programme of the party. In 1926 Hitler entrusted Feder with the editorial direction of a series of books on National Socialist ideology under the title “Nationalsozialistische Bibliothek” (National Socialist Library). In 1931, Feder was appointed chairman of the economic council of the NSDAP. But gradually, under pressure from big industrialists like Gustav Krupp, Fritz Thyssen and Emil Kirdorf, Hitler decided to distance himself from Feder’s socialist ideas. [7] With Hitler’s strategic alliance with big industrialists and capital, even foreign capital, for his intended war on Bolshevism, Feder lost most of his influence on the party since foreign banks especially would not have supported Feder’s plans for a nationalised interest-free banking system. The loss of interest in Feder’s economic policies among the party members is evidenced in Hans Reupke’s book *Der Nationalsozialismus und die Wirtschaft* (1931), where the author stated that it was no longer necessary to deal with the “breaking of interest slavery” in “the extreme form in which it first emerged” [8].

Thus, when Hitler assumed power in 1933, Feder was not named Economics Minister but rather only State Secretary in the Economics Ministry. However, Feder published in 1933 a collection of his essays entitled *Kampf gegen die Hochfinanz* as well as a book on the Jews called *Die Juden*. In 1934, the influential banker Hjalmar Schacht was made Economics Minister since his contacts with the big industrialists made him more useful to Hitler in his rearmament aims than Feder with his stark anti-capitalist doctrines. Feder’s subordination to Hjalmar Schacht was indeed a concrete sign of his fall from grace. After the Night of the Long Knives in 1934, when left-wing nationalists like Gregor Strasser were assassinated, Feder withdrew from the government. In 1936, he was given a new job as professor at the Technical University in Berlin which he maintained until his death in 1941.

Feder’s *Deutscher Staat* is indeed one of the most important treatises on National Socialist economics. [9] However, it has a precedent in the Austro-Hungarian Bohemian German, Rudolf Jung’s work, *Der Nationale Sozialismus* (1919). Rudolf Jung (1882-1945) was a civil engineer from Jihlava (in the current Czech Republic and former Austro-Hungarian Empire) who joined the Bohemian Deutsche Arbeiter Partei (DAP) in 1909. The DAP was founded in 1903 in Aussig (now Ústí nad Labem in the Czech Republic) by Germans threatened by the increasing Jewish and Czech influence in the empire. It was renamed Deutsche Nationalsozialistische Arbeiter Partei (DNSAP) in 1918. Jung’s work *Der Nationale Sozialismus: seine Grundlagen, sein Werdegang und seine Ziele* (1919) was intended as a German nationalist answer to Marx’s *Das Kapital*. [10] The work is divided into two parts, the first dealing with ‘The Foundations of National Socialism’ and the second with ‘The Development and Goals of National Socialism’. Jung’s nationalism focusses on social and economic questions and, exactly like Feder, Jung stresses the difference between income derived from real work and that arising from interest.” [11] His strong socialist and anti-Jewish viewpoint is evident throughout this work:

All non-socialist parties are based in the main on “individualism”, i.e. the demand for the

greatest possible freedom and lack of constraint of the individual. Economically it is expressed in Manchester liberalism and, further, in Mammonism. The ruthless ruler who is tormented by no pang of conscience is the goal, the weaker man falls thereby under the wheels. Now, since the Jew is the most ruthless, he can fare best thereby. Thus all non-socialist anti-Jewish orientations unwillingly support the rise of Jewry to world-rulership.[\[12\]](#)

Further, democracy itself is the vehicle of Jewish international capitalism: If we were to sum up, we might say that the entire international democracy whose alleged ideals the major press and parties represent and on whose flag they swear, is nothing but the political crystallisation of the Jewish spirit and, in the final analysis, serves no other goal but the establishment of the world-rule of Jewry.[\[13\]](#)

Another writer who contributed to the exact identification of the Jewish constitution of international high finance was Heinrich Pudor (1865-1943), who also wrote under the pseudonym Heinrich Scham (the German translation of the Latin "pudor"). Pudor was a vegetarian and naturist who, from 1912, published several anti-Semitic pamphlets and books including an extensive series on the international connections between the various Jewish high financiers. [\[14\]](#) Feder refers sympathetically to Pudor in the present work. However, Pudor's magazine *Swastika*[\[15\]](#) was banned in 1933 by the National Socialists for its criticisms of the National Socialist leadership and the regime's surprising toleration of Jews. Further, five issues of the series on Jewish high finance were banned including no. 13, *Neues über Br. Roosevelt und seine jüdischen und Kommunistischen Verbindungen*, and no.49, *Judendammerung. "Juden unerwünscht". Keine jüdischen Rechtsanwältinnen mehr. Ende der Judenfinanz in Deutschland*, on account of what a state official, Raymund Schmidt, described as Pudor's "no longer opportune polemical methods which were indeed exploited by the English recently for the purpose of counter-propaganda."[\[16\]](#)

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Feder's treatise on national economy, like Rudolf Jung's, is remarkable for its strong moral foundation and its formulation of National Socialism as a movement for social justice as well as for national regeneration. Unlike capitalism with its "soul-destroying materialistic spirit of egoism and avarice with all its concomitant corrupting manifestations in all fields of our public, economic and cultural life" (p.47) [\[17\]](#) and unlike Marxism, which insists that everything should belong to the One, which might be either the State or Mammon controlling it, National Socialism wishes to revert to the mediaeval and Prussian dictum of "sum cuique", 'to each his own', whereby each person will earn as much as he deserves according to his performance of work, with the fullest possible responsibility, as a duty. Economically, this moral doctrine is translated into the doctrine of serving "the public interest" before self-interest. Not profitability but fulfilment of demand is the National Socialistic basis of the economy.

Unlike Marxism, National Socialism will not prohibit private property but respect it as the privilege of the creative and productive Aryan man. On the other hand, the mobile Jewish mind has no deep connection with the land but rather exploits the productions and property of the natives financially through all sorts of legal claims, bonds and mortgages, whereby "property" is turned into a profitable "possession" (p. 18). In order to counter these avaricious strategies of the Jews, the National Socialist state will enforce limitations on the right to property, personal or commercial, so that in all cases the welfare of the whole, the nation, rather than of individuals will be first served. In Feder's discussion of the party's programme in Part II, we note that, since the social policy is "the welfare of the whole", the financial policy of the National Socialist state is accordingly directed against those financial powers

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who tend to develop “a state within the state” (p.44). As he puts it:

In the last and deepest analysis, it is a matter of the battle of two world-views that are expressed through two fundamentally different intellectual structures – the productive and creative spirit and the mobile avaricious spirit. The creative spirit rooted in the soil and yet again overcoming the world in metaphysical experience finds its principal representatives in Aryan man — the avaricious, rootless commercial and materialistic spirit directed purely to the this-worldly finds its principal representative in the Jew (p.47).

The strength of Germany before the war was due to its unity under Bismarck and its efficient industrial sector. This advantage was undermined by the dependence of the economy on the credit system of the banks and “the inventors and bearers of the modern credit system” are the Jews (p. 54). The mediaeval system of credit was based on the belief (“credo”) of the creditor that his money could be used to greater economic advantage by the debtor whereby the debtor, if successful in his enterprise, may return a share of his profits in gratitude to the creditor. Standardised interest, on the other hand, was forbidden by the Church as usury (p.71). Feder advocates a return to the conception of money as a token of “performed work” or of a product so that money cannot, independently of any work, be hoarded for the purpose of being lent out later at interest.

Feder further points out that it is the stock-market that lies at the basis of the alienation of capital from work:

Anonymisation – the depersonalisation of our economy through the stock-marketable form of the public limited company – has to a certain degree separated capital from work, the share-holder knows in the rarest instances something of his factory, he has only the one-sided interest in the profitability of his money when he has invested it in the form of shares (p.55)

Apart from the indifference of the shareholder to the quality of the goods produced by the company in which he invests, the market in general has diverted production from its legitimate task of fulfilling real needs to that of stirring up – through the Jewish market-crier’s technique of advertising – artificial needs among the public that will bring in greater profits. This fundamental transformation of national economics has been supported in academic circles by Jewish scholars who restrict their economic analyses to descriptions of the current economic system rather than investigating its social and political legitimacy. This sort of intellectual subversion is further continued by the Jewish intelligentsia in the fields of art, entertainment and the press.

The major source of the current distress of Germany is indeed the interest owed to large loan capital. The burden of interest has indebted entire nations to international high finance and forced them to become interest-collectors for the latter which they do by taxing the working people ever harder. Feder rightly calls this false economic process an “international fraud” (p. 86). The power of international finance has however grown so great that it was able to encircle Germany as soon as it perceived that its currency was rising in strength and independence. Once they succeeded in militarily defeating Germany, the international financial powers then enforced further enormous debt burdens on it through the Treaty of Versailles. Feder therefore proposes the cancellation of the payment of the interest on these debts to the Allies (p.97). Indeed, the remedy to the interest burdens of all nations to international finance is the legal abolition of interest (p. 94). And this is simultaneously the solution to the Jewish question itself: The solution of the interest problem is the solution of the Jewish question.

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The solution of the interest problem in the sense of our explanations is the breaking of the Jewish world-rule, because it smashes the power of world Jewry – its financial power.

The fullest representation of the socio-economic interests of a nation should be the state, and its industries should be models of efficiency and commercial success. One example of such an industry in Germany is indeed the transport industry and especially the German railways. Unlike Bolshevism, which seeks to control all production, the National Socialist state will, through the establishment of storage and distribution cooperatives under state supervision (p. 17), remove only the avaricious interference of private commerce between production and consumption. As the means of exchange necessary for the exchange of goods, money will be under the control of the state through a nationalised state bank.

Instead of borrowing money from private banks, the state should, in the case of all large public works projects, finance the latter through the issuance of interest-free notes of its own. The Reichsbank's sovereignty of issuing notes must be regained through nationalisation (p. 72). Freed of interest-burdens to banks, the state will ultimately be able to operate in a mostly tax-free manner (Ch.22, 'The state without taxes'). Taxes will be restricted to the coverage of non-productive tasks such as the administration of justice, the police system, medical and educational systems, if the commercial enterprises of the state such as the railways post and telegraph, mining and forestry do not present surpluses wherewith to pay for these tasks (p.92). International transactions should be conducted through a clearing system rather like that of the international postal union "without the international finance benefiting two or three times in all these simple mercantile operations and becoming big and fat at the cost of the productive nations" (p. 77).

But the state must be powerful if it is to effect any reforms. Unfortunately, the Weimar Republic has abjectly accepted the monstrous burden of guilt after the war with the result that "the members of the Chosen People can, on these reparations, forever lead a glamorous work-free life in all the countries of the world at the cost of German work." (p. 19). The crisis faced by Germany after the war was facilitated by parliamentarianism and Mammonism. The "great democratic lie of the capacity of the people for self-government" is to be combated along with the real capitalistic rulers of democracies. Marxism likewise is a sham socialist system that employs the dissatisfaction of those exploited by Mammonism for the benefit of the "handlers for international capital" in order to "divert from themselves the hatred of the exploited" (p. 25).

The majority of the principal Marxists as well as Mammonists are Jews, and so "The Jewish question is becoming a world-question on whose solution the welfare and woe of the nations will be dependent" (p. 26). The solution of this question cannot be through violence since "indeed one cannot kill the plague bacillus individually, one can only eradicate it by cutting off its life necessities from it" (p.26). A suggestion of what might be done to reduce their ill-earned gains is contained in point 17 of the party's programme which envisages creation of legal possibilities of confiscating if necessary land that was acquired in an illegal way or not administered according to the viewpoint of the welfare of the people. This is directed thus mainly against the Jewish land speculation companies (p.47)

Further, a removal of Jews from all public positions will cause no difficulty to the nation since "the real vitally important productive activity in industry and agriculture, in the professions and administration, is almost entirely free of Jews" (p. 38). Concomitant with the removal of Jews from the "national body" is the enforcement of new citizenship laws whereby the citizenship rights will be "acquired" by the citizens

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and not merely granted to them. Thus only those who pledge themselves to the German community and culture and do not continue an adherence to another nation can obtain these rights (p.39).

The National Socialist state will be a strong state that includes all the German tribes and its power will be concentrated in a strong leader, or autocrat, who embodies “the highest responsibility” (p.22)<sup>[18]</sup> since the German people have traditionally wanted a strong leader, and monarchs are not always to be relied upon. The leader of the National Socialist state, on the other hand, is not envisaged as a permanent ruler but one chosen only for the re-establishment of order and prosperity of a debilitated nation. After he has accomplished his goals he may step aside to let other rulers take his place under the constitution. Indeed, the National Socialist state may be characterised as a constitutional autocracy (p.31). The constitutional aspect of the state will be used especially to ensure an effective labour law and social insurance (p.23). Obviously, in a German national state, no members of foreign races can assume the leadership of state affairs (p.22).

Feder is aware of the adverse reaction of the international financiers to such autarkic measures but he believes that a transformation of interest-bearing bonds into interest-free bank assets or postal cheque accounts (p. 96) wherewith foreign creditors can be paid will avert the wrath of the latter. He also suggests that boycotts can be overcome through transactions with neutral countries. As for military action, he believes that it is not likely to be pursued by the foreign creditor nations since if the German people saw the French or Jewish tax collector sitting in every tax- and pension office, and if the best cows were taken from the stalls of the farmers by these foreign oppressors – then the anger and indignation would perhaps become soon so strong that one night would sweep the foreign spectre away with a bloody broom and free Germany, (p.97)

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We see that, in spite of the lucidity of his economic doctrines, Feder rather underestimated the unforgiving nature of the Mammon that he was striving against. In keeping with Feder’s doctrines, the Nationalist Socialist state officially cancelled the war debt to the Allied nations and sought, from 1933 on, to combat the cumulative deflation by the creation of money and work.<sup>[19]</sup> Work was created by increasing public works activity, such as notably the building of super-highways, and other construction and agricultural projects. These projects were financed, as Feder had recommended, by the issuance of government bills. The production of armaments especially was spurred by the use of the so-called ‘Mefo’ bills<sup>[20]</sup> – named after Schacht’s Metallurgische Forschungsgesellschaft (Mefo), which served as a government holding company.<sup>[21]</sup> These bills were used by government contractors for payment of their needs and were valid as a form of currency. As a result of these economic strategies, as Overy notes, “the banks increasingly became mere intermediaries, holding government stock and helping in the job of keeping bills circulating in the way that the government wanted.”<sup>[22]</sup> Tax levels were simultaneously reduced for farmers, small businesses and heavy industry through the “remission of taxes already paid”.<sup>[23]</sup> However, Hitler was also dependent in his ambitious rearmament plans on foreign finance, which certainly would not have accepted Feder’s insistence on an abolition of interest.<sup>[24]</sup> The National Socialist economy was an increasingly state-controlled one that sought to avoid inflation by controlling prices and wages and foreign trade. Autarkic restrictions on imports were offset by bilateral barter agreements. Whether the war that began two years after the 1937 edition of Feder’s work was, as Feder’s view of the role of international finance in the first World War would suggest, another effort to punish Germany’s financial independence under National Socialism or whether it was indeed secretly willed by the international financiers for their own geopolitical ends, the increasing

losses suffered by Germany in the course of it certainly provoked Hitler into attempting to “sweep the foreign spectre away with a bloody broom”, as Feder had predicted.

But neither Feder nor Hitler may have foreseen the severity of the revenge – more cruel since more lasting than that after the first World War – that the international Jewish interests would take on Germany after its defeat in 1945. While Feder hoped that other nations of the world will also eventually follow the German example and “mankind, freed of the Jewish oppression, will experience an age of unprecedented prosperity – and, above all, Germany – the heart of the world”, the opposite of that indeed has occurred, since most of Europe has been turned into “a slave, fellaheen, bondman and servant of the all-Jewish world-power” (p. 35). And the heart of Germany itself, drained by a tyrannical psychological control of its population, has virtually stopped beating.

## Notes

[1] Manifest zur Brechung des Zinsknechtschaft des Geldes, Diessen vor Munchen: Joseph C. Huber, 1919; cf. The Manifesto for the Breaking of the Financial Slavery to Interest, tr. Alexander Jacob, Carshalton, Surrey :Historical Review Press, 2012.

[2] Another major early member was Karl Harrer (1 890-1926), who joined the party in March of 1919. Harrer, like Drexler, was a member of the occultist Thule society in Munich, which was an off-shoot of the Germanen Order founded in 1912 by Theodor Fritsch. Eckart

[3] Adolf Hitler, Mein Kampf, tr. James Murphy, London: Hunt and Blacketl 1939, pp 168,171.

[4] See below p. 1 .

[5] This work was translated by E.T.S. Dugdale as The Programme of The NSDAP The National Socialist German Workers' Party and its General Conceptions, Munich, 1932.

[6] For my translation I have used the 1932 edition, vol.35 of the “NationalOzialistische Bibliothek” series.

[7] For the part played by big industries in Hitler’s rise to power see G. Hallgarten, “Adolf Hitler and German heavy industry 1931-1933”, Journal of Economic History, 12 (1952).

[8] H. Reupke, Der Nationalsozialismus und die Wirtschaft, Berlin, 1931, pp.29ff.

[9] The closest to National Socialist economics is the Social Credit movement founded in Britain by C.H. Douglas (1879-1952), whose work Economic Democracy was published in 1920 (see F. Hutchison and B. Burkitt, The Political Economy of Social Credit and Guild Socialism, London: Routledge, 1997). Douglas influenced Oswald Mosley’s British Union of Fascists in the thirties (see Kerry Bolton, “Breaking the bondage of interest, part 2”, Counter-Currents, August 11, 201 1, <http://www.counter-currents.com/2011/08/breaking-the-bonilagc-of-interesta-right-answer-to-usury-part-2/>)

[10] It was on his suggestion that Hitler changed the name of the German branch of the DAP in 1920 to Nationalsozialistische Deutsche Arbeiterpartei (NSDAP).

[11] Feder's manifesto on interest-slavery was interestingly published in the same year as Jung's work on National Socialism.

[12] Rudolf Jung, *Der Nationale Sozialismus*, Munich, 1922, p. 1 87f.

[13] J6W.,53f.

[14] The pamphlets that he self-published (in Leipzig) in this series, "Die internationalen verwandtschaftlichen Beziehungen der jiidischen Hochfinanz" (The international kindred relationships of Jewish high finance'), between 1933 and 1940 present short historical accounts of the different branches of Jewry in various countries of Europe as well as in America. For instance, the first pamphlet is on Das Haus Rothschild, numbers two to four on Ginsberg und Giinsbeig und Asher Ginzberg, five to eight on Jakob Schiff und die Warburgs und das New Yorker Bankhaus Kuhn, Loeb & Co., nine to ten on Amsterdamer und Oppenheimer Juden, eleven on Franzosische Finanzjuden, twelve on Tschechoslowakische Finanzjuden, fourteen on Rumdnische Finanzjuden, fifteen on Lessing und Moses Mendelssohn und das Bankhaus Mendelssohn & Co. , seventeen on Polnische Finanzjuden, eighteen on Schwedische Finanzjuden, nineteen on Hollandische und belgische Finanzjuden, twenty on Frankfurter Finanzjuden und die I.G. Farben, twenty-one to twenty-three on Englische Finanzjuden, thirty-four to thirty-eight and forty-three to forty -four on Tschechische Finanzjuden and thirty-nine to forty-two on Ungarische Finanzjuden. In addition, he published, in Halle, a similar work on Amerikanische Finanzjuden (1936).

[15] Seebelowp. 118

[16] „nicht mehr zeitgemaBen Kampfmethode, die sogar von den Englandern in jiiingster Zeit zum Zwecke der Gegenpropaganda ausgeschlachtet wurden“ (see Gerd Simon. „Chronologie, Pudor, Heinrich“, <http://homepages.uni-tuebingen.de/gerd.simon/ChrPudor.pdf>. p.19f.)

[17] All page-references are to the present edition.

[18] The "Führer principle" was championed also by Rudolf Jung in his *Nationale Sozialismus*, p.177f.

[19] See G. Senft, „Anti-Kapitalismus von Rechts? – Eine Abrechnung mit Gottfried Feders 'Brechung der Zinsknechtschaft'“, *Zeitschrift für Sozialökonomie*, 106 (1995), pp. 18-32.

[20] According to Henry Liu: "through an independent monetary policy of sovereign credit and a full-employment public-works program, the Third Reich was able to turn a bankrupt Germany, stripped of overseas colonies it could exploit, into the strongest economy in Europe within four years, even before armament spending began" (Henry C.K. Liu, "Nazism and the German economic miracle," *Asia Times Online*, 24 May 2005, [http://www.atimes.com/atimes/Global\\_Economy/GE24Dj01.htm](http://www.atimes.com/atimes/Global_Economy/GE24Dj01.htm))

[21] Hitler's eagerness to rearm Germany is not surprising in the light of the eastern expansionist and anti-Bolshevist foreign political aims outlined by him already in *Mein Kampf*, Vol. II, Ch.14.

[22] R.J. Overy, *The Nazi Economic Recovery 1932-1938*, Cambridge: Cambridge University Press, 1996, p.43.



[23] Ibid, p.3

[24] See the web-log by „Scanners“, „Gottfried Feder und das zinslose Geld“, <http://www.utoxia.de/blog/umweltpolitik/gottfried-feder-und-das-zinslose>. The western financial powers may have partly supported Hitler’s effort to check the westward spread of Bolshevism. For American involvement in National Socialist finance, for example, see Anthony C. Sutton, *Wall Street and the rise of Hitler*, Sudbury: Bloomfield Books, 1976.