

VOICES BEHIND THE CURTAIN

by

Gordon Zuckerman

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OTHER TITLES BY
GORDON ZUCKERMAN

Fortunes of War
Crude Deception
Matter of Importance

PREQUEL

FAREWELL SPEECH: President Dwight D. Eisenhower January 20, 1961

“The conjunction of an immense military establishment and a large arms industry is a new American experience. The total influence—economic, political, even spiritual—is felt in every city, every state house, and every office of the federal government . . . In the councils of government, we must guard against the acquisition of unwarranted influence, whether sought or unsought by the military-industrial complex. The potential for the disastrous rise of misplaced power exists and will persist.”

“As we peer into society’s future, we—you and I and our government—must avoid the impulse to live only for today, plundering for own ease and convenience, the precious resources of tomorrow.”

PREFACE

IT'S JANUARY 1948. THE SECOND WORLD WAR CONCLUDED MORE THAN 2 years ago. Believing the world has fought its last Great War, and unaware of or unconcerned about Russia's potential emergence as a new world power, the American public is preoccupied with getting married, having children, spending its pent-up wartime savings, and looking for peacetime work.

Meanwhile, defense spending has dropped by \$400 billion, or 67 percent of peak wartime spending limits. It's a drop that has some powerful people concerned. In recent years, New York commercial and investment bankers and military contractors have been convening regularly in secret. Carefully guarded meetings have been conducted to discuss how to cushion the adverse economic effects of America's shift from wartime production to the manufacture of consumer goods.

Not even the most optimistic among the Wall Street investment managers believe proposed solutions—selling off surplus capacity, retooling plants to manufacture peacetime consumer products, and generating postwar demand—will be adequate to offset the economic consequences. Something has to be done. That's why, on this bitterly cold day at the start of 1948, they decide to retain the law firm of Southwick & Cornforth. They expect its managing partner, J. Jordan McWilliams, to develop an imaginative and comprehensive plan needed to address the urgency of the situation and present it for their approval at the earliest possible date.

PROLOGUE

The Sentinels Gather

(Ten Months Later)

NEW YORK, NOVEMBER 1948

The jungle drums registering concern over the latest developments in the fast-rising world of anti-Communist campaigning are beating more loudly. The tide of the public's growing fear of the spreading threat of Communism is rapidly rising.

Jacques and Mike, the European and American Sentinel leaders, via transatlantic telephone, have been exploring possible corporate agendas in play and the evidence that a new Power-Cycle type threat may be forming.

Mary Wheeler Clarke's sources—former generals now consulting with military contractors—continued to give her reports on the ramped-up plans for increased defense spending.

Marco Tancredi has reported on the situation from his unique vantage point: Members of his late-night office cleaning staff have been separating the discarded executive notes of the members of Manuel's Club they have discovered in the trash they are required to remove each night.

Walt Matthews, the nationally syndicated columnist for the *New York Times*, has been reporting the activities of the House Un-American Activities Committee with increasing frequency . . .

Natalie's transatlantic casting program, "Natalie's Bridge," widely regarded as a brave effort to identify English employment for out-of-work, blacklisted Hollywood personalities, has caught the attention of the American public.

PROLOGUE

It had been decided that an all-hands meeting of the Sentinels was needed to organize a plan of opposition. The scheduled dinner in the Stones' spacious Upper Eastside New York apartment represented the first time all 14 would be called together.

By seven o'clock on the appointed evening, everyone had arrived, been offered their drink of choice, and had sampled Cecelia's magnificent array of Oriental hors d'oeuvres. With drinks in hand and nibbling on the marvelous finger food, the battle-hardened Sentinels stood around talking. The affection, admiration, and respect they held for each other was apparent.

As involved in their own conversations as they were, they couldn't help but notice that Mike and Jacques had made their way to the outside balcony. Trying not to appear obvious, the others would periodically steal quick glances through the big plate-glass window. Judging from the body language of the two leaders and the intensity of their facial expressions, the other Sentinels concluded that their leaders were having a serious, do-not-disturb conversation.

* * *

JACQUES WAS TALKING. "I'M GUESSING THIS SITUATION WITH THE military budgeting represents a serious threat to the congressional appropriations process and demands our attention. When the Founding Fathers set up the checks and balances of your remarkable government, I wonder if they anticipated that these concentrated pockets of wealth and influence would become so dominant. Unfortunately, it's not just a problem for American citizens. Many people in other countries are depending upon the generosity of the American people to help them reconstruct their local economies. Already, they're starting to worry about how the cost associated with rearmament might interfere with their own needs."

Responding, Mike said, "We may not like what McWilliams and his cronies are attempting, but at least we know what it is. Now that we have two sources of confirming information, I wonder if we really have any alternative to becoming involved."

Jacques was about to respond when Cecelia announced, "All right, everyone, dinner is served!"

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CAST OF CHARACTERS

Jordan McWilliams: Wall Street Attorney-In charge of Manuel members plan
Manuel Rodrigues Arena-Friend of McWilliams, Acapulco Host, Mexico City
movie maker

Richard "Slick" Bailey: California congressman, member of HUAC committee

Mercedes Ordonez Velasquez: Former Miss Universe, under contract to Arena
Movie Studios

Mike Stone:/Original Sentinel, Executive V.P. Scone City Bank

Jacques Roth: Original Sentinel, Head of Roth Bank in Geneva

Claudine Demaureux Roth: Original Sentinel, daughter of Henri Demaureux,
wife of Jacques Roth

Mary Wheeler Clarke: Former Administrator, CIA, Bern, Switzerland

Henri Demaureux: Fifth Generation family President of Demaureux Bank of
Switzerland

Cecelia Chang Scone: Original Sentinel, Born in Hong Kong, married to Mike
Scone

Southwick & Cornforth: Powerful Wall Street, New York City law firm

Marco Tancredi: Second generation, Sicilian immigrant, former garbage com-
pany executive, founder and owner of American Building Maintenance
Company

Armando: Marco's partner

Gordon Newell: Monterey sculptor, Scone family friend

Don Cerreta: Marco's oldest and best friend, Federal Prosecutor, Attorney
General Office

Natalie Cummins: Retired star of New York and London's musical Stage

CAST OF CHARACTERS

David Marcus: Visiting Fellow, University of California, Owner-founder of Great Britain's "International Petroleum Investment Advisors"

William W. Wey!, "Mr. Bill": Successful author, playwright, and screen writer, former World War II highly decorated naval aviator. Target of HUAC anti-communist investigations

Mrs. Cyril "Gloria" Adams: Retired Hollywood actress, former wife of Hollywood Black Listed screen writer

Dr. Tom Burdick. Professor, University of California, doctoral advisor to the "Original Six Sentinels"

Juan Pablo Perez: Venezuelan Petroleum Engineer, consultant co Middle Eastern, oil rich country governments

Tony Garibaldi: Original Sentinel, founder and managing partner Sentinel Vineyards

Walt Matthews: Senior reporter New York Times and long-time Sentinel friend "Voices behind the Curtain Attorneys"

Ben Holt: represents implement Mid-West manufacturers

Ken Hoffman: represents steel maker from Pittsburg

Dale Pennington: represents Oilmen from Los Angeles

Bert Damner: represent aircraft manufacturers from Seattle

Pere Scott: represents oil companies from Houston

Sir Colin Meyer: Duke of Trafalgar, father of Ian Meyer, an original Sentinel

Stanley Victor: McWilliams' Georgetown friend who hosts weekend cruises on his ocean-going yacht

Pete Ferrari: President American West National Bank

Frank Majors: Foreman, night cleaning office maintenance crew

CHAPTER 1

Manuel's Club

ACAPULCO, FEBRUARY 1948

J. Jordan McWilliams was standing in front of Acapulco's international air terminal, enjoying the warm tropical breeze. Waiting next to him was Señor Manuel Rodríguez Arena, a Mexico City movie producer. The two longtime friends were silent as they watched the landing of the first of six flights that would arrive that afternoon. Each plane had departed from a different major city in the United States. On board each craft were the chief executive officers of many of the country's largest military-industrial corporations. These men were accustomed to making difficult decisions, solving complicated problems, and ensuring important things happened.

Responding on short notice, they had immediately accepted the offer of Señor Arena's Acapulco hospitality. They understood what appeared to be an innocent invitation was, in reality, their notification that J. Jordan McWilliams was preparing to present his plan for restoring American military spending.

To provide sufficient room for all of his invited guests, Señor Arena had arranged for the exclusive occupancy of Acapulco's finest boutique hotel. As the only guests, they would be able to listen, discuss, and hopefully, approve McWilliams's plan.

As Jordan watched the first plane taxi along the tarmac, he reflected on the events that led up to this day. Anticipating the government's sudden cancellation of military procurement contracts might cause problems. He and

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his friend Señor Manuel Arena, for the prior 2 years, had been periodically inviting different combinations of these powerful industrialists to his 10-room beachfront villa in Acapulco, where they could discuss postwar problems on a confidential basis. Each time before they departed, the invited guests would make handsome contributions toward the next movie Manuel was planning on producing. Those who appeared to be the most interested in finding some way to extend government spending on military contracts had been invited back. Each time a returning guest was preparing to depart, he was handed two envelopes. One contained the dividends from his previous investment, and the other contained an invoice for the next-to-be-produced movie. The dedicated group that ultimately emerged had come to call themselves members of "Manuel's Club."

These Manuel's Club members were masters of personal compartmentalization. At home, these powerful, respected leaders were active in local politics and charitable causes. They prided themselves on being supportive, loving husbands and caring fathers. They were men of trust and responsibility.

Away from home, however, they were accustomed to "relieving" some of the pressures of their demanding lives. The males-only club indulged themselves with the attentions of their personal secretaries, mistresses, or the fetching local female "cousins" who were frequently present during the less formal parts of the gatherings. Excessive drinking and unexplained absences were never questioned.

The time for talking had passed. Existing government contracts would soon reach maturity, and other contracts were being canceled on a somewhat regular basis. The need for restoring government military spending was fast approaching.

Within an hour, the line of chauffeur-driven limousines was transporting Manuel's guests to Acapulco's Villa Verra, the long-recognized exclusive resort hotel of choice for Hollywood's film colony. Perched high on a hill overlooking Acapulco and its crescent-shaped turquoise bay, Villa Verra enjoyed a fine reputation for luxury. High-profile patrons gushed about the elaborate tropical character of its rooms, the excellence of its cuisine, and the privacy it afforded celebrity guests.

On any given night, the menu, printed daily, featured the finest local seafood, wild quail, and gourmet French and Italian dishes. The six-page leather-encased wine list featured the finest vintages from each of the selected

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appellations in Italy, Germany, and France. A knowledgeable sommelier stood by to help guests with any unfamiliar selections.

Despite the seriousness of this meeting, Jordan knew that the first night's dinner needed to be a relaxed, friendly gathering. By early evening, voices and laughter filled the main dining room of the villa's restaurant. Accustomed to Mexico's custom of long cocktail hours and late-night eating, Manuel's guests stood in groups of two or three chatting with old friends. Waiters served exotic drinks in large, interestingly shaped glasses; others carried platters of shrimp, caught that same day, and folded minitortillas stuffed with cheese and jalapeños. A local mariachi band stood off to one side, blaring festive music on trumpet, guitar, violin, and a huge and well-worn string bass.

Their appetites whetted and their spirits buoyed, no one objected when the dinner gong was finally sounded. Once they were seated, everyone's attention was drawn to their host, J. Jordan McWilliams, who rose from his seat. "Gentlemen, if the situation weren't so serious, I would not have found it necessary to prevail upon you to join me and your fellow Manuel's Club members on such short notice. It's no secret that my colleagues on Wall Street, as well as most of us in this room, are convinced that the cancellation and expiration of so many government contracts could materially affect your ability to maintain current levels of employment and purchase of products and services. Over the next 3 days, my colleagues and I plan to present a three-part plan for you to consider, discuss, and, I sincerely hope, to approve. It's one that we think could encourage our government to renew military contracting well into the foreseeable future."

"And exactly how do you intend to do that?" one of the well-oiled guests asked. His tone was sarcastic, his voice slurred.

Unfazed, Jordan responded with vigor, "We are planning to scare the living hell out of the American public over the threat of spreading Communism. At the same time, we are going to introduce a national publicity campaign designed to convince them that improved military preparedness is our best defense! And, we will be electing a candidate to Congress who will decide close votes in our favor."

His words hung in the silent room. "But I'm getting ahead of myself here," he said. "I have been told the management has gone to a great deal of trouble to prepare a marvelous meal. Let's relax and enjoy the evening. We will have ample opportunity during the next 3 days for discussion. Bon appétit!"

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* * *

THE NEXT MORNING, THE VISITING EXECUTIVES AWOKE TO BRIGHT sunlight on their balconies. Cool ocean breezes and the smell of hot coffee and frying bacon permeated their elegant open-air suites. One by one, they struggled out of bed and into hot showers. They shaved, slipped into tropically patterned sport shirts, white linen Bermuda shorts, and sandals before making their way down to the poolside veranda where breakfast was being served.

At precisely nine o'clock, J. Jordan McWilliams opened the meeting. "Considering how long some of you stayed at the bar last night, I'd say you all look rather presentable!"

Pleased with the men's laughter, he continued. "I might add, however, that if people back home could see these outrageous shirts and all these pale, hairy legs, they'd never recognize you for the all-powerful executives they know you to be. Just take a look at Peter, standing over there by the pool; his white legs look like two white out-of-bounds stakes!" That drew an even bigger laugh.

"Okay, gentlemen, enough levity. Let's get down to business! As I'm sure you all know by now, we're here to talk about one thing: how to persuade the government that our country needs to adopt a more aggressive military posture if it is to protect itself from the spreading threat of Communism. Our work starts with encouraging the American public to support the rearming of America. This will not be an easy task. Poll after poll indicates that a significant majority of American voters believe we have fought our last Great War. Our most loyal congressmen are convinced that without a material change in public opinion, the introduction of a more aggressive military budget would prove fruitless."

"Jordan, I don't want to appear negative," an automobile executive from Detroit said, "but nearly every major economy besides ours has been severely wounded. Does any country, even Russia, really pose a threat credible enough to encourage such a drastic change in public attitudes?"

"I've been hoping someone would ask that particular question," Jordan said. "We may have won the war, but we have to still prove we can manage the peace. The severe damage so many economies have absorbed suggests that regional governments' efforts must be focused on solving more immediate local problems required to feed and employ their people. Unless solutions are found

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for these problems and hope is quickly restored, redeveloping economies will remain vulnerable to external threats.

“Meanwhile, a well-equipped victorious Russian army remains in Berlin, the back door to a deeply wounded Western Europe and a front door to Eastern European countries. The United States is the only viable remaining source of opposition to prevent an ambitious Soviet government from expanding its sphere of influence.

“Our best information suggests the Russians are developing their own atomic weapons, and they are reverse engineering American B-29 bombers capable of delivering atomic payloads across oceans and attacking America.

“As long as the probabilities of intercontinental atomic warfare exist, we have convinced ourselves that it should be possible to persuade the American public of the importance of a major increase in military spending. No matter how remote the possibility may be, it’s our job to further convince them that it represents a risk we aren’t prepared to accept.”

“Are you suggesting, Jordan,” the automobile executive said, “should we accept the foundation of your entire plan, we will be able to modify public attitudes, pack Congress with a sufficient number of members loyal to our cause, and introduce and pass needed legislation required to raise military procurement spending levels?”

Smiling, the cagey veteran Wall Street attorney answered, “I guess that pretty well sums it up. There’s nothing like a good dose of preventive medicine to cure what doesn’t ail you!”

The audience, unprepared for such a flip answer to such a penetrating question, carefully reflected on the implications of what they had just heard.

McWilliams broke the silence. “Fortunately, gentlemen, we have a special guest who has come to Acapulco prepared to address this particular problem. He is California’s freshman congressman, the Honorable Richard Allen Bailey. You may have heard of Dick. In college, he was an all-American quarterback at USC. He is a graduate of Loyola Law School and a member of the California bar. Since his discharge from the army, the well-decorated war hero has become a practicing member of Bean & Bean, a highly respected Southern California law firm that specializes in all things political. Dick is also a highly decorated war veteran. While he was stationed in England—and for reasons he refuses to reveal—he gave up his cushy, safe position in the

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Judge Advocate General's Corps and asked to be assigned to the infantry. According to our review of his war record, Dick volunteered for the most dangerous assignments, beginning with his landing on Normandy, France's Omaha Beach. He also served in Patton's Third Army as it made its way to Berlin.

"Shortly after his return, working at Bean & Bean, his father-in-law's law firm, Dick began to exhibit a strong interest in the political side of the practice. Despite his fashioning an outstanding record as a political lobbyist, Dick realized he both needed and wanted to be more engaged in the political process than his current position allowed. Approaching Southern California's Republican Committee, he inquired about the feasibility of his running for the vacant congressional seat. Thoroughly vetted, he became the committee's unanimous choice. With the support of his father-in-law, Bean & Bean, and their conservative friends in Southern California, Dick was elected as his district's representative to Congress. More recently, he has been appointed to the House Un-American Activities Committee.

"In the coming days and weeks," Jordan continued, "you'll be hearing a great deal about Dick and this committee. They will be conducting hearings into the subversive Communist activities of certain members of the State Department, government officials, higher-ranking military officers, and high-profile Hollywood film producers, writers, and actors. We anticipate that the committee's investigations will create an enormous amount of publicity, fan the public's fear of Communism, and make people more aware of anything else they see or read related to the spreading threat of Communism."

Jordan paused as he noticed the highly respected aircraft manufacturer from Seattle rising to his feet. "Jordan," the man said, "before you bring Mr. Bailey out here, perhaps you wouldn't mind if we asked a few questions of our own."

Jordan, anticipating the question, said, "Of course not, fire away."

"That is one hell of an ambitious program you just described. How confident are you of Bailey's ability to complete the task, particularly if the going gets tough? He's young and inexperienced. He may be a decorated war veteran, but what about his legal skills? From what I've heard from opposing counsel, he doesn't seem too concerned about the accuracy of the accusations he enjoys making. Clearly, he depends on the fear created by intimidation to win cases. Is he really someone with whom we want to be associated?"

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Jordan smiled. “You’ve heard right. Mr. Bailey isn’t known for establishing rock-solid foundations for his accusations. He prefers to rely on his use of intimidating courtroom tactics.”

“Perhaps I’m confused,” began the tool manufacturer from Oklahoma City, “but how in a high-profile arena like a congressional hearing can a young and inexperienced attorney expect to succeed by relying on his use of intimidating tactics?”

“Good question!” Jordan responded. “Our review of prior questioning of witnesses has revealed that they are not confident or well prepared. They wish to avoid any possible confrontation and exposure to contempt of congressional citations. Bailey’s intimidating practices may be perfectly suited for his new role.”

“It’s been reported Bailey has never seemed too concerned about personal values or ethics,” the tool manufacturer said. “He just wants to win.”

Jordan smiled and nodded. “I commend you on the accuracy of your homework. We are convinced as long as Bailey is convinced that his political future depends on continued support of party leaders, he can be controlled. Let me assure you that he is *precisely* the kind of person we want.”

“What about his personal life?” a chemical manufacturer from Delaware asked. “Anybody who is going to be dishing out so much dirt has to be able to withstand the heat in the kitchen. Does he have a drinking problem or gambling habits? Does he have an eye for the ladies?”

“More good questions,” said Jordan. “When his friends were questioned, almost to a person they admitted they were never quite sure if Dick earned his nickname, ‘Slick,’ for his skills on the football field or his ability to bed beautiful, rich women or his adeptness at talking his way out of trouble. The one thing they all agreed on was his demonstrated fondness for a good time, which generally included liquor and adoring women. That said, I don’t think we have to worry; these indiscretions appear to have been confined to his behavior before the war and before he was married.

“From what we have been able to learn, something happened during the war to radically change him. I personally spoke with his father-in-law, the managing partner of Bean & Bean, and he told me Dick returned from war a far more serious man who’s devoted to his family and the practice of law. He also told me he had every reason to believe that it’s a sensible proposition for us to believe we can depend on Dick.”

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Jordan scanned the group of men. No one stood to speak. "If I've adequately addressed—and allayed—your concerns, gentlemen, I'd like to ask Mr. Bailey to join us. Once you hear him talk and answer your questions, you should be able to judge for yourselves."

Jordan excused himself from the veranda and reappeared shortly thereafter. "Gentlemen, may I present the Honorable Richard Allen Bailey?"

After waiting for the polite applause to subside, Dick Bailey took the podium, and with an air of command, said, "Gentlemen, thank you for inviting me to speak. I'm deeply honored to stand before a group of such powerful leaders. I'm also honored to be speaking to you about such a serious matter.

"As my friend Jordan has no doubt told you, the House Un-American Activities Committee has faced some pretty evil foes and achieved an admirable track record. Originally organized back in the thirties, the committee started looking into reported subversive acts of Nazi agents and certain activities of the Ku Klux Klan. During the war years, the committee lay dormant. It has been recently reactivated and is already busy working to investigate the activities of Americans suspected of having subversive affiliations with the Communist Party or the Soviet Union."

"Excuse me for interrupting," said the chemical executive. "How will you identify your prospective witnesses? How well founded are the charges you expect to make?"

"Our investigators, along with agents of the FBI, will be questioning prospective witnesses. Targeted people will be given the choice of either signing specially prepared affidavits or appearing before the committee. I have been told that in the past, most witnesses subpoenaed to testify in person chose to sign the affidavits, even if they didn't believe all of the content was accurate. With regard to the evidence we will be using, we will be relying on material provided by the FBI and the information extracted from the signed affidavits."

A raised and waving hand in the back caused Bailey to stop. He nodded toward the man, the steelmaker from Pittsburgh.

"Excuse me, Congressman," he said. "To what standards of law are those affidavits, and the evidence you present, expected to comply?"

"Sir, you are thinking in terms of a court of law. We're talking about congressional committee hearings, organized for the purpose of gathering

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information. Since none of the witnesses will have been charged with a crime, nothing compels the committee to follow the rules of evidence. If I might add, should the witness refuse to testify, invoking his First or Fifth Amendment rights, he will be informed that the exercise of those rights is specifically reserved for those who have been charged with a crime.”

The steelmaker frowned. “Congressman, it sounds very much like you’re suggesting that people come before the court of public opinion and be expected to answer questions that could incriminate them or their friends. Aren’t you concerned about what the public will say? What could happen if the public becomes concerned about the possible infringement of their civil rights? Might a groundswell of negative opinion prevent the achievement of our objectives?”

Bailey laughed. “By the time we finish questioning the witnesses, it will be too late. The threat of Communism will seem too real, and the witnesses will have already been convicted, if only in the, as you put it, ‘court of public opinion.’ Witnesses refusing to cooperate will be charged with contempt of Congress and held over for trial.”

The faces in Bailey’s audience registered shock, and there were a few seconds of silence before another executive spoke up.

“If you are going to interfere with people’s lives, how are you planning to distinguish between the people with a purely intellectual interest in the politics and economics of Communism and, for example, a secret agent of the Russian government?”

“We don’t plan to make that distinction,” Bailey responded. “By the time we get through, we hope to convince the American public that improved military preparedness is our best and possibly our only course of defense against the growing threat.”

* * *

LATER THAT SAME AFTERNOON, THE FRESHMAN CONGRESSMAN WAS comfortably settled into his first-class seat on a plane flying back to Los Angeles. He leaned back and waited for takeoff.

Once they were airborne, he allowed himself to take his first deep breath, relax, and reflect on the meeting. *I wonder how the rest of the world would react were it to find out some of America’s most powerful industrial executives had*

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convened in Acapulco for the purpose of approving and funding a plan designed to compromise the integrity of the U.S. congressional appropriations process.

* * *

AFTER REMOVING HIS SHOES, HE LEANED BACK IN HIS RECLINING SEAT and began to think about the possible implications of the secret meeting. *That's a dangerous game they are planning. By including me, have they extended their exposure . . . or have they just provided me with my just-in-case-get-out-of-jail-free card?*

CHAPTER 2

Mike Stone & Jacques Roth

NEW YORK, FEBRUARY 1948

The regularly scheduled board of directors of Stone City Bank required Cecilia and Mike to return in time for Mike, the bank's executive vice chairman, to be in attendance. The meeting had already started and was well underway when unexpectedly, the big, heavy wooden door of the executive conference room slowly swung open. Mike's secretary, trying to remain as unobtrusive as possible, walked down the far length of the room, passing behind the padded leather chairs with the brass grommet edging where directors were sitting, to the far end of the highly polished, very old conference table where Mike was sitting.

* * *

JOE WRIGHT, ONE OF THE SENIOR DIRECTORS, WHO WAS IN THE MIDDLE of attempting to make what he considered an important point, was noticeably annoyed by her unexpected intrusion. However, along with the other directors, Director Wright was curious. *What could be of such importance to warrant such an unexpected interruption? Has some emergency occurred with one of his family members?*

MIKE STONE & JACQUES ROTH

* * *

IT WAS A BRIEF NOTE THAT READ: *IMPERATIVE WE TALK AT YOUR EARLIEST opportunity. We are in possession of new information strongly suggesting a highly threatening new Power-Cycle type problem may be about to appear.*

Jacques.

* * *

NOTICING MIKE'S REACTION, DIRECTOR WRIGHT INTERRUPTED WHAT he was saying to ask, "Mike, would you prefer to adjourn and reconvene at a later time?"

Mike shoved the note into his pocket as he stood to speak. "No, I don't think that will be necessary. If you wouldn't object, however, why don't we take a short break while I attend to what appears to an urgent situation."

* * *

AFTER EXITING THE CONFERENCE ROOM, WALKING DOWN THE WIDE corridor that led to the offices of the bank's most senior executive offices, he entered his office located on the southeast corner of the building. After crossing the large office, he plunked himself down in his big leather executive chair, located behind the big mahogany desk in the far corner. Pausing to collect his thoughts, an extremely curious Mike picked up the receiver of the transatlantic telephone and politely informed the overseas operator he was ready to accept the call.

Mike's mind was racing as he waited for Jacques to come on the line. *It has been less than 5 years since the six of us decided to oppose the efforts of German industrialists to smuggle their "fortunes of war" out of Germany. During that time, we have already dealt with two Power Cycles. Now, Jacques is waiting to explain why we may be faced with a third threat. Could it be what we thought were merely isolated efforts to abuse the privileges of "Free Enterprise" are becoming part of a continuous process?*

After a series of clicks and scratches, the strong, deep, heavily accented French voice of Jacques could be clearly heard. Jacques thanked Mike for taking his call and immediately began to explain the urgency of the call. "Mike,

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have you heard anything strange or unusual about a secret plan to escalate the rearming of the American military?”

Not waiting for an answer, he continued. “Mike, do you remember meeting Mary Wheeler Clarke?” he asked. “She attended one of the parties Claudine and I had in our New York apartment just before we returned to Geneva. She is the woman who worked for the OSS for 7 years in Bern, Switzerland, before and during the Second World War. It was her work that provided her with the opportunity to meet Henri when he was serving as the head of the French Resistance in Switzerland. Apparently, they had reason to work together on a highly interdependent basis for several years. In the process, it was only natural that she and Claudine would become friendly. On more than one occasion, Claudine would tell me how reliable Henri regarded Mary’s work and her instinct to sense what might be happening well before it actually occurred.

“Following the conclusion of the war, after her longtime boss was reassigned to Washington to help with the conversion of the OSS into what we now refer to as the CIA, she returned to New York and is teaching at NYU, lecturing, and when time allows, is working on writing a book about her World War II experiences.

“Mary, for some time, over the course of several conversations with Henri, has reported receiving invitations from a number of her former military associates. They all want to talk to her about a secret military-industrial plan that may be in the works to accelerate the American postwar rearmament. The people supposedly involved in this plan are the chief executive officers of prime military contractors who would be the principal beneficiaries of the increased military contracting.”

Biting his lip, Mike hesitantly asked, “And why do you think the restoration of military spending might represent a new ‘Power-Cycle’ type threat?”

“It’s not the proposed increase that concerns us. From what little we have been able to learn, it’s the way they are going about it that has us so upset. There are rumors floating around about a series of supposedly secret meetings that have been convened over the last 2 years. According to the reports, these meetings have been organized for the purpose of developing some kind of a plan to accelerate increases in government defense spending. These executives and their investment bankers have convinced themselves the revival of Defense spending is necessary to cushion the transition of the American industrial complex from a wartime posture to a peacetime footing.”

MIKE STONE & JACQUES ROTH

Quick to respond, Mike said, “From what I have been hearing, they have good reason to be concerned.”

“Mike, it’s not those meetings that have us concerned. Mary has recently received information suggesting there is a secret gathering of corporate executives currently taking place in Acapulco. The purpose of the gathering is to approve a three-part plan, and the funding of an offshore industrial-military war chest needed to support the implementation of their plan.

“Our concern runs deeper than the possible implications of their secret plan. We think it may be possible their plan calls for the coordination of corporate resources, cooperation of government, and Wall Street—all the essential ingredients of a ‘Power-Cycle’ type threat. The details are still hazy, but based on Mary’s information, it doesn’t look like the proposed rearmament has anything to do with responding to some new foreign threat—plain and simple. We think these industrialists are attempting to take advantage of the possible threat of spreading Communism to advance their own self-interests.

* * *

“THERE IS ONE OTHER SITUATION THAT COULD OCCUR THAT HAS US even more concerned. There are many Europeans who are worried about the possibility should America decide to initiate a new round of rearmament. It could alarm the Russians and cause them to react accordingly. If the two countries, Russia and the United States, were to become involved in a reciprocal military spending conflict, the offered generosity of the American people needed to rebuild the war-torn economies of Europe and Asia could be interrupted or substantially reduced.”

“Jacques, are you basing your concerns on anything other than what Mary has related to Henri?”

“Well, it’s true she’s our main source of intelligence, but Henri is convinced when Mary Clarke thinks we may have a problem, the probabilities are very high that we have a problem.”

After thinking for a moment, Mike asked, “Did Mary mention any specific names?”

“Only one. Supposedly the group has retained J. Jordan McWilliams of the New York Wall Street law firm of Southwick and Cornforth as a sort of advisor-leader.”

VOICES BEHIND THE CURTAIN

“I can understand the urgency. McWilliams has no shortage of government relationships. How long has it been since he coupled American companies and members of New York’s investment community to participate in the prewar organization of German cartels? Could it be that we are talking about the same man, the same story, but different players?”

“Jacques, do you realize we are talking about challenging what has to be the country’s largest and most powerful combination of industrial corporations? Are you sure that is something we should attempt?”

“Mike, challenging seven oil companies may have appeared impossible, and maybe we got lucky. Opposing an industrial network capable of supplying a multifront war on three continents could be entirely different. All I am suggesting is that you make a few calls, and then we will talk again.”

* * *

MIKE, STILL SITTING IN HIS HEAVY LEATHER CHAIR, WAS STARING OUT at the city whose lights were starting to appear. On a normal day, he would have enjoyed watching the spectacular view transition from day to night, but he was too preoccupied to appreciate what he was seeing. He had the sick feeling that Jacques’s concerns might be true.