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## SOCIETY, ITS PROCESS AND PROSPECT

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### **Prefatory**

Our feelings are our necessary reactions to the facts, to the actualities, that impinge upon us. Our actions are always prompted by our feelings. Our feelings, emotions, therefore are colored and determined by what happens to us. Now action is always prompted by feeling—motion by emotion. Hence all actions that spring merely from feelings are but necessary and spontaneous reactions to the facts of circumstance and environment. All such action is *creature* action, imposed from without, mere animal tropisms, not determined from within.

But feelings, as spontaneous reactions—as mere reflexes—can be held in abeyance and automatic action delayed. This is called self-control. During such interval between action and reaction, stimulus and automatic response, contemplation takes place, reflection intervenes—reflection upon the facts instead of action under them. Such reflection is called intelligence, and the

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\* Spencer Heath was a founder and lecturer at the Henry George School of Social Science in New York City. This draft of an unpublished, untitled essay from the *Spencer Heath Archive, Item 178*, dated December 19, 1950, was transcribed by Spencer MacCallum from Heath's penciled handwriting on notepad paper. Alvin Lowi suggested appending Archival Item 182, written April 28 of the same year and also unpublished, as a conclusion. MacCallum and Lowi together titled this piece and supplied subheadings. The *Spencer Heath Archive* of Heath's published and unpublished writings is being digitized by MacCallum and will be domiciled at the Universidad Francisco Marroquín, Guatemala City.

#### CITATION INFORMATION FOR THIS ARTICLE:

Spencer Heath. 2016. "Society, Its Process and Prospect." *Libertarian Papers*. 8 (2): 211-220. ONLINE AT: [libertarianpapers.org](http://libertarianpapers.org). THIS ARTICLE IS subject to a Creative Commons Attribution 3.0 License ([creativecommons.org/licenses](http://creativecommons.org/licenses)).

action that follows it is not mere tropism, not mere animal reaction, but intelligent action guided by the unique, the creative, mind of man. Let us therefore not merely react but contemplate and reflect upon the large, the fundamental facts and circumstances, the realities that impinge continually upon our collective lives.

### Societal Process

As there are only two kinds of quantities, plus and minus, so any large or small number of men can act towards one another in only two ways, the way of peace and the way of war, the way of cooperation, freedom and life and the way of coercion and conflict, slavery and death. These two ways are mutually and conversely exclusive. Hence the more that men do of the one the less they *can* do of the other. The more they engage in voluntary cooperation, in the free process of contract, the more they disengage themselves from the processes of coercion and conflict, of government, slavery and war. Let us therefore examine with care the process of freedom, of contract, that draws men together in peace.

Voluntary, real contracts are performed by exchanging. There are only two parties to any one exchange and each party is both giver and receiver, exchanger and exchangee. That which is exchanged is always a kind of reciprocal energy called services, and services are always with respect to some person or some object or thing called property. Services consist in each party transferring to the other for a limited or an indefinite time his socially accepted ownership, or authority, over the person or thing, over himself, or any property or thing that is by common consent treated as an object of exchange and therefore the subject-matter of contract.

By extension of this free process of contract, a free society develops among men. Conversely, any restriction upon this free process, as by taxation, restricts the development of society, and any destruction of it, as by war, destroys the society itself. Society creates and distributes without violence its own revenues and goods. It does not impose taxation and therefore cannot engage in war. It does not maintain itself by force but only by means of the creative and productive functions that it performs. The taxing power, the war-waging power long surviving among men, is the only agency of force, slavery and war.

It may be wondered why or how the war power survives when Society has such mighty potencies for peace. We need but reflect that government at any time is only that portion of the total human energy, or power, that remains outside of and [is] not organized into the social system of contract and exchange. It owes its persistence to the partial and incomplete develop-

ment, the under-development, of Society. In antiquity there was but little human power in the world, and of that little, hardly any was functioning creatively by the golden rule of voluntary exchange. What power there was, was almost all government power. Hence, human life was chiefly predatory on its environment and consisted almost entirely of slavery and war. Man was predatory on the riches of his environment and government predatory on him.

But modern man, owning himself, and in large part owning his own services, has so expanded his system of free contract and his physical technologies that his productive power is enormous and the fund of human energy correspondingly increased. Government, however, still carries on as of old but now with the enormous resources of Society under its coercive command. We have bigger budgets and bigger wars because we have had, until lately, a developing and a growing society.

All this suggests the return of absolute sovereignties and their consolidation into one dominant power either by conquest of arms or by the propagandists' vain dream of their surrender to a single world sovereignty by conquest of men's minds. Governmentalism seems arrayed against man as an irresistible power. Its forms of thought infect all thoughtless minds.

The ancients knew government and its nature well, but they had little vision of the Society to come. They called government "society" and had high Utopian dreams of freedom based on slavery just as vainly as we dream of life and freedom under an indefinite expansion of political operations and the sovereignty of a super-state. We are almost as little conscious of the processes, the functions, of our Society as ancient man was of the physiology of his body. We react unintelligently to the evils that beset us, embrace the evil for the good and mistake the good for evil, just as to the ancient ascetic the most essential was most deprived.

### **Contractual Technology**

But evolving nature has resources and alternatives deeper than the surface consciousness of men. Our Society has never been much more than half born, the contractual technology much more than half applied. Its growth has been empirical and it has been consciously employed only in the performance and exchange of such services as men enjoy separately and apart from one another such as food, clothes and private houses and the like. Here it has given us miracles of creation, such abundance as never was or even dreamed.

All such things, up to the point of their being used or consumed by those who purchase them, are *capital* goods and services—never owned for the owner's own benefit or sake, unless or until he becomes not alone the owner but also himself directly the consumer or beneficiary of them. Such private capital is social-ized in the sense that it is administered contractually under the jurisdiction of the public markets and its beneficiary is the Society as a whole in such proportions as its members contribute to the exchange system whence these benefits are drawn.

### Community Capital

But this private capital cannot function alone; for in addition to the services and goods that come to be separately and individually enjoyed or consumed, there is perhaps an equal quantity of services and goods that men must have in common with one another and cannot be separately had or enjoyed. Such services and goods are community or public capital, for they attach to the place or community itself, and not elsewhere, and can be enjoyed only by those who occupy or in some manner come into the community itself. This community capital, this public service, is primarily not a government or political process but a process of serving by protecting the inhabitants against violence or other non-contractual process. This is a service that attaches not to the inhabitants who may come and go but to the place itself, which is called a community [*com-munio*] because it affords to its inhabitants not any separate or individual but a *common defense*. This primary service being provided, unless wholly canceled by some counter action of contrary effect, makes the place desirable to occupy and use.

### Common Services Provided Contractually

There springs up a need to pay for these common services in proportion as they attach to various portions of the community. If they are paid for to a conqueror or other political authority, payment will be in the manner of taxes and the amount paid will be determined arbitrarily and taken coercively without benefit of contract or consent or any necessary check short of actual or threatened revolution either by violence or at the polls. And revolution is only what it says it is—a turning over again of the personnel within the wheel of arbitrary power.

But if protection of the community be provided not by victors at arms or at the polls but by the community proprietors who as such are alone qualified to proceed by contract and consent, then they will receive from each admitted occupant the full market value of all the community services and net advantages appertaining to his occupancy. If he pays any less the owner

will find another occupant; if he [the occupant] must pay more he will find another owner. The owners thus distribute socially the net available community advantage obtainable by the occupants. As to common or community services and advantages not provided by them, the community owners can perform none but this service of social distribution and have recompense accordingly. [But] if they do themselves supply further services, then the market value of these further services will be in like manner recompensed to them. So far as the operations, good and bad, of the political authority result in any *net* advantages, the community owners will be recompensed not for performing but for distributing them, but only so far as their automatic distributive function remains unimpaired by the political power.

### **Emergent Society and Landed Property**

We thus have, in all the freer part of the world where there is yet some limitation on the political sovereignty, an automatic distributing agency whereby community sites and resources and all community advantages are constantly being distributed into the possession and use of the most productive occupants who can most enrich the common market. For they alone, in the long run, can afford to pay the full market rent or price. Thus the “selfish” interest of the land owner is perfectly parallel with the interest of the producing and exchanging Society as a whole.

Property in land then serves as the social alternative between possession under the insecurity of unorganized force on the one hand and the political tyranny of organized force on the other. Their tolerance of this institution, property in land, is the Achilles’ heel of the ancient sovereignties. These are tolerated today chiefly because no other agency for maintaining order and providing essential community services has been known, no other known alternative to the autocratic and bureaucratic conduct of the public services (other than their distribution) and creation of public works. But when the distributive services performed by land owners come to be consciously known, then they or their successors will organize and capitalize their business on the basis of appraised values and proceed to produce as well as distribute the protection and other common services of their communities.

By themselves providing public services, the land owners will doubly serve their populations, once with the negative service of relief from taxation and other arbitrary processes, and again with the positive advantages of providing and distributing essential community services to them. Every advance in this manner will command public gratitude and applause and step

by step take the ground from under the feet of the arbitrary political organizations.

Beginning thus at the community level, the free contractual Society will evolve by extending its creative function and hence profitable technique into the whole field of the common services. The public capital that wastes away under political administration and is now maintained only by rapidly increasing exactions out of productive private capital will come into full productivity no less than that of the then emancipated private capital, and the total productivity, the real income of the Society, will beyond all computation rise. So will it become incorruptible in peace and unassailable in war.

### **Misdirected Reform**

It is worthy of note that when sovereign powers establish themselves by conquest or by a revolution of blood they brook no parties as domestic rivals nor tolerate elective revolution in office and power by the poll. To inaugurate their slave state by some subtle intuition they first destroy the institution of property in land, the first and only firm foundation of freedom and social order. In our ignorance we approve of this as “social gains,” and so by our applause invite our own “liberals,” so-called, to bring the same calamity on us. The totalitarian objective in all its forms is to destroy the free ownership and administration of property—the process of contract and consent. And in destroying security of contract and consent in the ownership and possession of fixed properties they destroy all possibility of peace and security with respect to anything else, thus demolishing the very foundation of all social order.

It is in the same spirit and with the same ignorant applause that our “liberals” single out the owners of land and other immovables for special legislation against participation in the processes and the equity of freedom of contract. Thus is our freedom imperiled and their totalitarian state advanced. And if we must be plunged into war as the alternative to slavery then we must fight that war to the uttermost and employ in it all the great power of human and material resources that under our relatively mild political institutions we have found it possible to achieve. But if we do not examine and understand and thereby more effectively employ not the political but the Social institution under which we have so richly thrived, we must in the aftermath lose for ourselves in victory all that we ever feared to lose in defeat.

### Landed Property a Social Institution

Let us begin with a thorough examination of our relations towards one another with respect to the world at our feet, the social institution of property in land. It was not always a social institution; less than two centuries ago it was the very fountainhead of political power. [For] with the passing of royal absolutism under the pressure of nobles and lords, the political prerogatives of taxation and war had fallen exclusively into the hands of those who by force held dominion over lands. They were tax lords and war lords, and masters of the serfs or slaves whom they owned by force as they owned the lands to which these were bound. Such were the lords from whom present-day land owners inherit prejudice and opprobrium but none of their political or other coercive power. These eighteenth-century lords had no contractual relations with the individuals whom they taxed and ruled. But before that century closed there was [began] such agitation for taxation with voting instead of taxation without voting that through the reform laws in England and similar extensions elsewhere the power to tax was voted away from the lords and into the commons where in England and in most “free” countries it now wholly resides.

This left land owners no recourse for revenue but to the open market and none but voluntary recompense for their services in making a social and contractual allocation of land to men instead of their former political and coercive application of men to land. Had enough of them in those days had the wit of a Wyndham or a Locke they would have employed themselves and their now honest revenues to provide community services and thus protect the inhabitants of their land from taxation and other infringements of their freedom and productive power. Their honest revenues thus would have risen with the increasing freedom and productivity of the inhabitants, and under a proprietary instead of a political administration, England in the twentieth century might have re-enacted in modern dimensions the glory that shone through Alfred in the [ninth]. They failed in their knowledge and in their opportunity and so they are brought down with all England to their present sad case.

The development of present day property in land out of the system of tax lords, war lords and serf lords of the eighteenth century, so little attended to by historians, is probably the greatest single step in the evolution of Society that the world has ever seen. But it was only a beginning. It re-established the frame within which, under Alfred, while all other Europe was barbarous or enslaved, Anglo-Saxon liberty flourished and bloomed until it was stamped out by the Romanized Norman power under a deepening bondage in which liberty now has all but totally expired.

America has trailed the same line. Some elements of the Saxon institutions took root on our shores. But the “Fathers,” taking no note of them, founded our Constitution in fear and mistrust of Anglo-Norman tyranny but in the frame and panoply of Republican Rome on the eve of her lapse into empire under imperial insignia and forms.

### **Prospect for Society**

Property in land has never had any honor among us. We have held to the primitive conception that property in anything consists in its physical possession as a thing used or consumed by its owner notwithstanding that our whole development of free enterprise through the administration of property as capital is in contradiction to this. All our homestead and other political policies have held land in this aspect, while our social development has been in the direction of large holdings under leasehold administration not only in the wide fields of forest, mine and agriculture, but also in the great concentrations in metropolitan areas where leasehold administration and separate ownership of improvements has become the very general rule. Then there is the concentration of productive capital in housing projects, planned communities and such, in which community services are provided for leasehold occupants on a community-wide basis just as in hotel communities water and lighting and watchman service, entertainment, music, works of art, are provided for the occupants in general in addition to the accommodations, properties, and services specifically assigned to particular occupants.

Society is quietly and of itself slowly extending its proprietary and contractual jurisdiction into services more and more general, to properties of wide extent, owned by a single corporate or similar body yet occupied by many persons. And the corporation itself is most often owned by a very large number of persons holding easily negotiable, undivided interests in the whole.

### **Conclusion**

The reason men had less freedom, more poverty and shorter lives in the eighteenth century than they have now is not that they were under more government than now, but that they had then learned to practice among themselves so little of that free relationship of service by contract and exchange, [the] free enterprise that in the nineteenth century spread so widely over all the Western lands and seas. So today it is not the constant encroachments of government against freedom that spells our doom, if doomed we are, but the failure as yet of our free system to grow into the field of community services that is still dominated by force, just as commerce



extended itself into the field of piracy two centuries ago. Governments, practicing the rough and ready ways of pirates, destroyed some of them, but piracy itself was abolished only by commerce moving into what was once its exclusive field.

Government is old, very old. Free enterprise is young. In the nineteenth century it took over the field of individual services, such as food, clothing and housing, from the successors of the ancient slave states and gave to the Western world the first happy era ever known, an era of growing abundance and lengthening life. In the present century freedom—free enterprise—has enormously grown despite the even faster growth of government burdening it down. But it has not extended its scope into the field of common or community services, the traditional preserve of the ancient slave powers in their modern ‘democratic’ forms. We submit to the rude process of government by taxation for want of knowing and practicing any other or free method of providing the services we must have in common one with another. Meantime, society evolves. Property in land slowly develops into the specialized ownership of sites and thereby distributes to their occupants, by the free process of the market, their participation in the common or public services and public capital with which the sites are serviced and supplied.

Although site ownership specializes in the contractual distribution of community advantages and services, it is not yet sufficiently organized and aware of its power to administer the public capital on the side of its production and operation as well as its distributive side. This will require the gradual organization of site ownership over areas coextensive with the public capital by which the sites are served. The separate owners will pool their appraised separate titles in a trusteeship or working corporation and take proportionate undivided interests in return. The organization will then not only distribute its sites and resources to the most eligible and productive lessees; it will undertake supervision of the community budget, protect all its present and prospective lessees against political inefficiency and corruption, thereby administering the public capital, and finally take over the entire administration of the public capital and the common services that it provides.

This taking over will not be a reform of politics but a positive growth of society, for each step forward will be the result of actual benefits that all parties receive. Even the political place-holders will be happy to become employees and officers of the solvent, productive and highly enterprising organization of community business. As its services expand so will its profits and wealth. Eventually the individual equities or shares will become widely held and will become the property qualification under which popular elections, as in other business organizations, will be held. Deficit financing

will be a thing of the past, and a normally functioning society, solvent and free, will be at last achieved.