as it is also called) contains a considerable element of truth— that loose associations for mutual protection preceded any elaborate idea or structure of law, and that government cannot be based exclusively on force—yet it is open to the equally obvious objection that the very idea of contract belongs to a more advanced stage in human development than the hypothesis itself demands. Thus the doctrine, yielding as a definite theory of the origin of society to the evidence of history and anthrop­ology, becomes interesting primarily as revolt against medieval and theocratic theories of the state.

**SOCIALISM,** a term loosely formed from the Latin adjective *socialis (socius,* a comrade), and first used of certain doctrines of Robert Owen (*q.v.*). "Socialist ” occurs in a discussion between Robert Owen and the Rev. J. H. Roebuck at Manchester (publ. Heywood, Manchester, 1837), pp. 27, 133. From the context it seems a nickname. But the title “ Owenist” was disliked by many supporters (see *Co-operative Magazine*, 1826, p. 28) and “ Co-operator ” was acquiring a different sense. The new term was used in 1838 in France (by Pierre Leroux), and figures in 1840 in Reybaud’s *Socialistes modernes.*

*Definition.—*Socialism is that policy or theory which aims at securing by the action of the central democratic authority a better distribution, and in due subordination thereunto a better production, of wealth than now prevails.

This definition may not entirely cover the ancient and medieval theories to which the name has been given by modern writers (see also Anarchism, Communism, Co-operatton). It hardly •covers the schemes of Robert Owen himself. But just as chemistry is not alchemy, or astronomy astrology, modern socialism is not to be identified with Utopian fancies, and need not be so defined as to embrace them. For a like reason it need not be so defined as to include every tenet of leading socialistic writers. We must disentangle their socialism from what is superadded to it and not involved in the socialistic idea.

The word began in the days of Owen; but, as there were utilitarians before Mill made the name current, so there were socialists before Owen. Socialism, as a policy, begins with the beginnings of politics. As a theory, it begins whenever the state is perceived to have a distinct office from other factors in the order of society, and that office is so magnified that the whole •or main charge of the economic resources of the people is assigned to the state, whether for production or for distribution. There was anarchism among the Cyrenaics and Cynics. Phaleas of Chalcedon was a communist. There is state socialism in the *Republic* of Plato, and much remains in the Laws. It is true that in those days society and state are not clearly distinguished. When Aristotle tells us that “ man is by nature a political animal” (*Politics,* i. 1), the adjective is ambiguous. But the individual and the state are not confused; they are even, by the Cynics, too far separated.

State and individual were also well apart in Rome, under the Roman system of legal rights—public, private, real, and personal. There were socialistic measures in Rome, *panis et circenses;* and there were agrarian, to say nothing of usury laws. But trade and industry were not usually regarded as worthy subjects for the state and the statesman to touch at all. There are instances of municipal socialism in Italy and the provinces under the Roman Empire (S. Dill, *Roman Society from Nero to Marcus Aurelius,* 1905, pp. 218, 220, 222). In the middle ages feudalism was more akin to paternal government than to individualism; but it was, politically, too undemocratic to approach a true socialism. On its decadence something like a *de facto* municipal socialism made its appearance. The gilds of the great cities, *imperium in imperio,* regulated production and incidentally distribution. They did not prevent the existence of millionaires like the Fuggers, but they brought even these rich men under their rules. The equality was greater than the liberty, though neither was complete, to modern notions.

With the breaking up of the gilds came what is commonly •called individualism. Thenceforward over against the control­ling government of the monarch or the commonwealth was to stand the commercial competition of free individuals. It is one of our modern problems to determine whether this individualism is doomed or not. It has never existed pure and unmixed. Between the time of the gilds and the time of the trade unions lies the time, say in England in the 16th and 17th centuries, when there were enterprising trade and busy industry, with enough of power surviving in the old organizations to prevent absolute anarchy. As invention followed invention in the 18th century, industry changed its form and became great instead of small. That is to say, it tended to become more and more an affair of large capital and large workshops, and, instead of the industrial individualism of small masters and independent “ manufacturers,” who were still “ hand ” -workers, there was appearing the industrial collectivism of the factory system, where manufacture was nothing without its machinery, its colossal division of labour and its strict technical discipline and drill. There was a short period in England when employers were allowed to draw advantage from the change without any hind­rance from the state. But in no greater time than one generation the regulation of factories began, the period of anarchy ended, and the commercial competition of free individuals began to be surrounded with safeguards, more or less effective.

Modern socialism, as defined above, is *(a)* opposed to the policy of *laissez-faire,* which aims at the least possible inter­ference with industrial competition between private persons or groups of persons, and *{b)* suspicious of a policy of mere regula­tion, which aims at close surveillance and control of the pro­ceedings of industrial competitors, but would avoid direct initiative in production and direct attempts to level the in­equalities of wealth. The leading idea of the socialist is to convert into general benefit what is now the gain of a few. He shares this idea with the anarchist, the positivist, the co-operator and other reformers; but, unlike them, to secure his end he would employ the compulsory powers of the sovereign state, or the powers of the municipality delegated by the sovereign. In the former case we have state socialism, in the latter municipal. Where there is direction or diversion of industry by the public force mainly for the benefit of a few, this is hardly socialism. It employs the same machinery, the public force; and it secures a revenue which may possibly be used for the general benefit, as in the case of protective duties. But in such cases the general benefit is only a possible incident. So far (for example) as protection succeeds in keeping out the foreign competitors, the main result is the assured gain or prevented loss of a few among the citizens. Socialism by intention and definition would secure benefits not for a few, a minority, or even a majority, but for all citizens. Communism has the same end in view; and, socialism and communism (*q.v.)* are often confused in popular thought. But the communist need not be a socialist; he may be an anarchist, an opponent of all government; while the socialist need not be a communist. The socialists of the 20th century rarely, if ever, demand that all wealth be held *in common,* but only that the land, and the large workshops, and the materials and means of production on a large scale shall be owned *by the state,* or its delegate the municipality. The despotism of gilds would not now be tolerated. The strictest public regulation of trade and industry will probably continue to be that of the state, rather than of the municipality, for local rules can be evaded by migra­tion, the state’s only by emigration. But the smaller bodies are likely to display more adventurous initiative; and it is significant that they appear in the imagination nearer to the individual than the state even of a small people can ever appear to its own citizens. Yet it is not the smallest unit, the parish, that has shown most activity in England, but the county, a unit arith­metically nearer to the state than to the individual.

It might be plausibly argued that the movement of modern events has been rather towards a kind of anarchism *{q.v.)* than a kind of socialism, if it were not for the element of compulsion (quite contrary to anarchism). Even the English poor law, universally called socialistic, is administered locally and the degree of socialism varies with the parishes. When the state’s regulation went further and further in a succession of Irish Land Acts (1870, 1881, 1903), it assumed a socialistic character; the