

New Foundations of the State

The foundation upon which generations can newly build for centuries to come
State Councillor Dr. Ley on important political and economic questions

Revolutions arise from either reason or unreason. If unreason has stood godparent to a revolution, then the upheaval is a false one and already bears the seed of death within itself. Only reason can produce great and true revolutions, which will go on to be the foundation of a people's history for centuries to come. Reason will always carry off the victory over unreason, because the divine world order is governed by countless billions of eternal laws, which ultimately strive toward one goal: harmony and unity.

The French Revolution was born of unreason and chaos. Both its external appearance and its content was an affront to eternal law; it set up doctrines that served only disharmony and decay. Phrases of Liberté, Égalité, Fraternité were meant to create a new world that ran contrary to every law of nature.

From “freedom” arose the greatest bondage. From “equality” grew stratified classes, and from “fraternity” came class struggle. All bonds were dissolved. From a unified people arose clusters of interests. From blood-related people came mortal enemies. From the struggle for self-preservation came a war of all against all.

Laws and principles that were evident for the individual and his family were blatantly denied for the whole of the nation, the people, and the state. In place of leadership came the majority of parliaments. In place of responsibility came, logically, corruption. Thus the earth gradually became hell, nonetheless it was claimed that all of this was the meaning of divine order.

It is to be regarded as a miracle that the peoples of the earth—especially our people— have not been broken under this madness and absurdity. And precisely the fact that this people has endured this time of deepest decline is the proof of the unheard-of strength that lies in the depths of this people, in the mass of the nation.

However, the greater part of our people did not themselves know how close to the edge of the abyss they were walking. Whoever bears this realisation within himself will recognise how immense the victory of the NSDAP was: the victory of reason over unreason.

National Socialist Recognition of the Eternal Laws

For us, the world is an organic structure, guided by eternal laws and built according to an imperishable divine plan. We know nothing of coincidence. That the National Socialist revolution is the most momentous thing this people has ever experienced in its entire history will not be denied even by our opponents. This greatness compels even the most bitter enemy to acknowledge it.

Today, already after four months, class struggle of the bourgeois and Marxist character has been completely destroyed in its organisations.

Above all we want to be thankful to Providence that it has given Germany, in this great time, so great a man as leader, our People's Chancellor Adolf Hitler.

It is certain that Marxism has been destroyed in its organisations. In the realm of ideas, however, not yet. We must not be deceived about this in our joy of victory. Therefore, because we carry this insight within us, we must be vigilant and must above all **build a new strong structure of state and economy** upon the foundation of our world concept, in which the people feel at home and which even the most bitter enemy, insofar as he is still capable of decent thought, must acknowledge as being meaningful and in accordance with the nature of the people. Only action can overcome this madness that has been cultivated for a century. For this purpose, we want to ask ourselves three questions:

- What is the purpose of the economy and what must its goal be?
- What was the structure of the previous economy?
- How must the structure of the economy be in order to fulfil its duties toward the people?

Meaning of the Economy

The economy is not an end in itself. All institutions of the people serve a higher purpose—the flourishing of the nation and the well-being of the people. So too the economy. It is to provide the people as a whole with necessary nourishment and to satisfy the material needs of the people.

Labour is the highest law and becomes a blessing when it both satisfies the creative spirit of the human being and, secondly, ensures his existence. The employer isn't alone in having an interest in the flourishing of the enterprise, just as the employee or worker can't take pleasure in the prosperity of the factory by himself. They must never stand opposed as adversaries, but always as companions in fate.

We National Socialists acknowledge that human weakness constantly and continuously stands in opposition to this ideal—every hour and every minute. We know how the spirit of profit can dominate people, we know how greed for money is alive in every person: one strives for higher wages, the other for greater dividends. But precisely because we know this, we also have the clear realisation that this “pig-dog” in each individual must not be bred further through artificial organisations, but rather that it is the task of a higher state leadership to restrain this human inadequacy, if necessary by imposing brutal barriers and limits, if the whole is not to be destroyed in the process.

The Previous Economy

So what was the previous economy like? Born of liberalism, it preached unrestricted individualism. Laissez faire, laissez aller, let it go, let it run—that was the slogan of the liberalist economy. The liberalist state concerned itself only with people insofar as they violated the law and committed crimes. As long as they only broke the unwritten laws of morality, decency, national character, and nation, the state stood by with folded arms. They called it freedom when human inadequacy could run riot without restraint. Whether the member of the nation was destroyed in the process was irrelevant to the liberals. But not only did they indulge this madness of letting things go—they even went so far as to organise human inadequacy and human weakness! And so it is no wonder that in the final death struggle the fronts of employers and workers stood opposed in irreconcilable and unbridgeable hatred. Enmity filled the factory, the sewing machines played a symphony of acrimony, the anvil rang out a siren song of malice, the workshops were saturated with hatred, the coffee rooms and the executive offices were pregnant with contempt.

Labour was no longer the victor, but the burden of humanity. And perhaps the most horrifying thing is that these organisations of hatred—unions and employers' associations—recognised that they could live excellently from this hatred. The people in the workplace faithfully and dutifully paid their members fees in the hope that their fate would thereby be improved, while the gentlemen union secretaries and legal advisors of the employers' associations profited splendidly and joyfully from it.

So what must a healthy economy be like?

Class struggle must be eradicated down to its deepest roots, completely and utterly; only then will the protection of the working person be the highest priority. The noblest task of a wise state leadership is to grant the creating person—of mind and of hand—the highest right and the best protection. This high and noble goal is what the corporative structure and the German Labour Front are meant to serve.

The German Labour Front

The highest principle of the National Socialist revolution is: Nothing must be destroyed that can in any way benefit the national whole. We know that organisations are only what people make of them. From this insight, we did not destroy the associations of workers, employees, and employers in blind rage, because they once served class struggle, but we took them over so that we could make them instruments of community, in order to use them to educate the German people toward such community.

The rural population holds a special position in our nation. It is not entrepreneur in the usual sense, since the farmer, as the new inheritance law states, is the guardian and custodian of clan property and clan law, and because the flourishing and thriving of his farm depends not only on his diligence and industry, but also in part on the forces of nature. The forces of nature often destroy even the most diligent and capable person's results of labour.

It is clear that the new state must not, from a liberalist point of view, abandon this farmer to destruction, but rather has the duty to help him rise again and find new fortune. He, the farmer, also does not belong to the Labour Front, because he cannot be educated into his national character through training, no matter what kind, but solely through love of the land and through the mystical relationship of race and blood to the soil. For all these reasons, he occupies a special position.

Similar things apply to the civil service. Anyone who, as a civil servant, has not yet recognised the value of his people will not be able to be educated to do so even by the best training of the Labour Front. Only he may have the privilege of being a civil servant who already stands in deepest unity with his nation through the world concept of National Socialism. For all other productive German people, the German Labour Front is the “highest school” of the National Socialist world concept.

Outwardly, the German Labour Front includes all entrepreneurs (also trade, craft, and industry), all employees, and all workers. This alone is meant to express that all productive people are workers in the truest sense of the word. While the liberalist state played the nightwatchman, merely watching over laws and regulations, the National Socialist state is educator and pedagogue for the entire people.

It leads the German person from the cradle to the grave. Even in youth it plants the seeds of its world concept. From the Hitler Youth to the Labour Service, the SA and the SS and military service, it repeatedly brings him into contact with the high ideals of this world concept. Even then it does not let go of the German person, but now the National Socialist state demands that every working German be a member of the German Labour Front. Here, everything the young German has heard, seen, and learned is deepened, continually refreshed, and all divergent instincts are restrained, if necessary destroyed, and every German must come to understand that he has value only as a member of a community, as an individual separated from the whole, he would succumb to the storms of fate. Thus the task of the German Labour Front is the education toward community.

An Expanded Training System

This task must primarily be accomplished through an expanded training system. The education of the German is fundamentally subject to the supreme oversight of the Party. It, the NSDAP, is solely the guardian of the National Socialist world, and therefore it alone has the right to supervise and take control of the education of the German.

Therefore, the political officeholder of the Party will also be trained together with the functionaries of the Labour Front. The training leader to the Supreme Leadership of the Party Directorate will also be the training leader to the German Labour Front.

The overall training is divided into three main parts. The lowest ranks of the Political Organisation, the bloc and cell leaders, as well as the corresponding members of the Labour Front, the workers in the factories, etc., are trained in evening courses using instructional letters.

From the local group level upward, the officeholders and functionaries belong in the district school. In the courses of the district school, the most capable bloc and cell leaders and the corresponding functionaries of the German Labour Front will also participate.

In addition to the district schools, there are also two state schools and one national leadership school. In the state schools, the most capable county leaders and the staff officers of the districts will be enrolled, as well as the corresponding functionaries of the Labour Front. In the national leadership school, primarily the training leaders of the districts and again the most capable officeholders of the entire party and functionaries of the Labour Front are trained.

In addition, there is a training camp in each district, which is open from May 15 to September 15 and in which all those who have attended any course or school are to be annually subjected to continual repetition. The duration of the training camp is 10 days. While the course of a school should never have more than one hundred participants, the training camp will gather several hundred, up to five or six hundred people. Here, only comradeship and discipline will be cultivated, and the world concept will be refreshed in stimulating discussion sessions. These training camps are also intended above all to offer the worker a free period of relaxation during his vacation.

In addition to this generous training, three more universities are being established. One university will serve solely to deepen the world concept, another for the science of labour, and another for training in expertise and profession. By science of labour, I mean that investigation which uses the most modern tools of technology and production, of labour performance—assembly line, stopwatch, and all those systems that were transferred from

America to German conditions in a false manner—should now be adapted in a meaningful way to the German spirit, and thus no longer become a curse for man, but a blessing for him.

The university for specialised and vocational training is to achieve top performance in each subject and thereby make clear to the entire people the value of specialised education. In all courses, regardless of whether in the local group, the district school, state school, national leadership school, or the universities, entrepreneurs, employees, and workers are always trained together at the same time.

Mutual Self-Help

In addition to this education and training, the German Labour Front employs a second means to educate the German people toward community. This means is mutual self-help. This mutual self-help is divided into three major groups:

1. Insurance System

The associations united in the German Labour Front have a far-reaching insurance system that guarantees members a certain level of security in old age, infirmity, or illness. These varied institutions are being consolidated into one large insurance body. All members of the German Labour Front will be required to contribute to this insurance. And it is already certain today that it will likely be a feat of statesmanship to enable every German to a peaceful and well-deserved retirement.

With this, that great goal of the National Socialist German Workers' Party would be fully achieved: that everyone who works for his people shall have the right to retirement.

2. Strong Credit Institutions

The associations united in the German Labour Front possess strong credit institutions. These institutions must also be consolidated in order to increase their efficiency, and this will make it possible to finance the settlements of the productive people and to provide the necessary loans to trades and crafts.

These credit institutions must never, under any circumstances, serve speculation. They also represent a form of mutual self-help and are meant to serve especially the weakest part of our people in their struggle for existence.

3. Consumer Cooperatives

The new state was forced to take over the consumer cooperatives, so that no major damage would arise for the national whole due to uncoordinated intervention. This was necessary first to protect the savings of millions of ordinary people, and second, to avoid destroying existing values. What was forced on us by developments will one day be transformed into a blessing for the entire people. Up until now, trades, commerce, and industry—in a word, the middle class—saw in the consumer cooperatives their bitterest enemy. The consumer cooperatives had deviated from the old Germanic cooperative idea and become merely a tool of the political party. Hence their fundamentally false urge to expand. Not because of genuine need did they establish a cooperative store in every small town, but because the political party demanded it, so that the cooperative would act as a political cell in the region. That was fundamentally wrong. And another thing was wrong:

Because the cooperatives produced everything themselves and thereby completely displaced the trades, they earned the well-deserved hatred of the middle class. And thirdly, because the cooperatives were granted tax privileges over other social classes, they necessarily had to destroy all middle-class competition—which they did in the most ruthless way. This must be remedied. Indeed, more than that: I believe I can already say today that the consumer cooperatives will one day form the foundation of German craftsmanship and the middle class, if they are restructured in the properly understood cooperative spirit. In close cooperation with representatives of the middle class, plans are already being developed to serve this new idea. Thus, it seems that this too will become a third form of generous, mutual self-help.

But I also see in these three self-help organisations an extremely important political institution. As already stated, old-age insurance will thus be taken over by the Labour Front. The credit institute of the Labour Front will be the interest-rate valve of the state alongside the Reichsbank. The cooperatives of the Labour Front in conjunction with commerce, crafts, and industry will be the price valve of the state. And since every working German, apart from rural folk and civil servants, must be organised in the German Labour Front, the highest reward for the education toward community will then be the granting of citizenship rights. Citizenship is the highest honour, and the revocation of citizenship rights is the severest punishment.

The Corporative Structure

If the German Labour Front means the education of the German people toward community, then the corporative structure puts this education into practice. The goal of the corporative structure is the flourishing of the economy and the healthy integration of every working person into the economy. Here, representatives of various interest groups no longer confront each other, but rather people of the same estate work together. Members of the same estate deliberate on the well-being of their estate and on the honour of their estate. Everyone who belongs to this estate should and must have the awareness that in doing so, he has become an indispensable link in human society, and that it is his duty to also watch over the whole of the estate.

Wage and tariff negotiations will still be necessary, but no longer the main focus of thought in comparison to the higher task of the estate: to root out parasites, whether employer or employee, and to judge each individual solely by what he contributes to the whole and to the people. Character alone will be the standard for judging a person, and therefore the nucleus of the corporative structure must lie in the workplace, where people know one another thoroughly.

What then are the tasks of the corporative structure?

- 1. The economy must be brought to fullest bloom, so that the entire people can live.**
- 2. Therefore, leadership within the workplace must be completely restored.**
- 3. This is necessary so that the full responsibility of each individual may be re-established.**
- 4. Only then is it possible to grant the working person the highest protection and the right due to him.**

5. This protection and right is only achieved when independent corporative courts oversee matters and are able to impose the severest punishments on every single parasite.

Concerning the first point, that the economy must flourish if the people are to prosper, there is little to say. The difficult years of the postwar period should suffice as proof. The worker became unemployed whenever one attempted to destroy the economy through labour strikes. First the worker suffered, and already after eight days of unemployment he felt the full weight of the misery. Every pressure is felt most severely by the lowest stratum. Therefore, it is precisely the lowest stratum that has an interest in the flourishing and well-being of a healthy economy. Let no one say that unemployment was born of overproduction.

No, that is not true! For then the needs of the people would have to be completely fulfilled. But as long as the needs of the people are enormous and have never appeared as prominently as today, one cannot speak of overproduction. On the contrary, I am of the opinion that the economy must be fully employed for years just to satisfy the needs of our people. Let no one say that the world economy is to blame. On the contrary, the crisis of the world economy was born from the crisis of the national economies.

Therefore, the recovery of the world economy can only come once the national economies have become healthy.

But the recovery of the national economies can only be achieved when the fundamental conditions for it are changed.

If, as in Germany, and with this I refer to points 2 and 3, leadership and thereby the responsibility of the individual were eliminated, then one has, in irresponsible delusion, cut off the root of every healthy economy. In doing so, the tree was brought to wither, and miserable burrowing mice have gnawed away the root system that gives a healthy economy its strength and energy.

Leadership in the Workplace

Therefore, the corporative structure will first restore full leadership into the hands of the natural leader of an enterprise, i.e., the entrepreneur, and thereby also place full responsibility upon him. The works council of a factory consists of workers, employees, and entrepreneurs. However, it has only an advisory vote. Decisions can be made solely by the entrepreneur. Many entrepreneurs have for years called to be the “master of the house.” Now they shall again be the “master of the house”; but woe to them if they should misuse this position of authority! The corporate court will hold those parasites accountable.

The Court of the Estate

That brings me to points 4 and 5. The working man must never be delivered to the arbitrariness of his brother.

The courts of the estate are regular courts. Workers, employees, and entrepreneurs serve on them as lay judges. They can impose prison and penitentiary sentences, even complete expropriation as punishment. Thus, there exists a protection for the working man such as all wage and tariff agreements together could never provide, nor ever have provided.

Let us now also add that citizenship rights are tied to membership in the Labour Front and that all partners of the corporative structure must be members of the German Labour Front, and that if such a member seriously harms the national community, he can be stripped of his citizenship rights and thereby be completely excluded from the community of the people and the state, and thus be subjected to the severest punishment that can ever be pronounced. Then I believe I can rightly claim that all precautions have been taken to equip the productive German person, no matter his class or role, with the highest protection and the highest right.

What, then, is the corporative structure? Within the broad horizontal “Labour Front” lie thousands and hundreds of thousands of enterprises. Each establishment has a works council, composed of workers, employees, and employers, whose natural leader, as already stated, is the employer. The works council has an advisory voice.

The enterprises are grouped according to specific trade groups. For example, trade groups of the wood industry, the textile industry, the metal industry, the leather industry, etc. These trade groups are regionally grouped. A trade group encompasses, for instance, the area of a Prussian district, a Bavarian district, a Saxon administrative region, etc. This does not mean that these regional size relationships must correspond to political boundaries, but rather, economic regions, districts, and provinces will be established according to the needs of the economy.

In the trade group, all matters of the entire trade are addressed, such as wages and tariffs, social insurance, etc., as well as the economic policy of the respective trade.

Workers, employees, and employers are elected into the trade group, and only if they are skilled. The leader of the trade group is appointed. Upward to the Reich, corresponding institutions are established, in which workers, employees, and employers always deliberate together. At the highest level of the corporative structure, representatives of the German Labour Front also sit.

The Determination of Wage and Tariff

How then, in this corporative structure, are wage and tariff, as well as the social protection of the working Germans, determined? For example, the national framework tariff of the wood industry is set in the national trade group of the wood industry. It includes only a few fundamental clauses. It will never get lost in details, as previous tariffs have done, proceeding from the principle that one cannot judge the fate of the working person from behind a desk, but only from harsh reality. For example, the national framework tariff determines that every German must have a minimum income so that he can live.

Whoever employs people below this minimum wage will be punished.

The national framework tariff further sets what it considers to be minimum income, e.g., for a five-person family—father, mother, and three children; it then further sets that the bachelor receives only a certain percentage of this wage. It sets that the skilled worker must receive such-and-such percent above the minimum wage. It sets the vacation time and also general conditions regarding women’s and child labour, about social institutions, etc.

The district trade group already deals with further details within the framework of this tariff. It determines what is to count as minimum income in its district. And this minimum income is to be calculated based on a real wage. When the national framework tariff speaks of a minimum wage, it must naturally disregard hourly wage and instead set weekly wage in its place. For it is irrelevant,

as practice has shown, how much hourly wage someone receives if he works only one or two hours a week.

The regional trade group now goes even further into detail. It generally sets the final tariff in all particulars.

In principle, the corporative structure rejects value-based tariffs.

Exceptions to this rule may only be granted when the workforce of a business submits an application to the trade group, namely when adverse conditions threaten the destruction of an economically valuable plant.

Such an exceptional in-plant tariff must, of course, receive the approval of the trade group. Based on this principle of flexibility, we also declare that the tariff set at the lowest instance and sanctioned by the next higher instance takes precedence over that of the higher instance.

In these fundamental thoughts I have tried to explain and elucidate the nature and the goals of the new economic structure, and I hope that thereby every reasonable and sensible person who has not been blinded by class struggle and turned into a fool will recognise that National Socialism is building a work of such immense, gigantic dimensions as has never existed before and perhaps will never exist again.

Thus, the foundation is laid upon which generations can build anew for centuries to come. But we believe and know that the lives of the millions of people who come after us will be happy and content. Nothing for us, everything for Germany!

Heil to the great creator and leader of these glorious ideas, Adolf Hitler!