



Unions and the Social Contract

IN THE current analyses of what is wrong with the UK economy—and, in particular, what prescriptions can be advocated as solutions—the notion of the “social contract” beloved by 18th century philosophers is being pushed by that august organ of the Establishment, *The Times*. What we need, apparently, is more self-discipline based on an awareness of our interdependence, and of our responsibilities to others. A social contract would realise this objective.

The Times is, in particular, concerned about wage claims lodged by trades unions, and acceded to by managements. It wants an incomes policy which, according to a recent editorial, would be part of a social contract which was “supportive and not authoritarian” (whatever that means).

Unfortunately, *The Times* is not willing to spell out in detail its notion of a social contract. Confusion reigned when one of its political correspondents, David Wood, contributed an article (June 19) in which he failed to define the concept. His consequent apportionment of blame for current social divisiveness is, as a result, faulty.

Two broad meanings have been attached to this philosophical notion. The one which Western society acknowledges is John Locke's. He saw the social contract as one into which people entered out of the “state of nature” (wherein there was no law, only anarchy, or at best, custom) primarily to secure existing property rights. Locke was interested in preserving prevailing land rights, but to sugar his pill he defined

The competing view was that of Rousseau. He saw the social contract as one into which people ought to enter, in which they would agree to be governed by the "general will"—i.e., decisions which each citizen took would be disinterestedly in the interests of everyone, not just the particular interests of himself. This, then, introduced the moral dimension to decision making: Kant later developed it into the Categorical Imperative, which required that one should only make decisions which would be acceptable as universal laws, applicable to everyone as well as oneself.

The explosion occurred in the late '60s. One of the fundamental causes was the large devaluation of 1967, which (without the offsetting settlements) would have reduced the real value of wages. Mr. Wilson, for political reasons, chose to delay action on sterling; and he chose to create the post-devaluation climate which has led to the current level of unemployment, creating anarchy in the labour market to which workers object.

Purchasing Power of the £

1871	100
1900	111 100
1913	102½ 92 100
1920	41 37 40 100
1938	65½ 59 64 159½ 100
1946	38½ 35 38 94½ 59 100
1956	24½ 22½ 24 60½ 38 64 100
1966	19 17 18½ 46 28½ 48½ 76 100
1969	16½ 15 16½ 40½ 25½ 43 67½ 88½ 100
1970	16 14 15½ 38½ 24 41 64 84 95 100
1971	14½ 13 14½ 36 22½ 38 59 78 88 92½

THE Royal Scottish Corporation have accepted an offer of almost £3m. from Bernard Sunley Investment Trust Ltd. for their 10,725 sq. ft. freehold property at 14-18 Fleur-de-Lis Court and 16 Fetter Lane, London, E.C.4.

Trade unions, and their shop stewards, are castigated for exercising monopoly power: holding the country to ransom, apparently. Perhaps. But in the debate on monopoly power, not a word is mentioned about the monopoly power of those firms which adjust output and prices to suit their own pockets without asking the consumers first. Why, then, should unions not now adopt similar tactics?

Monopoly power has to be suppressed. But we cannot forget that there are many monopolists, and oligopolists, besides trades unions and there can be no case for singling one of them out for corrective action, while conveniently forgetting the existence of others. Without such disinterested action there can be no unifying the country, and we will continue to witness the unseemly selfish scramble.

F.H.