technical abilities to supervise their production, and the business experience to determine their economic influence.

Like many businessmen, he'd had dealings with his Government long before Hitler. "The I.G. was a great factor in German commercial policy. A statesman once coined the word: 'Without the I.G. and without coal, I can have no foreign policy.' So far as I recall, it was STRESEMANN (FOREIGN MINISTER OF THE WEIMAR REPUBLIC). It was naturally clear that the Government wanted to know about the relationship of the I. G. Farbenindustrie to trade factors abroad; and conversely the I.G. was also interested in seeing where the policy of the Government led with respect to trade and similar agreements. We were here concerned with a mutual exchange of experiences and aims."

By 1930, his interest crystallized into an unwritten pr ogram. He talked it over with Hjalmar Schacht, then President of the Reichsbank, a longtime friend. He and Schacht agreed that Germany's main problem was a shortage of raw materials. One way to get more raw materials was to exchange Farben processes and goods for them abroad - - by licensing the processes and selling the goods, using the profits to buy raw materials. But this was not enough. Another way was to produce some raw materials synthetically. Schacht did not believe an all-out synthetic economy was possible, but he favored synthetic production of mineral oil particularly. "Then in 1933 Schacht (now Hitler's FINANCIAL ADVISOR ) approached me again along with Erhard Milch, the new Secretary of State for Aviation."

Milch, Schacht and Krauch discussed "all kinds of synthetics" - - buna, nitrogen, gasoline. Milch also took Krauch's advice about how best to get labor, because Krauch had become a Farben expert on labor procurement.

These were but a few of the circumstances leading to his "Four Year Plan of 1933." NOW HE resumed his lengthier explanation to the Court. ~~But he insisted, "This was not significant, really - - '4 Year Plan' and '5 Year Plan' were common expressions of~~