Paul Klee's small, poignant gouache-on-paper "Masked Red Jew" (1933) is a childlike, abstract portrait that also serves as monument and oracle. It is part of the Neue Galerie's informative and affecting exhibition "Degenerate Art: The Attack on Modern Art in Nazi Germany, 1937."

Klee's title refers to the Red Jews, a fabled nation appearing in medieval German texts, who were prophesied to invade Europe and threaten Christendom, events leading to the end of the world. Painted the same year that Adolf Hitler became chancellor of Germany, Klee's stippled picture resembles an executioner's wall inscribed with a scrawled stick-figure, whose bowed head appears to be impaled on a cross. A yarmulke hovers like a bruised halo. And a large, looping X -- as if branded, marching -- flattens as it tramples the portrait.

"Masked Red Jew" is not the most prominent work among the show's approximately 80 paintings, drawings, prints and sculptures, as well as films and several books, posters, photographs and photomurals -- two of which juxtapose aerial views of Dresden, before and after it was destroyed by Allied bombs. (The devastated side is the backdrop for "The Life of Christ," a moving suite of woodblock prints by Karl Schmidt-Rottluff.) And Klee's "Red Jew" must compete here with other masterpieces by Klee, including the paintings "Mystical Ceramic (in the Manner of a Still-Life)" (1925) and "Gay Repast/Colorful Meal" (1928). Yet Klee's "Jew," like every artwork here -- from Oskar Kokoschka's brushy and stalwart oil painting "Self-Portrait as a Degenerate Artist" (1937) to Ewald Matare's beautiful little sleek bronze sculpture "Lurking Cat" (1928) -- has a story to tell. Together they reveal the avarice, demonization, destruction and Philistine rampant in Hitler's other war -- the one he waged on Modern art and artists.

Klee's story is endemic to the larger narrative of the Neue Galerie's exhibition. Klee taught at the Bauhaus, which Hitler closed. In 1930, in what the Nazis referred to as "the cleansing of the museums," his and other artists' works were removed because they didn't convey the Nordic-German ideal of beauty. In 1933, Klee's home was searched by the Gestapo; he was derided as a "cultural Bolshevist" and was relieved of his professorship at the Dusseldorf Academy. Max Beckmann, Otto Dix and Oskar Schlemmer also lost their teaching posts; Kokoschka resigned from teaching to protest the expulsion of Jewish artists. That same year, the Nazis mounted the exhibit "Cultural Bolshevist Images." Comprising 86 seized works by Beckmann, Dix, James Ensor, Klee, Emil Nolde, Schlemmer and others, it was a harbinger of the infamous 1937 exhibition "Entartete Kunst," or "Degenerate Art," the subject of the Neue Galerie's show.

The 19th-century German term entartung, or degeneracy, was originally used in eugenics. It was adopted and intensified by the National Socialist regime, which used it to refer to art, music and literature the Nazis
considered abnormal, childish, criminal, distorted, primitive, subversive, unhealthy and unpatriotic.

"Degenerate" art's starting date of 1910 covered Cubism, Expressionism, Fauvism, Dada, Surrealism, abstraction and Constructivism; Franz Kafka and jazz. The employment of the term was capricious, encompassing whatever Hitler and Joseph Goebbels -- the Reich Minister for National Enlightenment and Propaganda -- wanted to persecute on a day-by-day basis. Artists, artworks and even art movements such as Expressionism went in and out of favor, and Hitler tweaked his moral and aesthetic views as he went. Some artists, including Nolde -- a sympathetic Nazi -- were forbidden to buy painting supplies. Although Constructivism was officially "degenerate," the Neue Galerie's show contains German Constructivist-style posters that celebrated Hitler and the Nazis, and thus were allowed to be distributed. And while "degenerate" artworks were unfit for the general public, they remained suitable in Nazi officials' homes.

If the Fuhrer wanted to purify German culture, he would need to make clear what was state-sanctioned and what wasn't. Visual art -- a gateway target -- was the perfect propagandistic tool. Once Hitler had established the "degenerate" in art and artists, he could attack all "degenerates." Overall, the Nazis confiscated more than 20,000 artworks of a "depraved" and "Jewish" nature. The Neue Galerie displays an original Nazi ledger book, which inventories and chronicles each work's fate: "V," sold; "T," traded; or -- as happened one night in 1939 to 4,000 pictures (at the capable hands of the Berlin Fire Brigade) -- "X," destroyed. If "Jewish" art was a threat -- worthy of extermination -- then genocide was the next logical step.

In 1933, Hitler commissioned a museum in Munich to enshrine his aesthetic ideal. Its inaugural show, the "Great German Art Exhibition," opened in 1937 and was contrasted with the "Entartete Kunst" show, mounted nearby. "Degenerate Art" comprised about 600 works (paintings, sculptures, drawings and prints, as well as books) by 112 artists -- only six of whom were Jewish. The artworks were chaotically hung, cramped and accompanied by slogans such as "Crazy at any price," "Madness becomes method," "The ideal -- cretin and whore," and "The Negro becomes the racial ideal of degenerate art in Germany." Promoted and installed as a chamber of horrors, the traveling show, among the first blockbusters, drew crowds of more than 25,000 a day.

The Neue Galerie's exhibition, organized by Olaf Peters, is not a reconstruction of "Entartete Kunst," which has been mounted before. Only about 20 works here were in the original. And this new show, unique in its mission, succeeds more on a scholarly and historical than aesthetic level. What's surprising is how tame and unappealing some of the work actually is -- and not just on the Nazis' side. "Degenerate" pictures by Nolde, Alexej Jawlensky and Ernst Barlach feel like filler. Yet the exhibition ultimately leaves its mark.

Divided into five themed galleries on two floors, it spills out into the stairwell and has no single point of entry. This unifies the show -- which leaps from intimate to theatrical -- with a sense of free-form drama. Great paintings are included by Beckmann, Vasily Kandinsky and Ernst Ludwig Kirchner. Chilling photographs show Hitler and his trench-coated henchmen inspecting stacks of confiscated artworks; empty frames that once held pictures, hung high on the walls, drive home irretrievable loss; so, too, do two facing photomurals, which juxtapose a line of people waiting to get in to see "Degenerate Art" with a line of Jews arriving at Auschwitz. The comparison is bracing.
The most cohesive gallery, however, contrasts what Hitler deemed "Degenerate Art" with "Great German Art." The main event is an object lesson that pits Beckmann's Modernist triptych "Departure" (1932-35), a bold and enigmatic mix of regal ceremony and ritualistic torture, toe-to-toe with Adolf Ziegler's academic and allegorical triptych "The Four Elements" (1937), in which four blond female nudes display themselves in a neoclassical setting. Ziegler, an official artist who purged museums for Goebbels, was so popular with Hitler that "The Four Elements" -- an exercise in Nordic-German kitsch -- occupied pride-of-place above the Fuhrer's fireplace. Aesthetically speaking, it's no contest: The room divides pretty clearly into "degenerate" winners and Hitler's "chosen" -- losers. In matters of art, however, the Fuhrer was fickle. No one was immune, as Ziegler would soon learn when he also fell out of favor.

We'll probably never know exactly how "Degenerate Art" was originally received by the public. The Neue Galerie's fascinating show, like Klee's "Masked Red Jew," invites us to look beneath the theatrical surface to uncover hidden truths. In the same room that squares off Beckmann and Ziegler is an excerpt from a silent film by Julien Bryan, an American who attended "Entartete Kunst" in Munich, along with two million other viewers. Bryan filmed visitors, who shake their heads disapprovingly as they walk through the galleries. Yet some of them look over their shoulders nervously, as if they're concerned more with being seen to denounce the work than with actually taking in what's on view.