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## Part II: Profile of Thurn und Taxis

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# The Venetian intelligence directorate and the Hapsburgs' financial empire

by David Goldman, Economics Editor

*On the evening of April 26, the head of what is perhaps the wealthiest family in the world, Karl August, Sovereign Prince of Thurn und Taxis, died at his palace in Regensburg, West Germany. By coincidence, EIR Economics Editor David Goldman had spent that afternoon at the Thurn und Taxis palace in the company of Karl August's heirs, Crown Prince and Princess Johannes and Maria Gloria von Thurn und Taxis. Below is the second part of his account of the visit.*

*In Part I, Mr. Goldman describes how the Prince told him that the secret of the family's survival was never to wield political power as such, and thus to survive all political changes, while diversifying its financial holdings geographically. Even if the United States were annihilated in a nuclear war, the Prince said, "there will always be something left over for us."*

*Mr. Goldman emphasized in Part I that the family controls the Benedictine Abbey in central Bavaria near Regensburg which serves as the chief training ground in Germany for the schismatic Lefebvrist Roman Catholics. It was from those Lefebvrist circles that the latest would-be assassin of Pope John Paul II came (see article, page 42).*

Wealth as such was never the key to the family's power. According to its privately published official history, the ascension to control over the Imperial postal service put the founding father of the present Regensburg line, Franz of Thurn und Taxis, into business relations with the Augsburg-based Venetian bankers, the Fuggers and Welsers, and established the basis of a huge commercial fortune. But that step upwards came after the family, whose origins go back to the 13th-century Bergamo in northern Italy, became the chief agents of the foreign intelligence of the Republic of Venice, the landless octopus that spread its influence throughout Europe. Nine years after Franz of Thurn und Taxis obtained the postal concession, gaining control of most of Europe's com-

munications, the Fugger banking house paid 600,000 thaler for the election of Charles V as Holy Roman Emperor, in the greatest exercise of foreign influence in the history of Venetian special operations.

Hapsburg power was driven back only a century and a half later, after the Thirty Years War of 1618-48, and the conclusion of the Peace of Westphalia, which established the principle of the sovereign nation-state for the first time in international law, as against the Hapsburg notion of nationless "universal monarchy." As the greatest of all historians, Friedrich Schiller, reported in his history of the war, horrible conflict began with a provocation on the part of the Viennese imperial court: the "Defenestration of Prague," when Imperial agents were thrown out of a 100-foot-high window in Prague, onto the castle dungheap. The "defenestration" gave the Hapsburg forces the pretext to crush their opposition inside German-speaking Europe. Only with French and Swedish intervention after 1628, under the guidance of Cardinal Richelieu, was the Hapsburg power driven back. Schiller concluded that although the war destroyed one-third of the entire German-speaking population, "the hand of industry has wiped out all traces of this destructive war, and the beneficial consequences which accompanied it . . . the community of principle of nations, remain."

### The Inquisition

Walking through the castle's endless galleries later that day with the family's professional historian, we stopped before a portrait of the famous general Wallenstein, the imperial strategist whose hordes of half-starved beggars, recruited through hunger and destruction, nearly won the Thirty Years' War for the Emperor. "The portrait was done for the family in 1628, when Wallenstein came to Regensburg for the Imperial Congress," the historian explained. A Wallenstein associate

was a certain Count Thurn of Bohemia, a firebrand rebel who started the war by setting up the "Defenestration," according to Schiller's report. "Was the Count Thurn related to the family?" I asked the historian. "Most certainly: he is the founder of the Bohemian line of Counts Thurn und Taxis, whose present-day descendent is Max von Thurn und Taxis."

All doubt left my mind at that instant that the Inquisition of the Republic of Venice still exists. Max von Thurn und Taxis is the world chairman of the Mont Pelerin Society, whose Vice-President is Milton Friedman. As this journal has reported, and as Lyndon LaRouche and I documented exhaustively in a recent book, *The Ugly Truth About Milton Friedman* (Benjamin Franklin House, New York, 1981), the Mont Pelerin Society is the world high priesthood of monetarism. The Hoover Institution of Stanford University, the economics think tank for the Reagan administration, the present home of Friedman, and of Reagan's former domestic affairs adviser Martin Anderson, is controlled by the Mont Pelerin Society. The private college of the Mont Pelerin Society, Hillsdale College in Michigan, sent David Stockman into Congress in the style of an 18th-century British pocket borough, the same Stockman who lured Reagan into the trap of "supply-side economics." To say nothing of Stockman's influence, Friedman's ex officio ties to the White House make him a considerable force in the Oval Office. What is worse, as Jude Wanniski has reported to me on many occasions, the Oval Office debate has occurred between Stockman and Friedman, that is, has been controlled by the Mont Pelerin Society on both sides.

The Mont Pelerin Society, LaRouche and I documented, is the economics branch of Count Coudenhove-Kalergi's Pan-European Union, the grandfather of all the European fascist movements. Its influence penetrates as deeply into the foreign-policy apparatus of the Reagan administration as does its sister organization, the Mont Pelerin Society, in economics policy-making.

The chief surviving aide to Coudenhove, who, like the Thurn und Taxis, was a German-speaking transplanted Venetian nobleman, is Fritz Kraemer, the Pentagon official who molded the careers of both Henry Kissinger and Alexander Haig. It was Kissinger, the hagiographer of Hapsburg Chancellor Prince Metternich, the man who gave the postal service of the Empire back to the Thurn und Taxis after 1816 (until the Prussians took it back from them in 1867), who promoted Haig from military obscurity. Richard Allen, the former National Security Adviser to the President, is a product of the University of Munich, whose Chancellor, Prince Lobkowitz, is a close friend still of Prince Johannes of Thurn und Taxis. Another associate of the old Hapsburg circuit, Robert Strausz-Hupe, former



*Prince Johannes Thurn und Taxis at the funeral of the head of the family, Karl-August.*

Chairman of the Foreign Policy Research Institute of Philadelphia, transition-team adviser on foreign policy for Reagan, is presently Ambassador to the crisis zone of Turkey.

Otto von Hapsburg, the current pretender to the defunct Austro-Hungarian throne, and the figurehead of the Pan-European Union networks, is treated with some condescension by its older and nastier members. Haig's Svengali, Fritz Kraemer, once responded to my inquiry concerning his opinion of Otto von Hapsburg, "Otto? Otto? If Otto were not of the blood royal, he would have made a very good . . . foreign correspondent!" Indeed, Otto von Hapsburg spent part of the 1960s writing private intelligence reports for David Rockefeller typed on onionskin paper, which made the cheapest spy novels seem lucid by comparison, according to acquaintances who had access to the originals. But the Hapsburgs—at least two and (including the dubious Maeterlinck hunting-lodge suicide) perhaps three leading members of which family were assassinated by Venetian-controlled anarchists during the last forty years of their reign, including the 1914 death of Archduke Ferdinand, the trigger for World War I—have always been figureheads. Their intelligence chiefs, the Thurn und Taxis among others, have always been more important.

I had asked the Prince earlier what had become of the intelligence and diplomatic service of the Venetian Republic after Napoleon dissolved it in 1798. He re-

sponded that the Vatican, which had always despised the Venetian oligarchy as dangerous cultists, used the opportunity to chop up the fortunes and capabilities of the leading families. What survived then did so through connections to Austria, which absorbed (as a matter of historical record) the Venetian intelligence service. The Thurn und Taxis fortune, he concluded, represented the principal continuation of the Venetian intelligence, which the family had in any event guided for the preceding four centuries.

But now, viewing Wallenstein's tortured expression, I became convinced that the man with whom I had just had dinner had as much power now as did his forefathers at the height of Hapsburg power, and perhaps more power in the American government than any other individual. This is not the power to build, but the power to lame, to disorient, to confuse: the great talent of the Venetian Republic, which always set all against all, never claiming large territories, never tying itself to fixed positions, and always emerging on top of the pile of rubble. The activities of such lesser relations as Count Max von Thurn und Taxis in promoting the sort of ideology that prevents nations from functioning are of use to him, although he doesn't necessarily believe in such ideology.

### **View of current events**

"I heard some 18 months ago a speech by your relation, Max von Thurn und Taxis, the count, who predicted the world would trend toward liberalization, and that what is called the underground economy, in Italy, Latin America, or other places, would find its rightful place in the sun," I had told Prince Johannes earlier, referring to Count Max's speech at the 1980 meeting of the Mont Pelerin Society at the Hoover Institution. The old count had predicted the end of national control over national economic affairs in favor of the "Hong Kong" model of free enterprise. Did the Prince see events moving this way?

"Actually, I do not," he replied. "Possibly in America, where you have a far stronger economy, and a market that is almost sufficient unto itself. But in Europe, I see the structures changing. Look at Thatcher. She was just about to manage it, and now she gets into this disastrous thing over the Falkland Islands."

He continued, "It's very hard for the English to do anything else. It's very peculiar: if the thing had happened two years from now, the English could have not sent a fleet at all. One of the carriers is already sold to the Australians, and the other is due to be scrapped, along with a good deal of the rest of the fleet. It we look closely at this Falklands situation, Mrs. Thatcher was in the process of giving up a large part of her defense expenditures when this Falklands affair

emerged. The next time they will have to attack the Falklands with canoes! On the one hand, the English can't afford politically to make any more defense-budget cuts, and on the other, the British economy is so fragile that they cannot rearm."

After the resignation of Lord Carrington, the outgoing British Foreign Minister, Prince Johannes continued, the British had no leadership left. What the British can no longer do, he said, "is what we have always tried to do: to think logically, to deal with others in a predictable fashion. And that Lord Carrington, realistic thinker that he is, could do. He had something essentially logical and intelligent about him; when he had an opponent, he could recognize that his opponent, too, was intelligent."

He added, "The situation in Latin America is influenced by various circumstances, of course. They have great internal political problems. But may I say: if I were the king of Spain, and I thought of my countrymen's needs, I would overrun Gibraltar, and revise all my agreements with Britain to free myself from my foreign debts! The Spanish have great economic difficulties, and this were their only chance to get out of them. Naturally, Gibraltar is a part of the Spanish mainland. And Galtieri went and did it."

It was not a surprise that Thurn und Taxis backed the Argentines. On April 20, the chairman of the board of the most Venetian of all firms, the giant Assicurazione Generali of Venice, Cesare Merzagora, had published an article in the Milan daily *La Repubblica* defending the Argentine position. But the central issue remained: what would happen to the postwar institutions of the Atlantic Alliance as a result of the Anglo-Argentine war? I asked the Prince, "Do you see the possibility that out of this, NATO might find a way to resolve its differences, and regroup itself on some basis that would enable it to continue to function?"

"You see," responded Thurn und Taxis, "the point is again, in turn, if you take all these countries, like Greece, and Turkey, and Spain, all together in the new NATO, I think it's very complicated for the next 10 years. A war could come up between Greece and Turkey; certainly the Argentine crisis disaster was something that people never expected. It's very difficult for the Europeans to restructure, you see. The French economy is going to be completely destroyed in three or four years. They won't be able to make it. Of course, the French are not the Germans. For Spain, France, and these other countries, it's much harder to do."

"The result of this," concluded the Prince triumphantly, "will be that the misguided efforts to industrialize countries like Argentina or Brazil will be suspended forever!"

*To be continued.*