

**THE WAY OUT,  
ECONOMIC,  
INDUSTRIAL, FINANCIAL**

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The way out, economic, industrial, financial by A. F. Thomas

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**A. F. THOMAS**

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# THE WAY OUT

ECONOMIC, INDUSTRIAL, FINANCIAL

UNIV. OF  
CALIFORNIA

BY

A. F. THOMAS



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PREFACE.

AN APPEAL AND A CHALLENGE.

The history of man presents a succession of fundamental social changes occurring at more or less irregular intervals. Each epoch is governed by laws applicable to the peculiar conditions and circumstances existing during such period. It is no more possible to retain in the new period the things that pertained only to the old than it is for the man of to-day to transform himself into the child of yesterday.

There are many indications that the world is now on the eve of tremendous social change. A new era is being born. The result is inevitable. Men have the alternatives of adjusting themselves to the coming order, or of resisting it to their detriment and perhaps to their destruction. The nameless graves of millions bear mute, but convincing testimony to the truth of this observation.

The hope of the world rests upon the assumption that men will become wiser and better; that they will develop enough intelligence and character to adjust themselves properly to the environment which evolution creates for them.

The dominant purpose of this book is to examine analytically the fundamentals of the social order; to discover and make plain the laws of social evolution. It is a search for truth in the faith that we shall know the truth and that the truth shall make us free.

Since mankind moves under leadership, it is my earnest desire to focus the attention of the leaders among all classes upon present problems, so that the combined intellectual and moral force of such leaders may be ap-

plied to the task of devising proper solutions. If the blind lead the blind, both will fall into the proverbial ditch. The right to lead rests upon the possession of superior capacity to see and make plain the better way and a willingness to discharge faithfully the duties which this better endowment imposes.

This work is intended both as an appeal and a challenge. An appeal to forward looking, progressive citizens to reëxamine the underlying principles of social organization and to exert themselves to promote a better understanding and a more general acceptance of such principles as their judgments may approve. A challenge to those of reactionary and conservative tendencies to expose and refute the fallacies they may discover and thus prevent the acceptance of mistaken conclusions resulting from them.

In the treatment of the different subjects I have purposely avoided reference to any authorities, however eminent, because I desired to present the case solely upon its merits, leaving the readers to reach such conclusions as their unbiased judgments may approve.

In the preparation of the work I have received from many generous friends valuable suggestions and help, for which I am deeply grateful. With this general acknowledgment goes the wish that opportunity may arise for me to give to each of these friends more specific evidence of my appreciation of their kindness.

A. F. THOMAS.

Lynchburg, Va.,  
May, 1922.



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CHAPTER I.

TERMS AND PRINCIPLES.

In view of the fact that such terms as Coöperation, Collectivism, Communism, Capitalism, Socialism, Individualism and the like have acquired meanings which give to them a more or less definitive and in some cases a malevolent significance it is necessary in the interest of clarity to define with some precision the sense in which they are to be used. If it were practicable it might even be desirable to coin anew the terms to represent the ideas which these terms are intended to convey, but such a course seems less practicable than to employ the present terms even at the risk of being misunderstood by some and misrepresented by others.

**Communism**      The term Communism and its derivatives defined.      will not be used in this discussion to represent the economic theory that there shall be State ownership of all property and that the State shall control all means of production and distribution of the products of industry. The term will be used to convey only the idea of the common ownership of the particular property involved in an operation for the common benefit in which the contribution is made in proportion to ability and the distribution is effected according to need. In other words, the purpose is to discuss the principle of contribu-

tion according to strength, and distribution according to need as exemplified by such operations as may employ this principle with beneficial effects.

**Socialism**        The term Socialism and its derivatives are defined.        intended to convey the idea of collective action, the results of which are to be distributed according to contribution.

**Individualism.** Individualism will be used in a sense entirely negative of joint action. This principle admits of no organic relation between individuals or groups and hence there can be no controlling principle of relativity between individuals or classes of society in the things in which individualism is supreme.

**Coöperation**    The proposition to be sustained is that there inclusive.        is in every social organism a proper sphere for Communism, Coöperation, Socialism, and Individualism, and that the most perfect social organism is that which gives each of them its proper place in the scheme of general coöperation.

**Growth of**        As the social body has evolved from its Communism.    lowest state, Communism has developed in consonance with it. The more highly developed society becomes, the more extensive the application of the communistic principle. It may be shocking to many to learn that all people are communistic and, as between individuals, they all agree in principle, differing only in degree. Perhaps the earliest communistic organization was the family in which the stronger members combined to produce, distributing the results of their efforts according to the needs of all. It is according to this natural principle that the strong labor in order that they may take

care of the weak. It is a provision of nature to insure the welfare of the genus. As social growth proceeds with its multiplication of individuals and increased complexity of relation, necessity, **Organization, a necessity.** the mother of invention, compels organization designed to promote social welfare. Like the social body it naturally becomes increasingly complex and its functions embrace an ever widening sphere of activity.

**State service communistic.** In so far as their purposes are to serve the State, all governmental activities are necessarily communistic. The effort to preserve the peace is but another expression of the purpose to protect the weak against the imposition of the strong. The establishment of a judicial system is designed to furnish means by which justice and protection may be afforded those who cannot protect themselves.

The legislative branch of government is charged with the duty of laying down the rules of decorous behavior and the executive branch of government has the duty of administering these laws and may call into play the entire force of society to compel obedience to them. The court houses, the capitols and their auxiliary buildings are constructed and maintained at the public expense. The salaries of all public officers, the costs of armies and navies are public charges collected from all in proportion to the individual ability to pay and the funds so derived, theoretically at least, are devoted to the service of those who stand in greatest need. The public free school system, open as it is to all, is sustained by collections made and disbursed in the same way. The **Why the State educates.** controlling reason in this case is that general education is necessary to the normal development of the social body, and that public support and operation of it is the most efficient method of accom-