

INFORMATION REPORT

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1. SMA Karlshorst declared itself dissatisfied with the course of expropriations in Saxony-Anhalt, since a relatively large number of firms had been returned to private owners rather than transferred to Land ownership. Dr. Hempel, a member of the Berlin Central Sequestration Commission, who had worked in Halle previously, was also out of favor for his "capitalistic" connections and his sequestrations in Saxony-Anhalt.
2. For these reasons, SMA ordered a rapid re-examination of all expropriations and sent to Halle a special commission in February under one Walz. Through its branch offices, it not only collected materials and investigated restorations of property but also examined in detail many new firms. Of these latter, only those which were prospering were considered. The commission did not hesitate to remove from records any material to the advantage of former owners which might prevent sequestration. After a rumor that a thousand new firms would be expropriated, actually eighty-three were sequestered, in which the number of employees and the profitable character of the business were evidently the determining factors. These included four shoe factories in Weissenfels; the Martick furniture firm, the Bode construction firm, the Dessauer sugar factory, and the Schubert bread factory in Halle; and the Dünnhaupt printing firm in Dessau.
3. Sanctioning of these measures was requested in advance on 3 March 1948 from the Land cabinet, where there was an assured SED majority. Minister President Hübener succeeded in preventing a considerable number of expropriations, but even he was handicapped by not knowing the procedures to be used.
4. Reasons given for expropriation were of the following type: The Wenzel shoe factory in Weissenfels during the war made military boots which were tried out by concentration camp prisoners on marches of thirty kilometers or more. Although the owner was clear of party connections, he was accused of crimes against humanity and imprisoned under Order 201, and his business was expropriated. A Weissenfels brewery was expropriated because it produced beer which was used by the army.

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during the war. The Bickel shoe factory in Weissenfels was checked by the Volkskontrolle and expropriated because a small quantity of unreported stock was found. Factory councils and similar organizations played a considerable part in such expropriations.

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