1938: Foreign Policy, Political Radicalization and Antisemitism

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1938 was a turning point in the antisemitic policy of the Nazi regime. Of particular importance were the economic measures imposed, including: property registration in April and the registration of "Jewish businesses" in June, consequently accelerating the process of "Aryanizing" the economy. In reality these measures terminated all possibilities of Jewish economic existence in Germany. During 1938, new Laws and Orders were passed, further undermining the Jewish population’s predicament: changing of Jewish names in January and abolishing the legal status of Jewish communities in March. In addition to these legal measures, a wave of violence erupted: In June the great synagogue of Munich was destroyed, followed by arrests of Jews all over Germany and anti-Jewish violence in Berlin.

How are we to explain this antisemitic wave after two years of relative calm? The Foreign Office memorandum of January 1939, links the antisemitic policies with the general events of that year and even makes it a factor in German foreign policy for 1938. The memorandum opens with a definite statement:

[...]It is probably no coincidence that the fateful year of 1938 brought not only the realization of the concept of a Greater Germany, but at the same time has brought the Jewish question close to a solution. For the Jewish policy was both a precondition and consequence of the events of 1938. More than the power politics and hostility of the former enemy allies of the World War it was the penetration of Jewish influence and the corrupting Jewish mentality into politics, economy and culture which paralyzed the strength and will of the German people to rise once more. The cure of this disease of the body politic was probably one of the most important pre-conditions for the strenuous effort which in 1938 enforced the consolidation of the Greater German Reich against the will of a whole world.[...] (from: Arad, Gutman, Margaliot, eds: Documents on the Holocaust, Jerusalem 1999, p.126)

At first glance this statement is puzzling. What is the connection between the radicalization of German foreign policy in 1938 – the annexation of Austria and the international crisis around the Sudetenland - and the Jewish question? The above quoted document is not atypical. This causal link is present in other documents of that period, and they too state that the struggle against Judaism and political radicalization are not parallel courses but tightly connected matters. This is the
conclusion found in reports of the Jewish Division of the SD. One such report claims that in 1938 the Jewish problem became the cardinal problem of world politics, and in the annual report of the SD for 1938 it is said that "the most influential factor in internal policy was the anti Jewish measures taken".

Hitler labeled 1937 the "Year of Awareness"; in that year he became aware that time was not on his side and that he would have to initiate a new policy. One reason being that Germany plunged again into an economic crisis that could only be solved by means of war. From mid-1935, Germany’s balance of payments had worsened, mostly due to accelerated imports of material for military production and the initiation of public works, without limiting public expense on other economic projects. Hitler understood that Germany will not be able to continue the arms race, yet stopping it would mean curtailing the realization of his ideological convictions. Hitler commenced the arms race, however, due to his limited but resources in comparison to those of France and Britain he understood that he would lose the race in the long term. Thus his impulse was not to wait, but to act swiftly, and make use of Germany's temporary superiority in gaining neighboring countries, and using their natural resources. Hitler also felt that he could not wait any longer as he was unsure of the support of the German public, in the long term, as the realization of strategic goals of Nazism. In 1937 the Nazi party enlarged it’s organizational base and controlled all facets of public life. A symbol that this process was at its peak was the recruitment into the Nazi party of millions of citizens. At the same time, in contrast with what could be considered political dynamics, the Nazi leadership was concerned that a division between the people and the leadership would develop and that it will lose popularity. Therefore one of the reasons for the 1937 push to enroll people into the party, aside from the membership fees which helped pay for the ever-growing organization, was aimed at increasing the number of those participating in party rallies.

In 1937, Catholic society developed tensions within Germany were effect by the dispute with the Catholic Church, after the publication of Pope Pius the11th's encyclical Mit Brennender Sorge – With Deep Anxiety. These tensions, concerning the issue of the German state intervening in religious affairs, caused the estrangement of many Catholics, manifested in their lack of participation in rallies and fund raising. Even Party Day rallies did not create the same enthusiasm, as party reports from Nuremberg recount.
It seems that abolishing unemployment and enhancing Germany's self-image by means of aggressive foreign policy, were not enough to hold the political dynamism of the population and to establish the will to fight for the yet unaccomplished Nazi goals. More than the increasing prices and the shortage of supplies, public morale was influenced by the fear of another war. Frequent recruitment exercises and the German intervention in the Spanish civil war increased public fears of a new European war. The Japanese assault on China and the fear of the Soviet Union intervening there, which would be followed by be a German reaction against the Soviet Union, also contributed to this atmosphere.

This atmosphere created two opposing effects in the Nazi party. On the one hand, an erosion of discipline and a pattern of disintegration; and on the other, a new pulse of revolutionary radicalism. Some lost their “fighting spirit”, while others felt compelled by the stagnation to formulate a breakthrough. In speeches he gave to party members Hitler admonished time and again not to lose patience, and promised to expand Lebensraum – living space. Some were still accusing Hitler of betraying Nazi ideals, and Göering of selling the party to conservative circles and the military.

Nazism was a mass movement, and thus could not endure this atmosphere of estrangement between the public and the government, and the effort to overcome this estrangement was at the root of the propaganda rallies that started at the end of 1937. Hundreds of public events took place in Berlin, the Rhineland, Westphalia and Silesia with the intent of explaining and defending Nazi ideology and policies. In Saxony alone some 1,350 rallies took place within two weeks. However, it appears that these did not manage to restore public enthusiasm. Instead they added to the existing feeling of political over-exposure and to an indifference towards the political echelons.

There is no doubt that this “de-politization” became, in time, a central pillar that sustained the Third Reich. Consequently, the Reich had free reign in implementing its murderous policy. During that period (late 1937), the first item on the Nazi leadership’s agenda was the prevention of political apathy and enhancement of public enthusiasm towards achieving the goals of Nazi ideology. The leadership regarded public reluctance to cooperate with it as an outcome of the growing influence of the conservative forces who were partners in the government. Therefore, by the end of 1937 and the beginning of 1938 Hitler decided to create a crisis in the relations with the conservatives and the army. Until then some equilibrium had been maintained.
between the elements in the Third Reich government – the anti-democratic forces, supporters of powerful government on one hand, and the Nazis on the other. Nazi leadership realized that the army and the conservative economic circles were not capable of carrying out political goals deriving from Nazi ideology, and that wide purges of those circles were necessary, thus paving the way for the transfer of sole power to the SS and the Nazi party.

To the radicals, empowerment of the conservative circles could lead to ideological stagnation, stabilizing the regime along Fascist lines. This would eventually lead to a coalition of military circles, industrialists and the churches, in such a way that would eliminate the Nazis from control in government. These fears are evident in an SD report from January 1938. This report states that during the last few months two opposing bodies to National-Socialist ideology were formed: “The churches” and “the conservatives.” Nazi leadership and the SS worried that these two groups would reduce their influence on the German public. Additionally, Hitler had always believed that the realization of foreign policy plans can be achieved only after order was established at home; recruiting society and the economy towards the national goals, eradicating all causes of any breach of confidence between government and the masses, and eliminating potential enemies. Hitler was apprehensive that the reality of 1918 would repeat itself, the reality of lack of will to fight which caused the disintegration of the nation and led to Germany's defeat.

Historians are divided whether the drive to expand originated from a preconceived plan or from a charismatic regime that saw struggle as the “essence of its being” and that was therefore bound to lead into war. One of the key documents for understanding the events of that period (the Hossbach Memorandum) indicates the relation between public mood in the Reich as it was viewed by Hitler, and the decision-making in foreign policy. He considered an aggressive policy as the only way out of a stagnant period for the Reich.

In a meeting held on November 5, 1937, attended by the Minister of War, the German Chief of Staff, The Commanders of the Navy and the Air force and the Foreign Minister, Hitler spoke among other topics about the need to reign in what he called "the deterioration of Germanism", as:

"Instead of increase, sterility was setting in, and in its train disorders of a social character must arise in course of time, since political and ideological ideas remain
This document represents an effort by Hitler to convince his listeners about the emergency and the need to radicalize internal and foreign policies. Here, he expressed for the first time his obligation to war, to the annexation of Austria and to the destruction of Czechoslovakia.

An actual manifestation of the policy of "escape forward" in order to preempt ideological decay and to restore lost momentum, was the removal of the top members of the conservative right from key positions in the government. Hitler utilized personal scandals in the lives of the minister of war and the chief of staff, who were subsequently both removed. With them, forty-six generals were also removed from office, and fourteen of them were forced to retire.

By the end of November 1938, the economics minister Hjalmar Schacht was fired, and in his place Göering was nominated as interim minister. In this way, control of many economical powers was in Nazi hands, and a new era was open for an arms economy, in order to achieve the goals of the "Four-Year Plan". Hitler's involvement grew when he became the chief commander of the armed forces. The strike was completed with the Nazification of the Foreign ministry: Von Neurath was replaced by Ribbentrop as foreign minister, and the nullification of appointments of ambassadors of the old diplomatic school in Rome, Tokyo and in Vienna.

These maneuvers came as preparation for the foreign policy assault. Until 1938 Hitler had used his cunning and his rivals' weaknesses, and each violation of the Versailles Treaty was accompanied with a declaration of his wish to maintain peace. The goal of foreign policy until 1938 was to give diplomatic coverage and to assure sympathetic world opinion to the new regime. This was the case when he violated armament restrictions and when he dispatched the army into the de-militarized Rhineland. By now Hitler was impatient. During 1937 Hitler pressured Göering to reach an economic union with Austria. Hitler's first initiative was the annexation of Austria. Followed by Czechoslovakia.

Czechoslovakia was considered by Nazi Germany to be a threat as it was close to German industrial centers and because it signed a defense treaty with France. In addition, industrial Bohemia and Moravia were prey to the Nazi appetite. Hitler made use of the fact that more than three million Germans lived in Czechoslovakia, most of them in the Sudetenland bordering with Germany. With the Nazi ascension to power
these German Nationals intensified their demands for full autonomy. In 1938, within the acceleration of his militant foreign policy, Hitler expected a fast war that would become a fait accompli for the European powers. During the summer months he waged a psychological war; he blamed the Czechs for alleged harassment of the Sudetenland Germans, aiming to create pressure by the Powers on the Czechs to capitulate to the German demands. A refusal on the part of Czechoslovakia would serve as a pretext to shake any obligations Germany had towards the country. This is precisely what occurred, and Britain agreed to the annexation of the Sudetenland, on the condition that it be carried out “peacefully”.

In this overall context, with the extreme manifestation of both internal and foreign policies, the radicalization of the antisemitic policies in 1938, are illuminated. Consequently, we develop an understanding of Hitler's patterns of thinking and that antisemitism was the prominent factor in his world-view. Hitler interpreted each and every event, in Germany and outside, as a constant scuffle with the Jewish enemy. Therefore he did so about the decay of the revolutionary spirit, the loss of the ideological fortitude and the upsurge of the conservative frame of mind. In his view, the stagnation in Germany was nothing but an outcome of Jewish activity “draining” the national organism, and therefore it had to be fought with all possible strength.

David Bankier, “1938: Foreign Policy, Political Radicalization and antisemitism”, *In the Path of Remembrance* (Hebrew), no. 30, Yad Vashem 1998, pp. 4-7.