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TO : Chief, Foreign Division "M" DATE: 28 December 1950
FROM : Chief of Station, Karlsruhe *cf/ky*
SUBJECT: GENERAL CADUCITY *[]*
 SPECIFIC-Appraisal of Potential Productivity

Synopsis: This memorandum contains an appraisal of CADUCITY's intelligence potential, based exclusively on claims he himself has made. No requests for operational assistance or decisions are presented.

1. This developmental project is designed to fill a regrettable void in our economic coverage which opened up when [] and [] ceased providing us with a regular flow of statistics on the industrial production of the East Zone. Although [] is bringing us statistics on production in heavy industry (steel and non-ferrous metals) and although some industrial production statistics of a general nature have been reaching us through [] BOB has been dissatisfied over the absence of a sustained overall coverage of the type the Schnellberichte of the Ministry of Industry used to provide.

2. CADUCITY claims to be in a position to give us access not only to industrial production figures compiled on the highest level, i.e., by the newly erected Staatliche Planmungskommission, but to all figures which pertain to the producing branches of the DDR economy. The section he manages no longer comes under the Ministry of Industry (in the meanwhile broken up into three independent ministries), but under the Planmungskommission. Having thus been raised to the highest governmental level of economic planning, CADUCITY considers it a logical corollary that not only industrial statistics, but also the statistics prepared by other ministries such as Land und Forst, Post und Fernmeldewesen, Handel und Versorgung, Verkehr will cross his desk.

3. CADUCITY claims that the nature of his functions entails the concentration of all statistics in his section. One of the Referate of the section is exclusively charged with the logging and processing of those statistics. Up to the time of the change-over to the Planmungskommission, to become effective on 1 January 1951, CADUCITY used to receive statistics giving production goals (Auflagen) and actual production figures of all Volkseigene Betriebe, singly as well as those of the VEB Vereinigungen, of the Hauptabteilungen of the Ministry of Industry and of the various production branches.

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4. Up till the present, CADUCITY has been getting the so-called IM (Industrie Monats) and IQ (Industrie Quartals) report sheets, the former presumably identical with our Schnellberichte. The IM report sheets are on their way out and henceforth only IQ reports will be compiled. CADUCITY claims that the latter can be considered substantially correct, thanks to the application of an intricate system of checks and counter-checks which renders impossible the inclusion of Hausnummern, i.e., arbitrarily rigged production figures. Not being a statistician by vocation or inclination, I am passing this proud boast on for what it may be worth.

5. A short description of the nature of CADUCITY's work should provide you with sufficient background to determine the relative importance of his position. Abteilung Z-TAN stands for Zentral Sekretariat (i.e., of the Ministry of Industry), Technisch begründete Arbeitsnormen. It is charged with advising, controlling and developing the technical work norm in heavy and light industry. It can issue directives within the purview of the Ministry of Industry. It advises all other ministries. The purpose of setting up the technical work norm is to increase the productivity of the worker in industry. The technical work norm is considered the smallest unit in economic planning. Up till now it has found no place in the economic plans and in the production schedules of Volkseigene Betriebe. Henceforth, it will be included in all plans. It is for this reason that an attempt to transfer Z-TAN to the jurisdiction of the Labor Ministry (whose days are numbered anyway), was vetoed by Deputy Minister President RAU and its incorporation into the Staatliche Planungskommission decided.

6. The theory of the technical work norm is being developed at the Karl Marx Academy where it forms a part of Marxian sociology. The chief of the Abteilung, (fm) RACKOW, who currently attends a two-year correspondence course at the Karl Marx Academy, is an expert theoretician in this particular field and it is he who has worked out the theoretical foundation upon which the practical work of Z-TAN is based. (The actual management of the section lies, however, in CADUCITY's hands.

7. There follows a short expose of the theory of the technical work norm as explained to me by CADUCITY. A technically founded work norm must contain:

(1) the qualitative share of the worker's output (Arbeitsleistung) in the product (these data are entered in the so-called Wirtschaftszweig Lohngruppenkataloge - WLK).

(2) the quantitative share of the worker's output in the product expressed as amount per time unit).

(3) the product's quality (determined by quality-control).

(4) the highest possible development of human capabilities, of political consciousness as well as of the organisational and technological state (based on the so-called work study - Arbeitsstudie).

The technical work norm and its development is prerequisite to the introduction of the Leistungslohn (wages graded according to performance).

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8. CADUOLTY naturally has access to labor statistics. In answer to my question he stated that he would be able without too much effort to figure out the manpower reservoir in the East Zone, available for recruitment into the Volkspolizei.

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