

THE SENTINELS

FORTUNES OF WAR

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Published by Greenleaf Book Group
Austin, TX
www.greenleafbookgroup.com

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Distributed by Greenleaf Book Group
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Design and composition by Greenleaf Book Group LLC
Cover design by Greenleaf Book Group LLC

Publisher's Cataloging-In-Publication Data
(Prepared by The Donohue Group, Inc.)

Zuckerman, Gordon.
The Sentinels : fortunes of war / Gordon Zuckerman.

p. ; cm.

ISBN: 978-1-929774-64-7

1. Industrialists--Germany--Fiction. 2. Conspiracy--Germany--Fiction. 3. Germany--Politics and government--1933-1945--Fiction. 4. Germany--Economic conditions--1918-1945--Fiction. 5. Transnational crime--Fiction. I. Title.

PS3626.U25 S46 2009
813/.6

2009920764



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Printed in the United States of America on acid-free paper

09 10 11 12 13 14 10 9 8 7 6 5 4 3 2 1

First Edition

GORDON ZUCKERMAN

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FORTUNES OF WAR



GREENLEAF
BOOK GROUP PRESS



PROLOGUE

BERLIN, 1932

Karl von Schagel paced the drawing room. In the last five minutes, he had probably consulted his pocket watch a dozen times. He walked over to the sliding doors that opened onto the dining room, with its long, mahogany table polished to such a finish that a woman could probably use it to reapply her lipstick. Usually the table glistened all down its length with crystal, silver, fine bone china, and linens folded into place as crisply as a starched dress shirt. Tonight the table glistened, all right—but only for about a third of its length. This evening's dinner party guest list was limited. Von Schagel gave the dining room a final, critical glance and turned away from the door, tugging his watch from his vest pocket.

Like his father and his father's father, Karl von Schagel was a trusted financial adviser to Germany's wealthiest and most influential families. Karl had lost count of how many elegant dinner parties he and his wife had hosted here, parties that had been attended by the cream of German society. But tonight there were only seven guests, the seven most powerful men in Germany.

Erhart Schmidt was first to arrive, as usual. For well over a century, the Schmidt family name had practically been synonymous with steel in Europe. Schmidt steel had been forged into long-range, precise artillery weapons since the time of the Napoleonic Wars. Guns made from Schmidt steel had been used in China, in America's revolutionary and civil wars, by the Spanish, French, and Dutch armadas, during the Boer Wars in Africa, and by both sides during the Great War. Much of the rail and rolling stock that transported the fruits of the Industrial Age in Europe, Asia, and America was produced from Schmidt smelters.

Erhart, the current head of this powerful, proud, and arrogant family, was well over six feet tall; he was also heavily muscled and weighed more than 250 pounds. Like the big guns he produced, he commanded respect. He expected his word to be the last in any discussion, and his powerful presence alone was often enough to intimidate the worthiest adversaries. Tonight, he was the unquestioned leader among the illustrious group of men who would be seated around the von Schagel dining table.

A servant politely took Herr Schmidt's heavy woolen overcoat, hat, and gloves, and another, appearing from nowhere, caused a tumbler of single-malt Scotch to materialize in the steel mogul's hand. Karl and Schmidt spoke meaningless pleasantries for a few moments, until the other guests began to arrive.

Heinrich Bimmmler, head of Germany's dominant automobile manufacturer, came in next, followed in a minute or two by Wilhelm Schenk, the chairman—some, out of his hearing, preferred the term “tyrant”—of Reichsbank, the nation's largest financial institution. Boritz, the railroad magnate; Klein, the shipbuilder; Fleischer, holder of the nation's most extensive mining interests; and von Steuben, who had grown rich by supplying the electrical infrastructure demanded by Germany's burgeoning industrial buildup, completed the party. Karl bowed his guests

into the dining room and more servants appeared, bringing in steaming trays that drifted mouthwatering aromas in their wake.

When the last course had been served, the men retired to the privacy of Karl's library for the customary cigars and vintage Napoleon cognac. The congeniality from dinner carried over until the last Cuban had been lit and the last snifter served. Only then did the atmosphere turn serious.

Schmidt initiated the conversation. "Karl, we want you to listen carefully to what we have to say. Each of us has had the opportunity to discuss privately what we now want to discuss with you as a group. And we are all in agreement that your family's years of loyal service to each of our families uniquely qualify you for the sensitive assignment that we are hoping you will accept." Schmidt held Karl's eyes for a moment, then glanced at Bimmler and nodded.

The tall, thin, carefully dressed auto manufacturer, coal-black hair combed straight back, adjusted his glasses and began to speak in his quiet voice. "Karl, you probably understand better than most of us that any hope of reversing the failing prosperity of Germany will require some drastic changes. Following the war, the inflow of international financing and the corresponding improvement in our economy were, for a time, creating real hope. But now that the depression in America has spread to the rest of the world and the financing that we so desperately need is drying up, new solutions are becoming necessary. Many of our factories lie idle, unemployment is rampant, and public disillusionment is approaching historic highs. The Weimar Republic is unstable and the Social Democratic Party is losing its appeal. At the same time, membership in many reform political parties is fragmented but rising. In short, we think these circumstances indicate that time has come for us to start making some . . . discreet adjustments in the German government."

As Bimmler spoke, Karl felt the others watching him. He focused on Bimmler's words and maintained eye contact with him, however, and nodded at the expected moments.

"We have been following the progress of some of the most active new political parties and there is one that seems to be gathering more public support than the others." He paused to pull a piece of paper from his pocket, but Karl noticed that Bimmler never looked at it as he continued speaking. "According to my figures, Adolf Hitler and his National Socialist German Workers Party had an enrollment of 108,000 in 1928. In the recent elections, just four years later, they received 810,000 votes, an increase of almost 800 percent, and they now control twelve seats in the Reichstag. Experts agree that current economic difficulties will generate even greater public support for Hitler, whose fresh rhetoric and promise of change are having a mesmerizing effect on our discontented public. Disregarding the fact that many of his viewpoints may conflict with ours, the reality of the situation is that increasing numbers of our countrymen are convinced Hitler has some new answers to some old problems plaguing this country."

Klein coughed discreetly. Karl shifted his focus to the gray-bearded, stocky shipbuilder. "We believe that we can orchestrate the expansion of Hitler's support among the German people, allowing him to become our next chancellor. Once he is in office and has time to consolidate his power, we will already be in a position to use our influence over him and his party to introduce our own agenda."

After a pause, the railroad industrialist spoke. "Karl, some of us believe that by playing on the public's fear of invasion by the French from the west and the Bolsheviks from the east, Germans as a whole can be persuaded to support the establishment of an initiative we are calling 'Arsenals for Peace.' We think Germany can renounce the Treaty of Versailles and suspend the heavy

burden of financial reparations from the last war. Rearmament of Germany means revitalizing our businesses. And . . . it goes without saying that putting Germans back to work is good for Germany,” Boritz concluded.

As the following silence lengthened, Karl knew they expected him to respond. “Gentlemen, I agree with everything that has been said, but I fail to understand what all this has to do with me. I am a financial specialist, not a political strategist.”

“Karl, your family and mine have been friends and business associates for a very long time,” said Schenk, the banker. “Your loyalty and ethics are beyond reproach, and your assistance has, quite frankly, helped us survive this damned recession. Put quite simply, you are the only man we can trust to represent our collective interests *inside* Hitler’s government.”

“Just what is it you’re all expecting from me?” Karl asked.

“It is absolutely imperative that our interest in Hitler’s government remain anonymous,” answered the electrical manufacturer. “Should the German public become aware of our involvement, their confidence in the National Socialist German Workers Party would be destroyed, and the backlash would frustrate the control we seek. We want you to be our representative within Hitler’s government. With your expertise, no one will question your role there,” said von Steuben. “Become acquainted with him and his top people. Find out how much money they need to fund their agenda, then create a conduit whereby we can provide the money. In short, do what you can to connect us with Hitler. He needs what we can provide—and he can, in turn, give us what we need.”

“Once the National Socialists come to power, we can do our share to return our once-proud country to its rightful position as the true economic leader of Europe,” said Fleischer. “When that occurs, we’ll need to have you in the innermost circle. The generosity of our contributions will ensure that Hitler will want to keep

you around, not only to preserve our economic backing, but to utilize your considerable financial skills.”

Karl gave a modest little smile and made a dismissing motion with his hand.

“Funding their military arsenal will require selling a lot of debt to the outside world,” the mine owner went on, “and they will want to take advantage of your relationship with the international investment community. To further all these ends, we should have you appointed deputy minister of finance.”

Karl took a few moments to consider his words before he spoke; after all, he had not built his success based on rash answers. “Your explanations make it apparent that you believe the achievement of your goals will remain consistent with the interests of Germany and the aims of the National Socialist German Workers Party.” He carefully considered his next words. “But . . . what happens should these things become incompatible? What would I do then?”

Rising to his full, imposing height, Herr Schmidt took a small step toward Karl. “That is a problem that could indeed occur later on,” Schmidt said. “But the decision we are asking you to make *now* is whether the importance of what we are concretely attempting outweighs your need for answers to hypothetical situations.”

At that point, Karl realized, there really was very little more to be said.

BERKELEY, CALIFORNIA, 1938

Jacques Roth strolled across the campus dressed in his semiofficial uniform: starched khakis, white Oxford cloth shirt with button-down collar, highly shined Bass Weejun loafers, white sweat socks, and a well-worn Harris Tweed sport coat with leather patches on

the elbows. He looked every bit the aspiring academic. His black curly hair, blue eyes, tall athletic frame, and chiseled features typically drew attention, even on his cross-campus strolls. Some recognized him; there had been a few articles in the *Daily Cal* about the heir to the Roth banking empire who was also the former captain of France's national soccer team and a notorious Parisian playboy. A walk across campus that would take anybody else no more than ten minutes could take Jacques half an hour or more, depending on how many people would want to stop him and say hello. Today, knowing it would be his last walk through campus, he felt like taking his time.

As Jacques stopped to talk with friends, Dr. Tom waited with five other students across campus. The group had been studying, researching, and preparing for this afternoon's public presentation and defense of their work for three years, almost since the moment of their arrival at Berkeley to begin their doctoral studies. Tom Burdick had pulled them together very soon after they were accepted into his special, cross-disciplinary program in political economics. It was he who had molded them into a sort of mini-think tank and who had challenged them to reach beyond their privileged backgrounds and tap into the deep wells of intelligence, intellectual curiosity, and altruism that he said he knew existed in each of them.

It also didn't hurt that he had previously met each of their families or knew them by reputation. In his wide travels, Dr. Tom had collected friendships among most of the influential families of Europe and Asia. A charming storyteller in five languages, he knew somebody somewhere who knew something about almost anything you could imagine. Jacques and the others never ceased to be amazed during his lectures, when he would begin an anecdote with words like, "Once, when I was hiking through Nepal, I met a village elder who told me . . ." And the crux of the story would be the perfect illumination for the point he was making.

The learning didn't stop in class. The home of Dr. Tom and his beautiful wife, Deborah, was the regular weekend venue for dinner parties attended by Jacques, the other team members, and some of their more interesting friends. The conversation might wander across the economic reasons for the downfall of the Babylonian Empire, take a quick lap around Napoleon's five worst political mistakes, and end up headed in the general direction of the implications of long-range air travel for diplomacy in the Far East. The parties often lasted until the wee hours of the morning.

They all admired and respected Dr. Tom and were eager to please him and receive his praise. Tom Burdick was the hub of the wheel, and the six of them were the spokes. And today, with their major collaborative research presentation, the wheel would take a major turn toward its destination.

Lost in his thoughts, Jacques started up the front steps of Wheeler Auditorium, practically bumping into Dr. Tom and the rest of the team, who had been awaiting his arrival. They had all learned the hard way that despite his brilliance and strong leadership, Jacques was never predictable. Today, that trait was especially annoying. The crowd was already filing into the lecture hall, past the impatient presenters.

"Where the hell have you been?" Claudine demanded, stepping in front of Jacques and snapping him out of his reverie. "We've been waiting for you for almost a half hour. People are already being seated for the lecture."

Claudine Demaureux was Swiss, the daughter of Henri Demaureux, the chairman of Demaureux Bank, one of the most influential of Switzerland's financial establishments. She was brilliant, had a memory like a steel trap, and at this moment looked like she was thoroughly incensed by Jacques' playboy casualness.

"Sorry, guys," Jacques said, smiling and holding up his hands in a gesture of surrender. "I was just going over everything in my mind one more time. I'm ready. Are you all ready?"

“Ready as we’ll ever be,” said Mike Stone, the son of a very old New York banking family. In many ways, he was the most unassuming member of the group and was often required to play the role of peacemaker between the strong-minded and outspoken Jacques and Claudine.

“Remember, you’re going to be talking to a room full of academic skeptics,” Dr. Tom said. “This ‘Power Cycle’ of yours is going to sound like something out of a science fiction story unless you explain, verify, and back everything up with solid fact. Your thesis isn’t some pie-in-the-sky academic theory; it talks about a real and present danger. You six have got to make them see and understand the importance of what you present.”

“Gee, Dr. Tom, I never thought of that,” said Tony Garibaldi with a wide grin. “I thought we could just pass out a little wine and have a nice, comfy chat, like we do at your house.”

“Okay, I’m glad you’re all nice and loose,” Dr. Tom said, “but it’s time. Now go in there and make yourselves proud.”

The headline of the next morning’s newspaper screamed at Dr. Tom as soon as he unwrapped it.

GERMAN INDUSTRIALISTS PUSHING EUROPE INTO WAR, SAY SIX CAL-BERKELEY RESEARCHERS

Berkeley, June 8, 1938. Six doctoral candidates at the University of California at Berkeley’s influential Institute for World Economic Studies claim they have discovered a pattern that explains and can even predict repeating cycles of the rise and fall of world powers.

The scholars claim they have identified seven distinct steps that make up the repetitive cycles of political corruption, driven by economic and financial motives, that have occurred throughout history. They call this seven-step process “The Power Cycle.” In a startling conclusion, the six

assert that when viewed through their “power cycle” lens, the current political and economic situation in Germany, if left unchecked, will plunge Europe, and perhaps the world, into war. Jacques Roth, the group’s moderator, concluded that the German industrial complex’s continuing rearmament of Germany will inevitably result in the country’s pursuit of a Western European Aryan Empire. Germany’s invasion of the Ruhr and the Rhineland demonstrates that the process has already begun, Roth says.

The Power Cycle in History

Miss Cecelia Chang, a scholar from Hong Kong, started the group’s presentation. Miss Chang, daughter of one of Hong Kong’s most influential trading families, presented an analysis of 5,000 years of Far Eastern history that demonstrates repetitive sequences of the seven-step Power Cycle, she says.

Anthony Garibaldi, of Garibaldi wines, next traced three millennia of European history, showing how the continuous occurrence of power cycles could be used to explain the rise and fall of kingdoms and power coalitions in Europe and the Middle East.

Ian Meyer, scion of the founding family of one of London’s most respected auction houses, Meyer & Co., used his analysis of the seventeenth-, eighteenth-, and nineteenth-century British, Dutch, and French empires to reinforce the findings of his colleagues and to more clearly define each of the seven phases of The Power Cycle.

The Power Cycle in Modern Europe

Next, Mike Stone, son of Morgan Stone, chairman of New York’s Stone City Bank, listed details of recent events occurring in Germany that closely correspond to the early

phases of previous power cycles. “Left unopposed,” he said, “German national ambitions will almost certainly evolve into a quest for a pan-European empire. If allowed to occur, what alternative, other than another world war, will be available to restore political and economic sovereignty to Europe?”

Miss Claudine Demaureux, daughter of Henri Demaureux, the well-respected chairman of the Swiss bank of the same name, began her presentation by questioning whether this German military-economic-political power process was limited to just Germany. Referencing Swiss banking practices, she described some of the interlocking business agreements and investments that have been consummated between German industrialists and their counterparts on both sides of the Atlantic. Miss Demaureux concluded her remarks by asking, “Will these oligopolies, designed to restrict production, control markets, and concentrate capital, threaten the objectivity of the foreign policy of the United States and Great Britain? Have Germany’s relationships with these nations’ industrial and financial communities become so pervasive as to prevent these two great powers from opposing Hitler’s aims on the rest of Europe?”

Is Now the Time to Act?

Jacques Roth, heir to the great French banking fortune, concluded the group’s presentation. Using stories originally reported in European newspapers, Mr. Roth illustrated the fact that German military forces of limited strength have already invaded and successfully occupied the Ruhr and the Rhineland valleys, two regions that separate France from Germany. He asserted that by not understanding Germany’s true agenda of imperialistic conquest—and the

economic imperatives of its principal financiers—the governments of France and England failed to respond in sufficient force. Roth theorizes that by preferring policies of appeasement rather than utilizing their superior military advantage, a pacifist France and England and an isolationist America are allowing Hitler’s pursuit of an Aryan Empire to proceed.

“Maybe it’s important that we step back and examine what is really happening to our ever-shrinking planet,” Roth said. “If and when we do respond, how much more violence and loss of life will be required than if efforts to eradicate these problems had taken place in the early stages of corruption? Big governments, burdened with their many dams of bureaucratic inertia, have historically never been able to identify, process, and react to new threats with the same degree of alacrity as the perpetrators. History is demonstrating that these power cycles are commencing much more quickly. The cost of war, measured in dollars and the killing capacity of new weaponry, is advancing at an alarming rate.”

Roth concluded, “Our research suggests the need for some kind of watchdog organization funded independently of national and private politico-economic self-interests. Such an organization would be responsible for identifying these emerging pockets of corruption in their early stages, exposing them to the broader world, and finding solutions that can be used to eradicate these cancers when lower-level means can still be used effectively.”

Government spokespersons in attendance left before the question-and-answer period that concluded the session. At press time, none of them could be reached for comment.

Dr. Tom was not surprised to learn the government spokesmen had left so soon. In the environment created by the Sentinels, it was highly likely that questions might be asked which the government wouldn't want to answer.

Chapter 1

TWO OLD FRIENDS

GENEVA, SWITZERLAND, MARCH 17, 1943

A conservative, precise man of reason and logic, and the seventh-generation president of the highly regarded Demaureux Bank of Geneva, Henri Demaureux inspired confidence in his investors and fellow bankers.

Henri valued his daily routines. Each morning, he would begin by sorting his own mail, separating the letters into three stacks. The first pile he would deal with personally, the second he would give to the appropriate vice president, and the third would be handled by his trusted secretary of many years.

As he sorted the day's mail, a hand-addressed envelope from his old friend Karl von Schagel caught Henri's eye and disrupted his morning ritual. The envelope was odd. Ever since Karl had been appointed Germany's deputy minister of finance, he had proudly used his official German government letterhead to communicate with both his friends and his business associates. Henri wondered why, on this occasion, he would choose to use his personal stationery. Curious, he quickly opened the letter.

Rising from behind his desk, Henri carried the letter to the large bay window overlooking a blustery Lake Geneva. The extra light made it easier for him to read Karl's cramped handwriting.

Dear Henri,

Please forgive my boldness in inviting myself to your chalet in St. Moritz. Recent developments in the war have made my job even more strenuous, and I would benefit greatly from a brief holiday. I am planning to visit Geneva the week after next on state business, which should not take more than a few hours. If it is convenient, I would look forward to combining some business with a weekend of relaxation with you and Julia.

Karl

Henri rubbed his hand over his thinning hair. This was certainly a strange communication—especially since Karl knew very well that Julia, Henri's wife, had been killed three years ago in a terrible skiing accident. Karl and Anna had attended her funeral! What would prompt him to mention her name and talk as if she were still living? And Karl could not have forgotten that the chalet was in Chamonix, not St. Moritz; he had been there several times. Henri read and reread the note, growing more puzzled. Finally, he lifted his eyes and gazed out the frosted window.

Karl's note and the weather outside turned Henri's thoughts to his beloved Julia, whom he still couldn't remember without tears welling from his eyes. Forcing himself to return his attention to the cryptic letter, he speculated about what could be bothering Karl. *Is it the war? This request has to involve more than a relaxing weekend. The pressure of serving two masters—Hitler and his industrial affiliates—must be making Karl's life very strenuous.*

Henri picked up a pen.

Karl, my friend.

I, too, would enjoy yet another occasion of challenging skiing on the slopes of St. Moritz. It would be less than hospitable if Julia and I refused your request. The backgammon board waits as well. Let me know when your train will be arriving in Geneva, and I will meet you.

Henri

Declining to tell even his wife the true purpose of his visit to Geneva, Karl von Schagel left home with a farewell kiss from Anna and her request that he give Henri her warmest regards.

He arrived at the station half an hour before his train was to depart. Anhalter Bahnhof, once known for welcoming Berlin's most important arrivals, was now called *Tränengleis*, or "Track of Tears." This was the place where many of the Jews who had been taken from their loved ones were placed on trains, never to be seen again.

Escorted by the senior member of his staff, Karl boarded his private car, which was attached to one of Germany's crack expresses. It was wartime; nothing was spared in facilitating the movement of Hitler, his High Command, or his senior government officials.

Karl couldn't forget his amazement the first time he'd traveled in this car as the deputy minister of finance. It had been specially modified; it was half again as long as a regular passenger car. Its glossy, royal burgundy exterior, embossed with the gold government seal, elegantly covered hardened steel alloy panels, and bulletproof windows. It contained a full galley, a dining area that sat eight, and a library bar stocked with the finest wines and distilled

spirits. Master suites were located on one end of the car, with staff facilities at the opposite end.

Karl breathed in the rich smell of leather and the hint of the flavorful dinner being prepared in the galley. He tugged off his gloves and took off his heavy leather topcoat before sitting in a well-cushioned chair and propping his carefully polished leather boots on the nearby ottoman. Unbuttoning his collar, he looked around at the richness of the mahogany paneling, the polished oak flooring covered with rare, Oriental area rugs, the gleaming brass lamps and fixtures, and the paintings by Renaissance and Impressionist masters. These were the special amenities afforded to men in his position.

But Karl was no longer impressed. Recently, he had begun to wonder from whose home or from which museum these priceless possessions had been stolen. Most likely, they had been the personal property of productive and responsible Jewish citizens of Germany, some of whom might have been friends of his family and clients of his firm. These spoils of war only served to remind him of how far astray the policies of Hitler and the Third Reich had gone.

A member of the car's staff brought Karl a well-chilled martini made with British gin, French vermouth, Italian olives, and a twist of Spanish lemon, served in a long-stemmed crystal glass made in Ireland. Karl registered the irony that Germany was engaged in war with three of these countries, had aligned itself with the fourth, and had supported a destructive civil war in the fifth. As he sipped his drink, he reflected again on the decisions that had brought him to this moment. *How many more times, I wonder, will I regret not having insisted that the seven gentlemen gathered in my library, all those years ago, answer my question?*

Karl stared out the window as the train left Berlin. The industrial areas on the outskirts of the city, the recently favored targets

of British and American bombers, were beginning to show the ravages of war. Even the white frosting of a winter storm could not hide the devastation of Karl's once-proud country.

Sighing, he sat back and tried to put the troubles of Germany out of his mind. A second martini failed to dull the horrors he had been forced to witness. He envisioned German troops lying strewn across the frozen plains of Russia. *Our armies are trapped in Stalingrad, and another regiment faces defeat in North Africa. The tides of war are changing. It's only a question of time before the Allies invade Europe's mainland.*

He remembered Herr Schmidt's blue eyes boring into him during a recent "meeting." In reality, the occasion was more like a summons. "Karl, we've all discussed it," Schmidt had said, "and we want you to develop a plan that will allow us to remove our personal wealth from Germany while there is still time.

"You know how dangerous it will be to attempt this transfer. It is absolutely critical that we avoid detection by Hitler or any of his High Command. A man I knew, acting in concert with two of Admiral Canaris's *Abwehr* agents, was caught smuggling a modest amount of money across the frontier into Switzerland. Rumor has it that all three received fast trials and even faster executions. I wouldn't want to guess what would happen if Hitler became suspicious of what we are planning."

And so, I have now become their smuggler, Karl remembered thinking as he began writing his cryptic note to his old friend, Henri Demaureux. Now he was on the train that would take him to Henri and the next phase of this latest distasteful secret mission.

Lost in thought, he was startled by the sudden announcement of dinner. He rose and walked over to the carefully arranged dining table. But even the 1935 Chateau Margaux and pheasant, his favorite entrée, couldn't stop him from thinking about his forthcoming meeting. *Will Henri understand? Will he be willing to*

help? Can he be trusted? That last question was the most important of all.

After a second glass of wine, Karl began to reflect on the events of the last eight years. In 1935, everything had seemed so promising. With the financial support of Karl's clients, Hitler and his National Socialist German Workers Party had risen to power. Once their power had been consolidated and Hitler's virtual dictatorship over Germany had been established, it wasn't long before the industrialists' influence was being exercised over the new government. Karl's cohorts had been busy supplying the armaments to satisfy Hitler's unquenchable thirst to rebuild the German military machine. Driven by the relentless demands of the buildup, enormous profits were generated for the industrialists. The German economy began recovering from its disrepair following the Great War, and mutually profitable arrangements had been made among right-wing industrialists on both sides of the Atlantic.

By 1938, Hitler and his new armies were reaching out and occupying neighboring countries. By 1940, Germany controlled most of Western Europe, exceeding the reasonable expectations of even some of the nation's leaders.

Now, three years later, why were things so different? How had Karl and his clients lost the influence they had once enjoyed over Hitler? How had Hitler-the-puppet become Hitler-the-puppet-master? Why hadn't they predicted his rising popularity with the German people?

Hitler and his government were no longer dependent on the support of the elite industrialists. Over the years, the combination of a reviving economy, an appeal to German national pride, military victories, and the convenience of the Jews as scapegoats for all that was wrong had consolidated Hitler's popularity with the working people of Germany.

At that moment, Karl felt a cold shiver run down his back, even in the climate-controlled comfort of his private car. It was clear to him that he would have to make a choice: Would he commit treason against his beloved Germany by helping his clients transfer private wealth out of the very country that had made them rich and that needed capital now more than ever, or would he abandon them in their self-serving attempts? Either way, he would no longer be the loyal servant. He would be left standing on his own—if he was lucky.

Chapter 2

A CALL FROM GENEVA

As was her habit, Claudine arrived at her office in the Demaureux Bank building promptly at eight o'clock each morning. But her mental state today was anything but ordinary. Instead of sorting her correspondence—a habit she had acquired from her father—she sat in her leather desk chair, chewed her thumbnail, and stared pensively out the window at the gray, rainy early spring day.

She spent much of the rest of the day attempting to appear focused on her work. Fortunately for Claudine, her father, who was more attuned to her moods than anyone else she knew, was relatively preoccupied with some matter of his own, and no one else appeared to notice her unease.

Now, as the time approached, she was becoming agitated. *How could Father even consider the idea of helping preserve the capital of the very same people who financed Hitler's rise to power? Getting their money out of Germany to shorten the war is one thing, but freeing it up so that they can do the same thing somewhere else is quite another. Doesn't he realize it will only be a matter of time before these depositors find a new opportunity to start the next Reich?*

She felt her father should have trusted her sooner with the plan involving Karl von Schagel. Then, the two of them together could have developed a plan to tie up the Germans' capital for a very long time, preventing it from being used for more malevolent political purposes. Any plan that didn't accomplish this wasn't acceptable. Her research at Berkeley told her what would surely happen if the German industrialists were allowed to retain their wealth to use as they wished. The Power Cycle would simply begin again in a different guise, in a different place.

She sat back in her chair. She could still remember, as if it were yesterday, when she'd first met the five colleagues who would become, over the course of her study at Berkeley, both her best friends and her most challenging intellectual sparring partners.

Mike Stone, though unassuming and gentle in many ways, was tough, driven, and determined to succeed. He'd told her once that he used to sneak out of his house and down to the local YMCA for boxing lessons.

"Why did you have to sneak?" she'd asked.

"It was something my father never understood or approved of."

"So, why do it?"

"Well, let me put it this way. There were always plenty of street-wise guys in the gym who wanted to knock some sense into the rich Jewish kid. And they did. I literally had to fight my way out of there every day, but I learned something in the process. When we climbed into the ring, there were no such things as social class, color, or even family names, for that matter. I couldn't tell whose father earned how much. None of that counted there. You were judged only by what you brought to the bout.

"All I could see was an opponent who had to be beaten . . . an obstacle that had to be brought down. Fighting each different person was like solving a complicated problem, and that served me well outside the gym too. Even now, I equate challenges in my

life to opponents in the ring. I can't rely on anyone else to do my fighting. It's just them and me."

Claudine smiled faintly. *Just them and me.* Mike would understand exactly what she was up against. She picked up the phone.

"Mr. Stone, there's a call for you and Mr. Roth from Geneva—a Miss Claudine Demaureux. Will you take it in the executive conference room?" the secretary asked.

"Yes, Carole, thanks. Would you please ask Mr. Roth to join me?"

Mike Stone quickly walked down one of Stone City Bank's long corridors to the room with the transatlantic telephones. It had been a while since he'd talked to Claudine, and he wondered why she was calling. She was not one to make social calls.

The first time Mike had ever laid eyes on Claudine, she'd been sitting in front of a large plate-glass window. The sunlight on her silver-blond hair made it appear almost luminous. Even from across the room, he could see her blue eyes set perfectly in that gorgeous face of hers.

Mike had quickly realized it would be a mistake to judge Claudine as some sort of pampered, rich European coquette. Underneath her cool Nordic appearance lay more intelligence and intensity than any three other people.

Mike's thoughts were interrupted by Jacques, who rushed into the conference room. "Mike, we have to do something about those elevators," he panted. "They are so . . . slow that I couldn't wait. I ran . . . up three flights of stairs . . . when I heard Claudine was calling."

Jacques slumped down in a chair next to Mike and each of them picked up a phone.

“Claudine, greetings from New York. Jacques and I are both here. To what do we owe the pleasure of this call?”

“Mikey!” Claudine’s voice sang over the line. “I was wondering if you and Jacques are still planning to attend the International Bankers Gold Conference in Zurich during the second week of April. The economic climate in Germany appears to be changing quite rapidly, and I think we should meet before the conference to discuss the effects it’s had on the banking business. Since you are going to be so close, Father and I were wondering if you could come early and spend a few days skiing at our chalet in St. Moritz. I know you are both busy, but I simply won’t accept no for an answer.”

Claudine had no sooner gotten the words out than the line went dead. Mike and Jacques stared at each other in confusion, still holding the receivers in their hands.

“St. Moritz?” Jacques said. “Their chalet’s in Chamonix. What is she—”

“Something is wrong,” Mike said. “Claudine’s a smart girl. She probably knows German agents are monitoring international calls. What’s she trying to tell us that she doesn’t want them to know?”

Half to himself, Jacques said, “It’s like that nonsense code we used to have at Berkeley, when we thought someone might be listening in on our research discussions. She asked if we were attending the IBG Conference in Zurich. I’m sure it’s to be held in Geneva. But Zurich is where she and I had such a bad experience trying to introduce the concept of gold bearer bonds to the banking community. Things were going so badly that I said I would never come back to Zurich, even if the *streets* were paved with gold.” He looked at Mike. “Maybe she’s telling us that we need to go to Geneva to talk about something to do with gold.”

“Well, I was struck by the fact that she called me ‘Mikey.’ She *knows* I hate being called that,” Mike said. “When we were

at Berkeley, she would only call me by that name when she had something serious to discuss and wanted me to really focus on what she was saying. I agree with you . . . Next month, she wants us in Chamonix, and she obviously couldn't discuss details over the phone."

Jacques nodded. "Actually, it wouldn't hurt us to get out of old New York, the city that never lets us sleep."

"That's true. I'm flying out someday within the next week to meet Cecelia, but beyond that, I haven't got anything scheduled. We haven't seen Ian in five years, either. Let's leave a little early and spend a few days with him in London before heading to Geneva. It'll be like a little group reunion."

Claudine stared at the phone. The call hadn't taken long. She wondered if it had gone well and if Mike and Jacques would remember that silly code they had used at school. *We used to joke that we were all becoming paranoid. I guess it wasn't so silly after all.*

Jacques was the son of one of her father's closest friends. Long before arriving in Berkeley, she had heard "Jacques stories," accounts of his exploits on and off the soccer field. The sports sections of French newspapers would frequently publish pictures of Jacques pursuing the ball toward the goal with such reckless abandon. Often, in the same edition, she would find photos of him in the society section, escorting his latest companion to a charity ball, the opera, or his favorite nightclub. Left unreported were his academic achievements at L'Ecole d'Administration in Paris and, later, at the London School of Economics.

Working so closely together for the three years at Berkeley, they had become good friends. Yet, always mindful of Jacques'

reputation as a womanizer, Claudine preferred to maintain their relationship on a professional level. More than once, however, she wondered what might have happened if she had allowed things to be different.

Well, never mind all that. I'm about to get in over my head here, and Jacques and Mike are the only people who can help.