



Statements and Speeches

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COMMUNICATIONS: CORNERSTONE OF INTERNATIONAL RELATIONS

An Address by the Honourable Francis Fox, Minister of Communications, at the Opening Session of the Fourteenth Annual Conference of the International Relations Club, University of Montreal, March 6, 1981

...As the Minister of Communications, I am pleased that the general theme of this year's fourteenth annual conference is "Communications and International Relations". Communications is currently one of the most dynamic areas of international relations, and one in which I would venture to say, although I may not be regarded as the most objective observer, Canada is particularly influential.

To set the scene for this annual conference, I have been asked to share with you my views on the international environment affecting communications and of some of the new themes which are emerging. I must confide in you that it was the organizers of the conference, and not I, who chose the title for my presentation — "Communications: Cornerstone of International Relations" — although I admit that it has a nice solemn ring to it. Let me start by defining briefly how I interpret the terms "communications" and "cornerstone".

Definition of terms

When I use the term "communications", I am not referring to interpersonal conversations, or diplomatic communications, as important as these are in international relations. I am, rather, talking about the technical means of transmission, that is the "hardware", and also the "message" or content that is being transmitted, that is the "software". This "software" is, in fact, information which can be packaged in a great variety of formats, such as television programs, films, records, or specialized data flows. We can thank the late Marshall McLuhan for making everyone aware of the powerful impact of the "medium" on the "message". It is clear that effective communications policies must reflect the realities of this inter-relationship. This is why the federal government took the step last summer of placing under one roof federal responsibilities for both communications and arts and culture.

What is a "cornerstone"? Having consulted a number of dictionaries, including an architectural one, I would say that in popular usage "cornerstone" is usually understood to mean "keystone", that is the stone which, if removed, causes the structure to collapse. I find this a particularly apt analogy since, in the communications field, we are always referring to the communications infrastructure of Canada, and the information which is flowing through it, as the essential mortar which binds our country together. And it is similarly impossible to conceive of meaningful international relations without a communications system to fuel the process.

But the more precise meaning of "cornerstone" is as the "point of reference" in a structure in relationship to which the rest of the structure is aligned. This is also a valid analogy to communications since it is obvious that the effectiveness of international communications, at any point in time, is a gauge of the state of international

relations. If some countries do not possess the technical capacity or resources to communicate with others as equals, they will be at a severe disadvantage in projecting their concerns on the international stage.

The term "cornerstone" also suggests a sense of tradition since the inscription on the cornerstone marks a specific point in time. International communications, however, is now in the process of turning a corner. Communications relationships among countries are now in a state of transition: between developed countries; between developed and developing countries (that is, the North-South dimension), and between countries with open as compared to controlled media (that is, the East-West dimension). These relationships are seeking a new equilibrium as governments wake up to the fact that information means not just political power but economic power, and even raises the fundamental issue of cultural domination.

National and international policies

Having defined my terms, I would now like to pose the question: What is the relationship between a country's national and international communications policies in a technological era when communications are, by their very nature, more and more international. National and international communications policies are, in my view, two sides of the same coin. In Canada's case, there are certain interests which must be safeguarded or promoted internationally — for example, we must export our communications high technology for our domestic industry to prosper. And there are certain international developments and realities that must be reflected in domestic policies — for example, we must stimulate the promotion of television programs that Canadians, faced with so many U.S. programs, will watch.

There are governments who still wish to restrict communications to within their national borders, but they are doomed to failure. The web of telecommunications facilities connecting countries has become an everyday reality. Various means of transmission are in constant use across borders, ranging from: "off air" transmission of broadcasting signals; to transmission through wires, microwave, coaxial cable and, soon, fibre optics; to transmission *via* satellites from outer space which, according to the 1967 United Nations Outer Space Treaty, is "the province of all mankind". Last October, at a symposium at the McGill Centre for Research of Air and Space Law, I suggested that the province of all mankind would be an intriguing concept to introduce to our constitutional talks.

More and more specialized services are being transmitted as the technology advances. From telegraph, telephone and traditional broadcasting services, we have developed to the point where broadcasting services can be transmitted directly from satellites to small home receivers in rural and remote areas, and where sophisticated new data and informatic services are now possible due to a combination of communications and computer technologies. A world-wide communications infrastructure that transcends all national boundaries is well on its way to being set up.

Government involvement

What is the proper role for government with respect to the flow of information? With so much essential information flowing across borders, it is now true to say that governments block this flow at their own peril. Truly democratic governments have a legitimate, regulatory role to play in deciding what means of carriage or transmission

are used and at what rates. But it is a cardinal principle of Western democracies that government must not control the content of what is transmitted.

This is a hallowed distinction — between carriage and content — but I know from experience that there is often a fine line between action a government must take, for example to place the Canadian information sector in a position of economic viability, and action a government must not take, for example to prevent the access of its citizens to a great variety of information from abroad. It is this distinction which the Canadian delegates were defending last autumn at the UNESCO (United Nations Educational, Scientific and Cultural Organization) General Conference in Belgrade.

In an information era, where about half of the Canadian work force is now engaged in information-related occupations, it is an onerous responsibility to implement policies which respect this appropriate role for government, but are successful in ensuring that there are communications facilities in place, and information flowing through them, tailored to Canadian requirements and priorities. The problem is compounded by the homogenization of information, due to advances in informatics and digitization, which makes it increasingly difficult to know what type of information is flowing within and across borders. Nevertheless, it is generally accepted that, over the next 20 years or so, economic growth will be increasingly bound up with the development of information and information-related activities. Countries which wish to share in that growth will have to give priority to the financing, development and trade of selected products.

When we as a government take action, we usually declare that we are doing so to protect Canadian sovereignty. But this suggests that some country or group of countries is attempting, by design, to undermine Canadian sovereignty. This is rarely the case in the communications field. If the government, however, does not take positive action to stimulate the Canadian communications and information sector, other countries will fill the vacuum. The economic, political, and cultural viability of our country will be gradually eroded. Nothing distinctively Canadian will remain.

**Actions should
be explained**

We owe it to the informed Canadian and international public to lift the veil of sovereignty and explain our actions and the specific Canadian interests which are being protected. Why is it, for example, that Canadians take a strong "free flow of information" line on East-West information questions, but a much more nuanced position on Canada-U.S. questions? It is, in my view, because fundamental human rights are usually not at issue in the Canada-U.S. context. For example, when the government amended the Canadian Income Tax Act so that Canadian advertising on U.S. stations, intended primarily for a Canadian audience, would not be permitted as tax deductions, we did so to channel advertising funds into the Canadian media, and the measure has been effective. We did not prohibit Canadian advertising in the U.S. — Canadian advertising directed at a U.S. audience is still tax deductible — but merely removed some of the financial incentive for broadcasting such advertising back into Canada. One has to strain credulity to claim that we have infringed any principle of the "free flow of information", unless there is some principle on the "free flow of commercials" across borders.

The spread of information/communications technology entails change, some new ground rules, and co-ordination among countries as our respective economies become more interwoven than ever before. One of the basic themes, which I know will be running through your discussions tomorrow, is whether there are adequate mechanisms in place at the international level for co-ordinating communications and communications activities in a period of compressed technological change. There is certainly an increasing level of international activity – both at the multilateral and bilateral levels – but is it keeping pace with the technology?

Multilateral activity

Looking first at multilateral activity, I would have to conclude that the international telecommunications operating organizations, to which Canada is linked *via* Teleglobe Canada, our international telecommunications carrier, are providing a satisfactory level of service. I refer to the International Telecommunications Satellite Organization (INTELSAT), the recently-formed International Maritime Satellite Organization (INMARSAT) which will begin its operational phase in 1982, and the Commonwealth Telecommunications Organization (CTO). Moreover, the integrated North American telecommunications network, which includes not just Canada and the U.S.A. but also Mexico and the Caribbean, is continuing to function effectively.

But is it really necessary to have separate operating organizations for individual space services? One recognizes that INMARSAT was set up as a separate organization because the U.S.S.R. is not a member of INTELSAT, and because some countries considered that the U.S. was too influential in INTELSAT. But, surely, it wouldn't take too much ingenuity to rationalize current and future operating systems, to a greater extent, to avoid costs and increase efficiency.

When one looks at the multilateral organizations dealing with various policy and regulatory issues, it becomes more difficult to measure effectiveness. The International Telecommunication Union (ITU), the UN Specialized Agency in Geneva which co-ordinates the use of the radio frequency spectrum, has so far been able to adapt its international regulations to meet new technological requirements. But its plenipotentiary conference in 1982, and the series of important specialized world and regional administrative radio conference scheduled for the 1980s, will challenge the members of the ITU in their efforts to accommodate the reasonable requirements of developing countries with the technological appetites of developed countries. All countries are concerned about the impact of sophisticated new technologies on their economies. But some are more concerned about how they are going to introduce even the most basic services.

Conference decisions

Decisions will be taken at these ITU conferences which will decide the operations of future telecommunications systems. At a regional conference in 1983 to plan the use of Direct Broadcast Satellites in the Americas, and at a world conference in 1984 to decide how to guarantee equitable access to the geostationary-satellite orbit, it will be necessary to obtain international recognition and accommodation of Canada's future space requirements. Many developing countries claim that the "first-come, first-served" principle governing orbital spots and space frequencies, is not in their national interest. The U.S., following its "open skies" space policy, is introducing, or has plans for, an impressive number of communications satellites. The interests

of Canada, with our reasonable but substantial requirements, lie somewhere in the middle. It will be essential for the conferences to come up with co-ordinating procedures that provide enough stability for countries to plan properly, enough flexibility so the technology will not be frozen at an artificial point in time, and enough equity for developing countries to share the benefits of the new technologies.

In 1983 another ITU world conference will try to bring some order out of the current anarchy of High Frequency (HF) shortwave broadcasting. It is obvious that some technical parameters should be introduced so that it will no longer be necessary for countries to have to shout one another using higher and higher powered transmitters, many exceeding one million watts. But it will be crucial to ensure that any needed technical constraints do not allow receiving countries to impose a veto over what is being transmitted to their citizens. As long as there are governments which control the content of their national media, the activity of international shortwave broadcasters will remain essential.

UNESCO is attempting to fashion for itself a role as the focal point in the UN system for the demands by developing countries for closing the North-South communications gap by establishing a "new world information and communication order". These countries are concerned not only about how information is flowing but what is flowing.

**Communications
gap**

Is there a serious communications gap that requires the international community to work towards the establishment of a "new world order"? I would have to answer yes since those countries with the technology can, and in some cases do, control the information, and those without it will be left behind in some vital sectors of human activity. But care will have to be taken to keep the political rhetoric to a minimum — something UNESCO has not been particularly successful in doing up to now — so that those effective mechanisms in the present system are not destroyed in the rush to establish a new equilibrium. The emphasis should be on practical steps involving the transfer of technology and resources to developing countries — not as an act of charity but to give substance to a fundamental human right. If UNESCO's new Intergovernmental Program for the Development of Communication is going to be a success — and Canada, as a member of the Council, will be working to make it one — there will have to be a close working partnership between UNESCO and the ITU and the governmental and non-governmental organizations with complementary roles to play.

The UN General Assembly itself is also involved in current communications issues given the UN's own information distribution program and its residual responsibility for co-ordinating issues throughout the UN family. Its Committee on the Peaceful Uses of Outer Space has tried unsuccessfully for many years to produce a consensus on principles to govern television broadcasting *via* Direct Broadcast Satellites. Given the fact that the ITU has been able to approve international regulations on Direct Broadcast Satellites, one is tempted to question the continuing effectiveness of the UN Outer Space Committee as a credible negotiating forum on the issue.

The OECD (Organization for Economic Co-operation and Development) in Paris is

another multilateral forum where the Western industrialized countries have been attempting to come to grips with the challenges posed by the new information technologies, especially the economic impacts. But let's face it. Since vital economic interests are at stake, one cannot delay national policies until that elusive day when there is a consensus subscribed to by all OECD members.

One could also mention regional organizations such as the Inter-American Telecommunications Conference (CITEL), the regional UN economic commissions, and regional broadcasting unions. There are also the international lending agencies and many other organizations and professional associations that bring together technical experts or academics. Everyone seems to be getting into the act!

To complicate the picture further, one must take into account the bilateral communications relationships which are every bit as important to any country. Canada, for example, has key relationships in the communications field with a growing number of developed and developing countries. Increasingly, co-operation between Canadian industry and companies in other countries, to supply telecommunications and space communications "hardware", is providing a solid basis for these relationships. As I said earlier, our high technology industries must export to thrive.

**Impact of
Canada-U.S. tie**

It will not, however, surprise any of you when I say that, no matter to what extent we diversify our communications relations, the Canada-U.S. relationship will remain the key one. The impact of this relationship is with us each day in our offices and in our homes. It is the most complex and sophisticated communications relationship between any two countries in the world.

The type of communications issues which arise in the context of the Canada-U.S. relationship extends from routine, technical matters to sensitive problems with political dimensions. We are all familiar with that commonplace of Canada-U.S. relations: the longest undefended border in the world. Its corollary is another cliché: good fences make good neighbours. What these expressions, in all their banality, point to is the constant need for co-ordination when Canada and the U.S. deal with each other about communications.

There are everyday needs for technical co-ordination of the use of the radio frequency spectrum on both sides of the border. Can you imagine, for example, the chaos that would result if we did not have in place reciprocal arrangements for the use of CB radio on both sides of the border?

But there are other technical issues with wider implications for Canada-U.S. relations. For example, an international conference, to be convened by the ITU in Rio de Janeiro in November, will approve a detailed frequency assignment plan to provide for the interference-free operation of all the AM broadcasting stations in North, Central and South America — there are currently about 9,000. There is already agreement on all of the technical parameters of this plan except one, the seemingly routine technical issue of the spacing between AM broadcasting stations on the radio dial. Because of different national priorities, this is becoming the most contentious issue for the conference to deal with. The basic question is: Do the benefits of

reducing the spacing from the current 10 kHz to 9 kHz, which would allow us to squeeze more stations into the same frequency band, outweigh the operational and financial penalties to existing AM broadcasters, of switching to a new frequency? Based on concern over the impact on existing stations, Canada has favoured retention of 10 kHz spacing. The U.S.A., however, has responded to a demand for new broadcasting stations and has been pressing vigorously for reducing the channel spacing to 9 kHz. It will take sensitive diplomacy by both Canadian and U.S. officials to keep this issue from disrupting the fine tradition of smooth co-ordination of Canada-U.S. spectrum issues.

**Problems of
program content**

Every time it seems compelling to introduce new communications links across the Canada-U.S. border, it is necessary to consider the likely effects these links will have on our existing institutional infrastructure, objectives for service to the public and opportunities for economic growth. The use of Canadian and U.S. satellites for transborder services would supplement, but could theoretically even supplant, our integrated terrestrial telecommunications links. From the Canadian point of view, this challenges us to devise a framework whereby satellite and terrestrial networks can be integrated. However, the exploitation of satellite technology for carriage functions also implicitly raises questions related to content. Specifically, how can we ensure the continuing viability of the Canadian broadcasting system when challenged by the allure and abundance of seductive U.S. programs? This is a problem that has been with us since the earliest days of radio broadcasting. The problem has remained with us in its essential form through every advance in technology. And it poses itself again when we now consider the use of domestic satellites for communications between Canada and the U.S. As always, it demands imaginative solutions which will satisfy both public demand for access to a variety of available programming, as well as the legitimate cultural policy objectives which sustain our sense of nationhood.

**Telidon and
U.S. market**

Last but not least, there is the "bread and butter" issue in Canada-U.S. communications relations of ensuring that Canadian manufacturers and entrepreneurs get their "fair share" of the North American market. Canadian industry, for example, is working with a number of U.S. counterparts to ensure that the Canadian interactive television system, Telidon, gets the major share of the U.S. market.

Even in the various multilateral communications forums, one usually finds that the most crucial issue for Canada has an important Canada-U.S. element. This is true, for example, at ITU conferences where future national requirements for geostationary orbit positions and space frequencies are at stake, or in the OECD where issues such as transborder data flows are being discussed.

With the interaction of all these national and international elements, some of which are still only suspected rather than clearly understood, it is not surprising that each country's communications requirements and policies are unique. You may even say that, in the case of Canada, our policies are "more unique than others". Canadians want every innovation that appears in the U.S.A. and as quickly as it appears there. But, although the Canadian and U.S. political systems are based on the same democratic principles, the U.S. model is not always the best for Canada in the communica-

tions field. Our economy, for example, based on a considerably smaller market, can often not withstand the same degree of competition as is feasible in the huge U.S. marketplace. It looks, for example, like direct broadcast satellites will be allowed to fight it out in the U.S. marketplace for as big a share as possible. In Canada, however, direct broadcast satellites will, I suspect, have an appropriate role as part of an integrated Canadian broadcasting system.

I would be just as quick to admit that the Canadian model is not necessarily the best to meet the unique requirements of other countries. It is true, however, that our expertise is proving useful to many other countries since our Canadian experience is a microcosm of many of the issues facing others. After all, we know from our experience that an integrated communications system is still essential for our development. We are beginning to understand that the development of the content of that system is as important to our economic growth as the development of the system itself. We are, moreover, sensitive to many of the concerns of developing countries since, although we are technologically advanced, we are still in the process of bringing to our rural and remote areas the same level of service that we enjoy in our urban areas.

Given this proliferation of relationships and forums, and I have not even mentioned our complicated domestic environment, how can the policy-maker maintain enough of an overview to ensure that new communications technologies are not introduced in an *ad hoc* fashion but in ways which meet the real needs of Canadian citizens? One would like to have more control over the national impact of multilateral and bilateral issues, but with so many factors at play it is impossible to impose any rigid structure. One must keep trying to adapt the international system in a flexible way, and certainly not resign oneself to the currently unwieldy way in which several important international issues are addressed.

**Government,
industry co-
operation**

If Canada and the international system are going to be able to adapt to the new realities of the communications/information age, it will be necessary to dig beneath some of the slogans which have obscured some of the issues, to demystify some of the trends and to clearly understand the implications of the activities. When one examines the policies pursued under the banner of such concepts as the "free flow of information", an "open skies" space policy, or "first-come, first-served" in obtaining the use of frequencies, one usually finds policies which work to the economic advantage of a country or group of countries. But it is also necessary to beware of those governments who would like to manipulate the discussion of a "new world order" to justify government control of the mass media. It is obvious that many of the new information issues defy simple solutions. One thing is clear. Canada must come into the information age, must identify and seize the opportunities it offers, must build on her many advantages in doing so, and must become a major player in the international market place. In this effort government and industry must be mutually supportive and mutually reinforcing. If they are not, our economy, and therefore all Canadians, will suffer....

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