

# Europe After the French Elections: A Counter-Strategy for the West

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March 13, 1978, was a somber day for European democracy. In Italy, a new and fragile minority Christian Democratic government, led by Giulio Andreotti, was sworn in at the Quirinal Palace after having been forced to accept the Italian Communist Party (PCI) as part of its "Parliamentary majority." The PCI had consequently achieved a notable, and perhaps decisive, breakthrough in its long march towards its strategic objective of an "historic compromise" with its Christian Democratic opponents. The Italian Communists now have, for the first time since 1947, a formal role in the decision-making process. Although still denied ministerial positions, they now have a *de facto*, if not a *de jure*, voice in the Italian government. In the early morning of the same day it became clear that France, too, had undergone a serious political change. Although the center-right, the "majority," had won an unexpected electoral victory in the first round of balloting for the French Assembly, the first signs of the result of the battle for the leadership of the French left (arguably more important than the total electoral picture) had become apparent.

## Communists and Socialists in France

The center-right forces confirmed the trends of the first round of voting by achieving a majority of 90 seats over the "united left" a week later. Yet, although this surprisingly wide Parliamentary margin (which did not reflect the popular vote<sup>1</sup>) has stabilized the Fifth Republic for a while, the complete returns in France are no cause for rejoicing or for complacency. Certainly there will be no "united left" government for the next few years, but the French Communist Party (PCF) cannot be unhappy with the way things turned out.

The results of the election confirmed that the PCF has

1. In the second round of voting the pro-government parties collected 50.49 percent of the vote, while the "left opposition" collected 49.51 percent.

achieved its main medium-term goal — a tactical advantage over its Socialist adversaries. The Socialists, led by Francois Mitterrand, expected to emerge from these elections as the major party in French politics and certainly as the dominant force on the left. Indeed, not only did they expect to, but they desperately needed to. A victory would have held this faction-ridden party together and would have established a base for further advance. As it turned out, however, their expectations of 28 percent or so of the vote on the first ballot were rudely shattered. They achieved only 22.5 percent, only two percent more than the Communist Party.

In terms of seats in the Assembly, the Socialists achieved only 18 more than the Communists, but 49 less than the Gaullists and 33 less than the Giscardians. Following this serious setback, their residual factionalism will surface again. Some of their leading figures will want to make overtures to the Giscard center; others will want to make their peace with the Communists. In short, the way is now open for the PCF to dominate French left-wing politics and to become the sole outlet for the discontents of Frenchmen with the “regime.”

In fact, it is now becoming clear why the French Communists so abruptly shattered the *Common Program* (the “united left” platform with the Socialists) in the fall of 1977. Most observers were perplexed by this strange event. After all, the “united left” strategy seemed to place the Communists on the brink of government power for the first time since 1947. It seemed inconceivable that the Communists would put at risk the one mechanism, the *Common Program*, which could get them to a share of power — and all for the sake of a commitment to more extensive nationalization. The nationalization proposals of the agreed Communist/Socialist program seemed to be extensive enough, as they included the entire banking and credit industry and another nine large firms which dominate their respective market sectors. Yet, the Communists wanted even more; it was obviously a tactic to force the break-up of the *Common Program*. Now that the electoral dust has settled, these tactical maneuverings of the Communists become clearer. The aim was quite simple: it was to weaken, possibly fatally, the Socialists. And this hoped-for blow to the Socialists was more important to the Communists than becoming a junior partner in government.

The fact was that the PCF became increasingly alarmed as it became clear that the agreement between Mitterrand and Communist leader Georges Marchais, initiated in 1972, was benefitting the Socialists more than the Communists. Of the 19 Parliamentary by-elections held between the 1973 general election and the end of 1976, the Communists improved their position in only five while the Socialists, who contested 15 of them, improved their position each time. Also, as the time for the next assembly elections came closer the Socialists seemed to be pulling away from the Communists as the major left-wing party. Indeed, so strong was the Socialist tide becoming that it appeared that Mitterrand was getting out of control. Communist visions of a "united left" government with themselves, at the very least, as an equal partner were soon under serious review. The Socialists had to be stopped in their tracks. Hence the sinking of the *Common Program*, suddenly, dramatically and without notice.

The reactions of the Socialists and the Communists to the results of the first round of voting (when it became clear that the center-right would, again, form the next government) seem to speak volumes. The Socialists, apparently and paradoxically (they had, after all, increased their vote from 19.2 percent to 22.5 percent), were disconsolate. Jacques Attali, Mitterrand's economic adviser, realized immediately the implications for the Socialists. "It is very bad," he reportedly declared. Mitterrand himself was desolated. He virtually accused the Communists of sabotaging the "united left" by their "polemics" against the Socialists in the period leading up to the election. Indeed, Georges Marchais, the Communist leader, had been extraordinarily vituperative about the Socialists and had treated them during the election campaign as though they were the main enemy. On the other hand, the Communist camp was obviously pleased with the results. Their vote held up. More importantly, the Socialists had failed. Georges Marchais was ebullient and confident as the results came in. *The Times* (of London) described PCF headquarters staff as being in "an aggressive and jolly mood." Yet, the left had lost!

Immediately after it was obvious that the "united left" was not going to win, the Communists moved swiftly to patch up their differences with the Socialists, whom they no longer

feared. At the post first-round negotiations between the two parties, the Communists were remarkably conciliatory in marked contrast to their posture of only a few days before. They obviously wanted to limit any damage that might accrue to them from charges of sabotaging the left. They had, in short, achieved their objective. They now wanted to lead the left.

### Instability in the Fifth Republic

Having secured its flank against the Socialists on the left, the PCF, as it surveys the total political picture in France, has some reason to travel hopefully. The 90-seat majority for the center-right does not, unfortunately, secure the political stability of the Fifth Republic. The forces of the center-right are still deeply split both ideologically and in terms of their strategic political objectives.

The Gaullists have been re-confirmed, albeit narrowly, as the largest component of the center-right coalition and Jacques Chirac, their leader and Mayor of Paris, is not about to abandon his claims to the leadership of "the majority" to the President. Chirac remains an ambitious politician who still has every chance of unseating Giscard at the next Presidential election. Yet, Giscard has been helped by the election results and his prestige enhanced somewhat. His new grouping of parties holds 137 seats in the Assembly, up ten from the outgoing Parliament. Giscard's increased stature, however, only serves to deepen the split on the center-right as there are now two almost equal contenders for its leadership.

And this division is much more than personal. The forces of the "majority" are separated by a fundamental clash over the future direction of French politics. Giscard appears to want to create a new "center" grouping, including his own party (or parties) and the Socialists. He hopes, thereby, to consign both the Gaullists and the Communists to the sidelines, branding them as unacceptable extremists. Chirac, on the other hand, wishes to build upon the Gaullist base, still powerful amongst the voters and within the civil service, to create a new conservative majority. This new majority would base its appeal upon the twin themes of nationalism and anti-Communism. If Giscard has his way the Socialists will inevitably split — with some on the left of this very eclectic

party refusing to be embraced by the "bourgeois" overtures and instead linking up with the Communists. If Chirac's strategy prevails, French politics will polarize. Either way, the Communists feel that they will benefit. Whatever the outcome, tensions will continue within the councils of the center-right, a depressing outlook for the health of the Fifth Republic, a constitution specifically created with a single, Gaullist, majority in mind.

Added to heightened tension on the right is the continuing question-mark over the French economy. Although inflation has been dragged down to below 10 percent, the economic discontents of the voters, including large sections of the middle class, are not likely to evaporate in the near to medium future. While these *economic* grievances were not enough this time to overcome the *political* fears of the left (although it should be noted that on the final ballot the center-right prevailed over the left only 0.98 percent), this may not remain so forever. Without a durable and coherent political consensus of the "majority," an unlikely eventuality in view of the continuing discord between Giscard and Chirac, discontents could continue to build to the point where a swing to the left could not be ruled out. Alternatively, even if the voters continue to resist the left, the Fifth Republic could begin to take on the political appearances of its predecessor; like the Fourth, the Fifth Republic could be racked by factionalism and instability. It could become, indeed arguably has become, a four-party Republic. These probable developments may help to explain the pessimism of Raymond Aron, France's most intelligent political scientist. He proclaimed, just before the Assembly elections, "Whichever way the vote goes the good days of the regime are over."<sup>2</sup>

If indeed the "good days" of the Fifth Republic, notwithstanding initial euphoria over the March election results, are over then the Communist Party will be the only real beneficiary of the coming instability. The PCF remains, in popular votes, one of four roughly equal parties in the Republic. But, more importantly, its disciplined party apparatus (the "party acting as one") gives it an important political advantage over its more loosely organized opponents. Further-

2. *The Observer* (London), March 12, 1978.

more, it wields immense power within the French trade union movement through its dominance of the Confederation Generale du Travail (CGT). The CGT is by far the largest French trade union federation, with a membership of nearly 2.5 million. Its leader, Georges Seguy, retains his post in the PCF Politburo. The PCF is in a position, once there is enough exploitable discontent amongst the workforce, to use strikes and industrial dislocation as part of its more general political strategy. Indeed, it is not fanciful speculation to assume that the French Communists place more emphasis upon their labor role than upon their "parliamentary" role. Elections are important, certainly, but not *that* important in PCF strategic thinking. Socialists, who have less of an industrial base or organized cadres system, need to prove themselves in elections much more than do Communists. In any event, we can expect the Communists to use the "industrial card" against the center-right government in the coming post-election period.

In short, armed with its 5.8 million first ballot votes, its disciplined "Leninist" party structure and its control of the CGT, the French Communists are, arguably, the single most important political force within the Fifth Republic. They represent *real* power — a force with which French presidents and governments may, reluctantly, have to deal if political, social and industrial instability is to reign in the coming years.

### The Italianization of French Politics?

When viewed from this perspective Communist strategy in France assumes an "Italian dimension." In other words, PCF strategy has been to attempt to assume the ground in France that the Italian Communists already occupy in Italy.

The secret of PCI success is that they have maneuvered themselves into the position where they are the only serious opposition force in Italian politics. With 34.4 percent of the vote in the 1976 elections and with control of important local and regional governments (it is now the leading or second party in all the significant regions of Italy), the PCI has made the essential political breakthrough that still eludes the PCF. First, it is now the only realistic repository (now that the Italian Social Democrats, Socialists and Republicans are all only small factions) for those with a grievance against the system. The Italian Communists have become a natural party for the non-

partisan disenchanted. "If you want to get the Christian Democrats out, vote PCI" is a seductive argument. The Italian Communists can reap all the obvious benefits from being the opposition party in a two-party system. It is in order to capitalize upon this "only opposition" status that the PCI projects its "Eurocommunist" and "liberal" image. If it can assuage the fears of the middle-class then the "only opposition" can turn itself into the "only government."

Secondly, from this position of strength the Italian Communists then proceed to argue that the very stability of the Italian system depends upon support of the PCI. For instance, the PCI has become a "law and order" party, almost Nixon-esque, as the Italian public becomes increasingly fearful of terrorism; also, it implicitly promises to control labor unrest in return for a share in political power. (Incidentally, the Spanish Communist Party under Santiago Carrillo is adopting some of the same tactics. Now that they are the leading force within the Spanish labor movement they are dealing directly with the Spanish King and Premier, over the heads of the Socialists, offering "industrial peace" in an attempt to stabilize Spanish democracy).

Consequently, having established itself as the only alternative force to the regime, the Italian Communist Party advances by a dual process of implicit threats (to disrupt the system) and "liberality" (to soothe middle-class fears). By this mechanism it forces its way, step by step, to the center of the political stage. After the formation of the latest Andreotti government it is no longer in the wings. As Altiero Spinelli, one of the founding fathers of the Common Market, has observed, "The Italian Communist Party . . . is an organic element of our political thinking and political culture . . . it is physiologically and psychologically a large part of Italian reality."<sup>3</sup>

The aim of the French Communists is to become as large a part of "French reality" as the PCI is of "Italian reality." A prerequisite for this objective, however, remains the elimination of the Socialists as a serious political force, preferably reduced to the size of a rump (as indeed they are in Italy). The results of March must give the Communists some cause for believing that the "Italianization of French politics" if not underway is,

3. *Encounter*, January 1978, p. 8.

at least, in its early stages.

Yet, the French Communist Party has some difficult decisions ahead of it. They have two broad alternatives open to them. First, they can attempt to resurrect the "united left," but this time with themselves as the most powerful faction. They are still resting upon an electoral plateau (of 20 percent of the vote) from which they cannot jump up. They will need allies. Alternatively, they can, by using their industrial muscle, attempt to deal directly with Giscard himself. This is a temptation to which the President, who will be in search of industrial stability, may be more ready to yield than many may at the moment think possible. The decision of Giscard, immediately after the election was over, to invite the Communists for talks at the Elysee Palace, and the Communists' unprecedented acceptance, is an ominous sign.

### The Strengthening of Latin Communism

The confluence of the March events (a new government in Italy with the PCI as part of the "Parliamentary majority," and the elections in France) represents a further strengthening of the forces of Latin Communism. Communist Parties in Western Europe are now nearer to real power than at any time since the inauguration of the Marshall Plan. The PCI is right on the verge of achieving its "historic compromise," which could easily be forged at the time of the next political crisis; the PCF is at least on the road to the highground which the PCI already occupies in Italy; and in Spain, the Communist Party (PCE) is by no means off the political map.

Furthermore, it is now clear that since the March elections in France, there is a growing congruency between the French and Italian models for Communist advance. Both nations are politically unstable; both have mass, disciplined, Communist Parties with significant potential for engineering industrial unrest; both nations, certainly Italy and now possibly France, have weakened and faction-ridden Socialist parties; the political establishments of both nations are unsure of themselves, divided, and tempted to view the disciplined PCI and PCF as sources of stability in troubled times.

The implications of all this for the security and freedom of the whole southern flank of Western Europe are disturbing. The old democratic consensus which excluded the Communists —



not only from *government* but also from *influence* — is apparently no longer resilient enough to guide these nations on their own. With powerful Communist Parties pressing in on the political establishments of France and Italy, the result can only be an increasing instability in these two strategically important nations.

This instability within France and Italy will inevitably cause increasing tensions within an already fracturing European Community, the integration of which is made no easier by continuing resistance from Britain. Furthermore, such political instability can only further debilitate an already shaky NATO. The Communist Parties have made certain declaratory changes in policy regarding the Alliance. The PCI no longer advocates Italian withdrawal from NATO or the expulsion of NATO and U.S. bases; the PCF, for the moment at least, no longer insists upon France leaving its political wing; the Spanish Communist Party has even gone so far as to declare that it would not “oppose” a decision, admittedly unlikely in the foreseeable future, by the Spanish Parliament to join the Alliance. Even so, Communist pressure (together with Socialist influence) upon their respective governments can hardly be a factor weighing in favor of stronger European-United States ties or increased defense budgets. Moreover, the natural response of the present French and Italian governments to strikes, economic demands from the workforce and left-wing political pressure will be to buy them off with lavish domestic social expenditure at the expense of necessary military resources.

#### A Western Counter-Strategy

So far the democratic and Western response to the arrival of powerful Communist Parties in Latin Europe has possessed all the vitality and strategic incisiveness of a wet sponge.<sup>4</sup> There seems to be little inclination on the part of Western politicians or opinion-makers to deal directly with the threat which “Eurocommunism” poses both to the domestic politics of the nations involved and to the Atlantic Alliance. The mentality

4. For two incisive critiques of faltering Western attitudes towards Eurocommunism see: Robert Moss, “The Specter of Eurocommunism,” *Policy Review*, Summer 1977 and Jay Lovestone, “Euro-Communism — Roots and Reality,” *Journal of International Relations*, Summer 1977.

of democrats has been essentially defensive. Hence, there is a tendency to fight each battle as a rear-guard action, as buying time, as though the war is ultimately lost. Hence, too, the instant euphoria over the results in France — more time bought? — even though the strategic position of the Communist Party has been improved. Hence, too, a psychological *need* to believe in the protestations of Communist Parties that “democratic Communism” is possible.

This defensive posture is best exemplified by the democratic politicians of Western Europe. In both Italy and France the leaders of the democratic parties rarely confront the problem head-on. Far from raising the specter of life under the Communists — the Communist Party’s totalitarian implications at home and pro-Sovietism abroad — their propaganda is tentative and ambiguous. Indeed, it is instructive that in Giscard’s pre-election appeal to the French voters, the specter of a dominant West Germany was raised while the prospect of a lapse into left totalitarianism was only hinted at! In non-Latin Europe, too, political leaders are fearful of too overt an anti-Communist posture. The leaders of the West German SPD and the British Labor Party have acquiesced without public protest to the increasing contacts between member parties of the Socialist International and Communist Parties. Socialists throughout the continent have lost their visceral opposition to “Popular Frontism.” West European Socialists, breaking with years of tradition, are slowly becoming “Finlandized.”<sup>5</sup>

Following the lead from Europe, the United States posture has also been defensive. Apart from the formidable analysis and strictures of Henry Kissinger both whilst in and out of office, arguments for which he has been subject to attack from within the United States, there has been a paucity of coherent policy emanating from this side of the Atlantic. The United States government seems understandably concerned that too overt a stand on its part against Communist involvement in the governments of Western Europe will be interpreted as “interference.” It is not often fully realized, however, that those who use this weapon against the United States remain silent as *Pravda*, almost on a daily basis, “interferes” in the politics

5. See Walter Laqueur, “The Specter of Finlandization,” *Commentary*, December 1977.

of virtually every Western European nation.

The counter-strategy that needs to be developed now (whilst the Communist Parties of France and Italy though increasing in strength are still in the minority) must eschew such defensiveness. A key crutch of this defensiveness is the contemporary fatalism about the future — a sense of inevitability about the eventual triumph of Communism that is no longer the preserve of the dedicated Marxist-Leninist, but spreads throughout the political spectrum.

Yet, only a moment's reflection should be enough to dispel such pessimism. The Western European peoples are, by any test, not only *non-Communist*; they are also *anti-Communist*. This is obviously the case in Northern Europe where Communist Parties receive negligible electoral support. Yet, it is true in Southern Europe too. In France at the March elections, nearly 80 percent of the voters cast their ballots *against* Communist candidates. In Italy, so near to the brink, the anti-Communist figure for the last election was 65.6 percent. In Spain it was 91.8 percent. Also, it is no political secret that many of those who actually do vote Communist are in no way Marxist-Leninists. This is particularly so in Italy. Furthermore, Communist power within many of the trade unions in Western Europe is wildly disproportionate to the support for Communism amongst trade union members. This disproportion is a product often of the manipulation by Communists of trade union electoral systems rather than working class acclaim.

The problem, then, lies in a possibly fatal gap between the *anti-Communism* of the majority of the West European peoples and the *non-Communism* of the West European political elites. It has been the refusal of the non-Communist democratic politicians to mobilize and exploit native anti-Communism amongst their peoples that has given the Communist Parties such a crucial advantage.

The mobilization of anti-Communism as a political strategy has been feared by the leaders of the West ever since the vulgar excesses of the McCarthy era. It may also have received a setback because of the failure of the war in Vietnam. Even so, this standard explanation does not suffice to properly explain present Western European susceptibilities. President Kennedy's ringing anti-Communist declarations took place only six years

after Senator McCarthy's demise and were echoed by a host of European politicians from Schumacher to Gaitskell. More likely as an explanation is simple fear of the Soviet Union, certainly greater now than in the early sixties.

Even though this fear is likely to remain, indeed may grow as Soviet military power grows in Europe, a heightened ideological tension, as between East and West, Communism and anti-Communism, is an essential ingredient of any new offensive counter-strategy. There are already some hopeful signs, although naturally they are not yet to be found amongst the politicians. The "new philosophers" in France, notwithstanding their anarchist backgrounds and "celebrity" status, are at least leading the way in a wholesale attack upon the very foundations of Marxism itself. The link between totalitarianism and Marxism is being rediscovered (the link between Leninism and totalitarianism being taken for granted). Potentially this rediscovery can be very damaging to "liberal Eurocommunism" with its emphasis upon the possibility of a democratic Marxism-Leninism and some searching questions are already being asked of the PCF (and the Socialists) — questions that they will not easily be able to answer. Although much of this might seem standard fare to older and more rigorous anti-Communists who are still an embattled minority in the Anglo-Saxon political world, it is important that these new awakenings are happening to a new generation and that they are happening in France.

A heightened ideological offensive may take some time to percolate through the Western political class. Even so, the Carter human rights policy can, if handled properly,<sup>6</sup> become a framework for its institutionalization into Western diplomacy. By these means the anti-Communism of the European peoples can be reunited with an official anti-Communism of the elites.

The second ingredient of a counter-offensive against the Western Communist parties is linked to the first. There is no advantage in simply raising the ideological temperature if concomitant political action is not taken. Indeed, the whole reason for a heightened ideological posture is to mobilize public opinion for political change. The nature of this new

6. For a serious analysis of the shortcomings of the present "Human Rights" policy of the U.S., see Ernest Lefever, "The Trivialization of Human Rights," *Policy Review*, Winter, 1978.

Western political strategy should be the development of an "exclusionary" posture. The Communist Parties of southern Europe see it as essential to their cause that they be *allowed*, by a mixture of threats and inducements on their part, into the political consensus of their respective nations. They have genuinely given up, at least for the foreseeable future, their revolutionary aspirations. They know this will not work. Instead the "parliamentary road" is preferred; they want, instead, to be accepted into the consensus by democratic politicians, as is very nearly the case in Italy today.

Consequently, the counter-strategy of the democratic politicians should be to build a consensus that *excludes* them. The Christian Democratic leaders of Italy, the center-right politicians of France and the Spanish Premier and King need to be encouraged by the political leaders of the West to resist the overtures that will be made to them by the Communists. A good example was the recent United States statement on the situation in Italy (issued at the prompting of, amongst others, the American Ambassador to Italy). This was, reportedly, of great help to those Christian Democrats who wanted to resist Communist participation in the government. As part of this "exclusionary" strategy, serious attempts should also be made to wean away the Socialists from flirtation with the Communists in "Popular Fronts." The old demarcation lines between Socialists and Communists should be redrawn. This can sometimes best be done by the Socialists themselves. Sometimes it can be achieved by sensitive political maneuvering from the center-right.

Finally, on the international political level an "exclusionary" strategy can also be pursued. The United States and other Western allies can make it quite clear that Communist participation in the government of a country will preclude that nation's membership in NATO. Just as they wish to penetrate existing internal political institutions rather than immediately overthrow them, the Communist Parties of southern Europe are not set upon a revolutionary path as far as international organizations are concerned. Instead, they wish to permeate and weaken them. Carrillo has even gone so far as to suggest that Spain should work through European institutions in order to bring about a "third force in East/West politics," a process that could further the disintegration of the Atlantic

community. As far as NATO is concerned, a strong allied statement about "incompatibility" of membership with Communist involvement in government might initially cause some voices to be raised about "interference." Yet, when the dust settles, the electors of that nation will have before them a clear choice. It is inconceivable that any of the free peoples of Western Europe would choose, in these circumstances, to opt out of the West into neutrality or into the Warsaw Pact or Comecon.

If stark choices between the democratic consensus and Communism, between the West and neutralism or worse, are put to the West European peoples in the next few years, the slow advance of the Communist parties through their institutions can be halted and reversed. If the present drift continues, if no choices are offered, if the ideological debate remains muddled and grey, then the defensiveness which suffuses democracy will grow as will the apparent inevitability and momentum of West European Communism.

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# The Environmental Costs of Government Action

JOHN A. BADEN & RICHARD L. STROUP

During the last decade, a large and growing number of articles, technical reports, and books have developed the theme that large social benefits can be generated through increased governmental action. This is especially true regarding natural resource management. A strong distrust of private property as an institution, coupled with increasing demands for scarce natural resources and greater environmental quality has led to more and stronger calls for more collective management to supplant or control what is viewed as the rapacious private exploitation of nature.

Privately-held property rights in natural resources are increasingly attacked. Partly this is due to concern over what many perceive to be an imbalance in the distribution of benefits from nature's bounty. It is also due in part to what is thought to be irresponsible stewardship of natural resources in the pursuit of profits. Market failure is increasingly noted. Negative externalities, or costs accruing to those other than the decision-maker, frequently are cited as justification for the imposition of governmental control. The rule of willing consent is relaxed and collective decision-making is imposed.

The market, based upon the willing consent of individuals and operating through the mechanism of prices representing condensed information and incentives, tends to move resources to the most highly-valued uses. When transaction costs are negligible and property rights clear and readily enforceable, the market will, given any existing distribution of income, provide the socially optimal production of goods and services. Unfortunately, when dealing with some natural resources, there are only very imperfect property rights, as witness clean air and clean water. Resources such as these tend to be underpriced. As a result, the production process generates not only goods but also bads in the form of negative externalities. Because environmental goods tend to be public goods and common pool resources, the private market will not efficiently utilize