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## The Case of Ibero-America

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# Justice vs. Jacobinism

by Dennis Small

In 1702, which is just about 300 years ago, the great German philosopher-statesman Gottfried Wilhelm Leibniz, in a very short essay called “Meditation on the Common Concept of Justice,” began with a question, which I want to read to you, and which I think is of the greatest significance to the current strategic crisis, and to the solution that we have to provide to it.

The question itself is of significance; needless to say, so is the answer. Leibniz said:

It is agreed that whatever God wills, is good and just. But there remains the question whether it is good and just because God wills it, or whether God wills it because it is good and just.

This is not a play on words. The question is: whether that which is good and just, is so because God wills it, or to the contrary, whether God wills it because it is good and just.

Now, I won't take a poll as to who chooses which of these two answers. Take your own internal mental poll, and keep that in the background, as we develop some ideas with regard to this question of justice.

The issue of justice today is clearly fundamental. There is no question, I think, for most people at this conference, that the current world situation is a complete, total disaster, and must be immediately changed. And we have often spoken of the need to build, in its stead, a just new world economic order. In fact, most of us probably have some concept of “economic order.” If you then talk of a *world* economic order, that idea is also straightforward. And if you add that it must be “new,” that is simple enough. But exactly what does this idea of a *just* new world economic order mean?

To be able to answer that, of course, you have to be able to address the issue raised by Leibniz's quotation, in an appropriate fashion. I have chosen to address the issue of justice, and the question of a just new world economic order, through the prism of recent developments in Ibero-America, to get a handle on this concept.

### Ibero-America in free fall

Under the pressure of the world financial crash, we see entire nations shattering. They are shattering economically;



EIR Ibero-America Intelligence Director Dennis Small: “It is only a Leibnizian concept of justice that can put an end to Jacobinism and the powers behind it, which are today making a hell of Ibero-America and the entire world.”

they're shattering politically; and, most importantly, they're shattering psychologically. The insanity and the psychosis which prevails today stretches from the lunacy of the recruiting of child narco-terrorists that you heard about yesterday in the case of Colombia, to the disaster that's affecting Russia, and to perhaps an even greater lunacy, which is the hysterical denial of these other insanities which prevails in this country, the United States of America.

Observe what has been going on economically in Ibero-America. Look at the case of Mexico, and the production of consumer goods there from 1981 to the present (**Figure 1**). Applying LaRouche's physical-economic methodology, you can see that in the 13 years between 1981, when IMF policies were imposed on Mexico, and 1994, the production of consumer goods in Mexico dropped by approximately 20%.

Then, after the explosion of the debt bomb in Mexico in December 1994, with the wonderful “solutions” provided by the IMF, and by Harvard-trained economists, and Yale-trained economists, and Chicago-trained economists, another 20% collapse in the production of consumer goods was achieved, only this time it didn't take 13 years to bring it about—they pulled it off in four years.

But now, we have all been told, the world financial crisis has been solved, never to return. They got it under control, and the Mexican economy, like the rest of the world economy,

FIGURE 1  
**Mexico: consumer goods production**

(index: 1981=100)

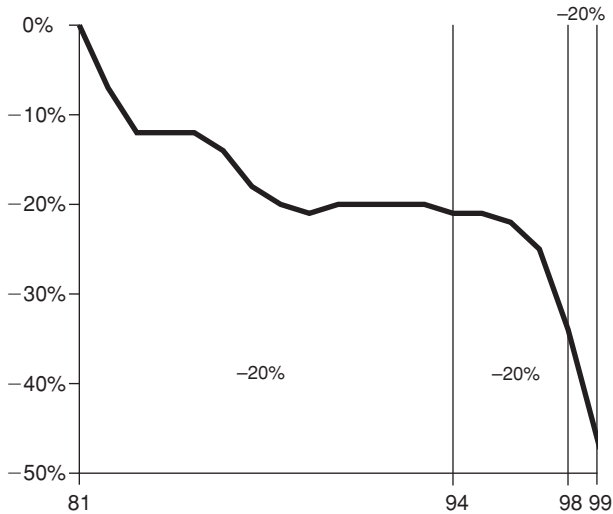
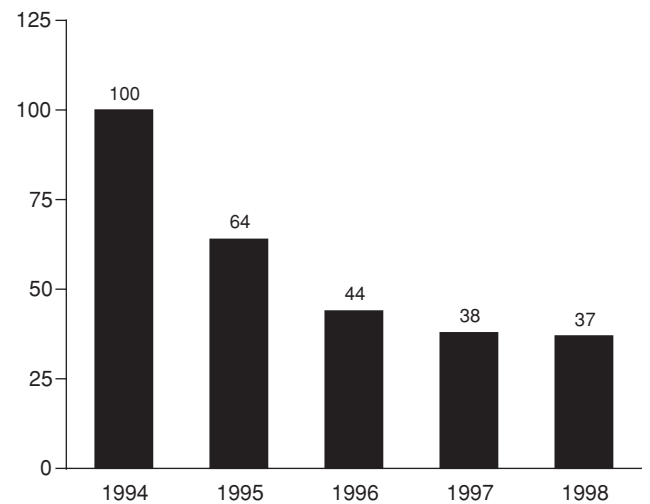


FIGURE 2  
**Mexico: commercial bank loans**

(index 1994=100)



is turning around, and staging a “recovery.” But look at what has happened to the consumption of consumer goods in the “recovery”: It has dropped another 20%, this time in only one year.

So you have a free fall going on in Mexico. You have a total implosion of a physical-economic process.

What has happened to the financial side, to the banking system? *There is no Mexican banking system. It's gone, as it is in many other countries.* Oh, sure, there are banks there. They have their shingles hanging out on the door. But they are essentially vacuum cleaners to suck money out of Mexico—about \$105 billion so far—and ship it abroad to the foreign creditors.

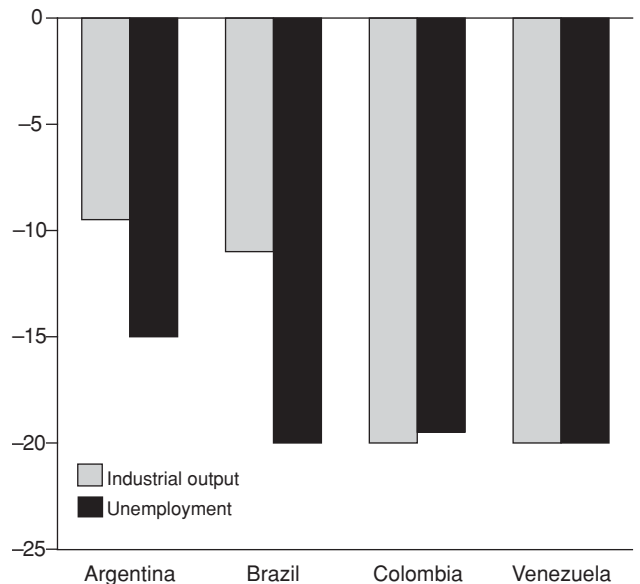
What about lending by Mexican banks inside Mexico? As **Figure 2** shows, if it was at an index value of 100 in 1994, over the last four years it has dropped down to 33. Today there are only one third of the bank loans to Mexicans that were occurring at the already miserable levels in 1994. This is a complete collapse.

If you look at the rest of the continent, you will see that there is an implosion going on across the board, both in industrial output and employment (**Figure 3**). Industry in Argentina and Brazil, over the first quarter of 1999, has collapsed at the rate of about 10% per year. But they are the relatively lucky ones. In Colombia and Venezuela, industry is collapsing at the rate of 20% per year.

Now look at unemployment. You have rates of unemployment of 20% in Colombia and Venezuela—and these are the official rates; the actual physical-economic reality is far worse.

FIGURE 3  
**Industry and unemployment**

(first quarter 1999)

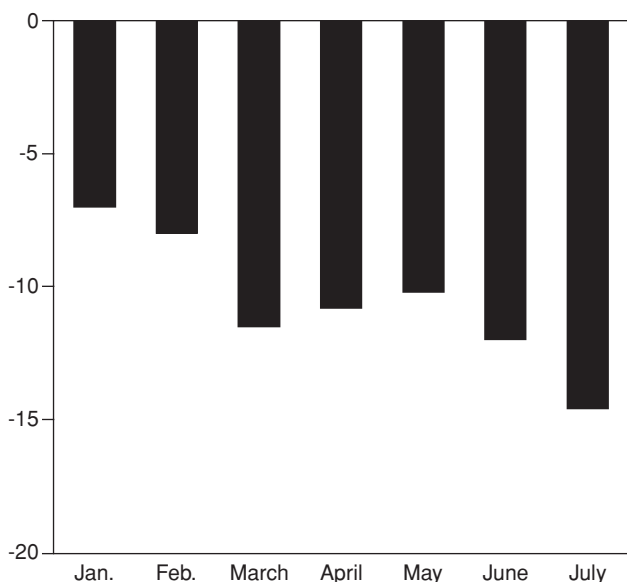


But that's still not the worst of it. Not only are the economies of Ibero-America in free fall, but the rate of collapse over the course of 1999 to date has been increasing. **Figure 4** shows the case for Argentina, charting industrial output

FIGURE 4

## Argentina: 1999 industrial output

(annual rate of change)



month by month over 1999, January through July. The rate of collapse in January was “only” 7% over the same month a year earlier. But as of July, the annual rate of collapse of Argentine industrial output had doubled to 15% per year.

You get the drift of where this is heading? Straight down.

## Venezuela: Jacobinism unleashed

Now, in this framework of collapse, the overall economic strategy of the British-American-Commonwealth financial oligarchy, is one of resource-grabbing, of gaining control over vital natural resources. We have discussed this in previous conferences and panels.

My intention today is not to talk about this economic side of the British strategy in the case of Ibero-America today—where that resource-grabbing is definitely going on—but to focus instead on the *political* side. That is to say, how do the British intend to actually keep control over this process of implosion, disintegration, and psychosis, that they have induced, as it spreads?

Here what is going on is that—and the words may shock you, what I say may sound exaggerated—the British strategy is to deliberately, intentionally create a regional, continental, and global narco-terrorist apparatus to impose legalized drugs, narco-terrorist armies, a massive expansion of drug consumption, and the destruction of nation-states across the entire area.

Yesterday, General Bedoya showed you the maps of Co-

lombia, and you heard what the FARC is up to.<sup>1</sup> However, what makes all of that worse by an order of magnitude, is that in the neighboring nation of Venezuela, a most dangerous President has come to power, whose name is Hugo Chávez, Lt.-Col. Hugo Chávez. From his position as President—i.e., with all the attributes of state power—*Chávez is in an overt alliance with the FARC, to spread the hell which is Colombia today, throughout the entire region of South America.*

And what is the position of Madeleine Albright’s State Department about this? Well, she argues, so far Chávez is following democratic procedures, so it’s okay.

I want to tell you a bit more about this Chávez phenomenon, because I think it will give you some idea of how the issue of justice is required to address the world situation.

Chávez became President of Venezuela in February 1999. His foreign policy has been straightforward: It’s an alliance with the FARC. He has been assigned by his British sponsors to play a continental role in this regard. He has offered to negotiate with and recognize the FARC, and thereby, as a head of state of a foreign power, to effectively grant them belligerent status. This would give the FARC the recognition which they so far have not achieved, and would allow this narco-terrorist process to spread across the region. To this same end, Chávez is touring parts of South America, for the purpose of building the forces for this continental narco-terrorist alliance. That is his foreign policy in a nutshell.

What is Chávez’s economic policy? Straight IMF dictates. You wouldn’t believe the praise for Chávez in the pages of London’s *Economist* magazine, the *Financial Times*, and the *London Times*. Their view is: “Well, there’s a lot of radical rhetoric, but the fact of the matter is that Chávez has imposed economic policies more friendly to free trade than the previous governments of Venezuela.” And that is in fact the case. Chávez is opening Venezuela to free trade, opening the oil industry to foreign takeover, and implementing IMF economic policies. The only difference with earlier governments is that Chávez has dressed it up in the garb of the “Third Way,” that is to say, the Tony Blair Way, the British way.

But even worse than his foreign policy and his economic policy, is what Chávez is doing in the political area: He has created a kind of “Rosemary’s Baby” in Venezuela, which is called a “Constituent Assembly.”

It all sounds nice. They are going to “modernize the state” and rewrite the Constitution. Except that, prior to doing that, every single other institution of Venezuela today is being razed—a total Jacobin revolution.

Mind you, it’s not that the existing institutions are so

1. Colombia’s Gen. Harold Bedoya (ret.), former Defense Minister and Commander of the Armed Forces, addressed the conference on Sept. 4, documenting the insanity of Colombian President Andrés Pastrana’s “peace at any price” appeasement of the narco-terrorist Revolutionary Armed Forces of Colombia (FARC). For a full report on his visit to the United States, see last week’s *EIR*.

good. The previous governments *were* very corrupt; the Congress was corrupt, the judiciary was corrupt. *We* know about the corrupt judiciary of Venezuela; you don't have to tell us about it. They banned our book *Dope, Inc.* in Venezuela back in the 1980s, and it's still banned. At least, I think it is: It all depends which judge you ask, and who greased his palm most recently. So we know all about judicial corruption in Venezuela.

But what Chávez is doing is another matter. Through the Constituent Assembly, he has eliminated every existing institution of government and of state in Venezuela, and replaced them with his personal Jacobin rule through this Constituent Assembly, all on the pretext of carrying out "the will of the people."

In July, the Constituent Assembly was set up. On Aug. 24, they declared a judicial emergency, under which they de facto dissolved the Supreme Court, by getting the Court itself to vote in favor of handing control of judicial affairs to the Constituent Assembly. The president of the Supreme Court, a woman by the name of Cecilia Sosa, announced that she was resigning as the head of the Supreme Court, because the Supreme Court had just committed suicide, in order to not be assassinated.

That was Aug. 24. On Aug. 25, they declared a legislative emergency, under which they dissolved the elected Congress. The Assembly simply announced that they were taking over, and that the Congress was gone. Backed by the power of the state and President Chávez, they made it disappear.

Three days later, they did the same thing with all the state legislatures. The next thing that is coming, is an executive emergency, through which they are going to banish all the governors in all of the different states of Venezuela.

In order to accomplish all of this, Chávez, in alliance with the FARC in neighboring Colombia, has established a Jacobin mood of mass hysteria in the country, a country which is suffering an official unemployment rate of 20%, and whose economy is destroyed. Chávez is using this crisis to whip up the population into a Jacobin frenzy targetted against every single institution which still exists in the country.

And the mood of hysteria is rapidly spreading. The governor of the Federal District — i.e., the capital, Caracas — retired admiral Hernán Gruber, recently threatened:

We need public executions in the plazas for grave crimes against the people.

Think of it: *This is the mayor of Caracas, calling for public executions.* Shades of the French Revolution. In fact, such lynchings are already occurring, for example in the state of Falcón. And in the state of Lara, the governor has ordered the state police *to not interfere* when such lynchings of criminals and others occur.

Is all of this happening against Chávez's wishes and desires, or behind his back? Not at all. President Chávez — remember, this is the President of a country speaking — said the

following on the day he won the plebiscite calling for the Constituent Assembly:

The victory of the patriots has been pulverizing. You are either with God or the devil. And we're with God, because the voice of the people is the voice of God. Now, Chavez is not Chavez. Chavez is the people. And the people cannot be stopped.

Now, this statement reflects a very old philosophy; this isn't new. Chávez may think it's new. He may think he's the first person who thinks he's God, supposedly because "the will of the people is the will of God" (which isn't true, by the way).

But this is a very old philosophy, and it's based on a very profound cultural pessimism. And when hysteria runs amok in a population, when psychosis becomes empowered and it seizes control of a country, as it has in Venezuela, as it is doing in Colombia, and as is happening in the United States in a different way, it is because cultural pessimism has gained sway. When you look at Venezuela and Chávez, you have to ask yourself: Is this just one wacko? Or is there something else on here, something indeed far worse?

### Hobbes's 'Leviathan'

To answer that, I want to take you back to 1651, to one of the founders of philosophical radicalism, which otherwise should be called "British fascism," whose name is Thomas Hobbes.

In the *Leviathan*, which is Hobbes's most famous work — which, by the way, is cited by Henry Kissinger as one of his major philosophical and intellectual guideposts — Hobbes presents his solution to what should be done in a society:

To confer all their power and strength upon one man, or upon one assembly of men that may reduce all their wills, by plurality of voices, unto one will, which is as much as to say, to appoint one man or assembly of men to bear their person . . . and therein to submit their wills every one to his will, and their judgments to his judgment. . . . This is the generation of that great Leviathan (or rather, to speak more reverently, of that mortal god) to which we owe, under the immortal God, our peace and defense.

So Hobbes is saying that you need one person, one man, one assembly — perhaps a Constituent Assembly? — as a substitute for God, to impose his will and to subject the will and the identity of all individual people.

And why do you need such a tyrant, according to Hobbes? Why is this necessary? What is his view of society, that it requires this?

A Leviathan is needed, says Hobbes, because the natural state of mankind is one of war of each against all:

During the time men live without a common power to keep them all in awe, they are in that condition which is called war, and such a war as is of every man against every man.

Thus for Hobbes, and for Chávez, and for the British more broadly, the natural condition of man is one of war, of each against all. Therefore, you need the Leviathan, or the great tyrant, to keep everybody under control.

But *why* is war the natural condition of man? Well, says Hobbes, that is because what rules man, what makes man man, are his desires. You might recall this same line of argument from Bernard de Mandeville. The way Hobbes puts it is:

Private appetite is the measure of good and evil. Felicity is a continual progress of the desire from one object to another.

Where have you heard that before, that felicity, or happiness, is just hopping from one object of desire to another?

But why does Hobbes consider this to be man's identity? Why desires? Because there is no such thing, he argues, as creativity. Man's mind is nothing but a sense-perception apparatus. You are what you perceive, and that's that:

There is no conception in a man's mind which has not at first, totally or by parts, been begotten upon the organs of sense. The rest are derived from that original.

Given all of this, if this is what man purportedly is, one might rightly ask what is Hobbes's concept of justice. He says:

To this war of every man against every man, this also is consequent: that nothing can be unjust. The notions of right and wrong, justice and injustice, have there no place. Where there is no common power, there is no law; where no law, no injustice.

This, then, is Jacobinism, the mindless genuflection before the fleeting "will of the people," as expressed in the arbitrary laws of the day. This is what the British have established and are fomenting around the world. This concept of man spawns this concept of justice (or lack of justice) as nothing but the laws of the moment created by the existing state. There is no Truth; there are only "reasons of state." There is nothing higher than this—other than the arbitrary decisions of "the people." There is only cultural relativism. And this, therefore, gives rise to and lets loose the bestiality of the sort which you see in the FARC in Colombia, which you see in Russia today, which you see in East Timor, and so on and so forth.

### **Leibniz on justice**

We reject all of that. Fine. But, what *is* justice? What is right? What is the proper answer to this quandary? Let us

return to the way Leibniz posed the issue in 1702, a half century after Hobbes's fascist *Leviathan*:

It is agreed that whatever God wills is good and just. But there remains the question whether it is good and just because God wills it, or whether God wills it because it is good and just.

And he continues:

In other words, whether justice and goodness are arbitrary or whether they belong to the necessary and eternal truths about the nature of things.

Now, this is quite interesting, because the way that Leibniz has posed this issue, is in fact identical, conceptually, to the way Plato poses the same issue in his dialogue the *Euthyphro*. There he has Socrates ask the following question:

The point which I should first wish to understand is whether the pious or holy is beloved by the gods because it is holy, or holy because it is beloved of the gods.

Leibniz argues that the first approach—the idea that things are good and just simply because God wills them—is absolutely wrong, and in fact leads to the inability to distinguish between God and the devil (a pretty serious charge):

Indeed [this view, that justice is only what God wills and for that reason alone, it is not knowable in itself] would destroy the justice of God. For why praise Him because he acts according to justice, if the notion of justice, in His case, adds nothing to that of action? And to say my will takes the place of reason, is properly the motto of a tyrant. Moreover this opinion would not sufficiently distinguish God from the devil.

So Leibniz is saying that there is a concept of justice that must be established, which does not derive simply from authority as authority—even that of God—and certainly not the authority of a Leviathan, contrary to what Hobbes says.

Leibniz continues his argument as follows:

A celebrated English philosopher named Hobbes . . . [who has lain down truly wicked principles and adhered to them with too much fidelity] . . . has wished to uphold almost the same thing as Thrasymachus [a character in Plato's *Republic*—ed.] for he wants God to have the right to do everything, because he is all-powerful.

Thrasymachus, you might recall, said in Book I of the *Republic*: "I declare justice is nothing but the advantage of the stronger." This view, which is also Hobbes's, Leibniz says is completely wrong. Because if you have that concept, and only that concept, of God, what you are doing, is you are

destroying that which is most crucial, the *love* of God, leaving only fear behind. Leibniz says:

It is not enough, indeed, that we be subject to God just as we would obey a tyrant; nor must he be only feared because of his greatness, but also loved because of his goodness. . . . The goodness of the actions and productions of God do not depend on his will, but on their nature.

Let us underscore that last phrase: “*on their nature.*” In other words, man can *know* what goodness and justice are. They are intelligible to human reason. God wills the Good and the Just because he is incapable of doing anything but that which is good and just. *And man is capable of knowing that that is the case.* These concepts, Leibniz insists, are accessible through human reason. Man can know justice.

But what, then, is justice? Justice, says Leibniz, is the pursuit of the Good. But guided by wisdom. He puts it in the following terms:

Justice is goodness conformed to wisdom. . . . And wisdom, in my sense, is nothing else than the science of felicity.

We have come upon that same word that Hobbes used, “felicity,” which Hobbes defined as your desires run rampant. But for Leibniz, the pursuit of felicity—or call it *the pursuit of happiness*, which may be a phrase that echoes in your mind from the founding documents of the American republic—the pursuit of felicity, for Leibniz, is a science knowable to man, made in the image of God. For Leibniz, such felicity is the pursuit of the Good, which is man’s duty and obligation, but also his desire. So for Leibniz, what one *ought* to do, because it is right and because it is just, becomes that which one *wants* to do, that towards which one’s desires are oriented, and that with which one’s emotions are in concordance. This is an absolutely Schillerian concept.

Leibniz says, in a 1694 document appropriately titled “Felicity:”

Thus the sovereign wisdom has so well regulated all things that our duty must also be our happiness, that all virtue produces its own reward, and that all crime punishes itself, sooner or later.

(I would only add that if we do what we must do, that “sooner or later” will become sooner *rather than* later.)

What is the concept of man that Leibniz has put forward? By answering the fundamental question about the nature of justice, Leibniz has made it clear that man is born to accomplish a task. What gives him joy is to accomplish that task, a task which is of necessity for all of mankind, and which is part of God’s intended purpose in so creating mankind.

In “The Principles of Pufendorf,” Leibniz says:

We are not born for ourselves alone, but a part of us is claimed by our neighbors, and by God the whole.

In another brief essay, “Memoir for Enlightened Persons” of 1695, Leibniz puts it even more poignantly, in a brief statement that I would have to say is among my favorite quotations from Leibniz, and which is most important, optimistic, and uplifting for periods of psychosis like the current one:

For one is obligated in conscience to act in such a way that one can give an accounting to God of the time and powers he has lent us.

It is this concept of man, this concept of God, this concept of the created universe, and very specifically, this concept of justice, complex though it may seem at first, which is the only source of the kind of optimism—true optimism—which can provide guidance to populations which are today being driven into mass psychosis and hysteria, and help lead the way out of the hell in which we are already living today.

It is in that sense that I would pose, and leave with you as a thought for further consideration, that it is only such a Leibnizian concept of justice that can put an end to Jacobinism and the powers behind it, which are today making a hell of Ibero-America and the entire world.

## The Way Out of The Crisis



A 90-minute video of highlights from *EIR*'s April 21, 1999 seminar in Bonn, Germany.

Lyndon LaRouche was the keynote speaker, in a dialogue with distinguished international panelists: **Wilhelm Hankel**, professor of economics and a former banker from Germany; **Stanislav Menshikov**, a Russian economist and journalist; Schiller Institute founder **Helga Zepp-LaRouche** from Germany; **Devendra Kaushik**, professor of Central Asian Studies from India; **Qian Jing**, international affairs analyst from China; **Natalya Vitrenko**, economist and parliamentarian from Ukraine.



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