



Statements and Speeches

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NATIONAL INFORMATION IN THE GLOBAL ENVIRONMENT

An Address by Pierre Juneau, Deputy Minister, Department of Communications, to the Harvard University Program on Information Resources Policy, Cambridge, Massachusetts, U.S.A., November 11, 1980

...It has been nearly five years since Marc Porat informed us that over half of the American work force was engaged in handling information. Other nations quickly conducted their own counts to come to more or less the same conclusions: A fundamental change has taken place in the nature of work throughout the "industrialized" world, if we can still call it that.

This change to an information economy reaches to the very heart of the structures of our society: to the infrastructures of transportation and communications; to the way business is organized; the way government is conducted; money changes hands; products are made; leisure is enjoyed, and; as this meeting attests, how people are informed.

The full consequences of this fundamental development still elude us. Our economists have not yet quite determined what information is, how it behaves, how it can be measured, how it should be valued, and how it may be taxed. Political scientists are far from agreement about its political role, and the quality of international debate, though improving, is still sometimes dominated by shrill statements, oversimplifications, and the confusion of myth and reality. Industrialists, who have seen their empires expand trans-nationally as a direct result of increasing speed and capacity, are now facing a painful restructuring of their hierarchies along information lines.

The Canada-United States relationship cannot help but be affected by these changes, since we are each other's largest trading partners, and our largest foreign investments are placed on or in each other's soil. The enormous complexity of our communications relationship, by far the most sophisticated between any two nations, reinforces our profound social and cultural ties. They bind our economies so closely together, that major developments in one are immediately felt on the other's stock market. Ideas, concepts, approaches, techniques flow freely across the common border. Canadian and U.S. executives, celebrities, academics, intellectuals, are all but interchangeable.

Underlying this powerful symbiosis are a number of fundamental and commonly-held beliefs. Canadians, no less than Americans, believe that freedom of expression is a fundamental right. Canadians are just as intolerant as Americans of censorship or of any other form of government interference in the content of the media or the arts. If there was even the suspicion, for example, that the state-funded Canadian Broadcasting Corporation was being pressured by government to orient its programs, and most particularly the news or public affairs programming, the outcry would be deafening. Newspapers in Canada as in the United States base their reputation on their independence.

Beliefs in
common

Canadians, like Americans, believe in freedom of opportunity, the right for a fair chance to shape one's prosperity by the dint of one's effort and talent and brains. To ensure freedom from economic aggression, so that small businesses may grow into large ones, the United States has enacted anti-trust legislation, and Canada, anti-combine. In both countries there is a shared belief that minorities, that the underprivileged, that women, should be given special consideration on their road to equal opportunity.

Canadians, like Americans, believe in freedom from fear and want. For without these freedoms, there would be no right to withdraw one's labour, no right to fail, and thus freedom of expression would have no meaning, freedom of opportunity would become a hollow phrase.

Canadians, like Americans, expect their government to assure that these freedoms exist. And though government actions may take varied forms in the two countries — Canadians have not yet considered busing to equalize minority opportunity; the United States has not yet felt the need to bilingualize its civil service — citizens of both countries know that without government action, these freedoms would cease to exist.

If freedom of expression, freedom of opportunity, freedom from want and fear, vigorously sustained by a vigilant government, have formed the basis of North American prosperity, then perhaps the same principles applied to the global scene will help assure the prosperity of other nations. Freedom of expression at the national level means the freedom to develop a national culture. Freedom of opportunity could be translated into each country's right to prosper, without being faced with economic aggression from any other country. Government action to maintain these national rights is no more scandalous, nor less desirable, nor more unfair, than domestic government action to protect small business, or minorities, from an intolerant marketplace at home. In fact, it is in all our interests that our trading partners prosper.

Freedom of access

Indeed, the ways in which Canada somewhat differs from the United States in its approach to information policy stem from the different circumstances it must overcome in the pursuit of common ideals. For instance, freedom of access has come to mean something very different in Canada than it does in the United States. Canadians, for instance, take for granted their right to watch American programs on television, to see American movies, to read American magazines, newspapers and books and, to a lesser but no less important extent, to consult American data banks. Anyone who has visited Canada, switched on a hotel television set, or visited a news-stand, knows the extent to which this principle of freedom of access is respected, not only in theory but in practice. The variety of foreign material is staggering. In a most recent innovation, a daily selection from the three television networks in France is now available on Quebec cable systems, and will soon be extended throughout much of Canada *via* the *Anik B* satellite. And Canadians pay for their right to freedom of access. Last year, for example, they spent between \$70 and \$80 million importing American television programs. The problem — to focus on this critical sector — is that faced with an ever-increasing choice of the world's television, Canadian program producers are finding the cost of pleasing has risen to the point where the Canadian viewer is effectively

denied access to competitive Canadian material. And government action in this case does not stop the flow of information from other countries but is intended to stimulate the production of competitive and attractive Canadian material, giving Canadians, and perhaps Americans, a choice. And so, while quotas remain to assure some Canadian content, the thrust is away from protection and towards positive measures.

Government role

Because of Canada's great size and thinly dispersed ribbon of population along our southern border, and because of the vigour of the world's largest homogeneous market immediately to our south, the problem of maintaining a viable national economy has been with us from the start. Canadians have called on their government to play a leading role in economic development since pre-Confederation times. Whether it be the building of a railroad (the prerequisite of Confederation), the establishment of a national coast-to-coast radio and television network (the prerequisite of a distinctive culture), or the creation of a domestic satellite system (a prerequisite to the opening of the North), government action has been considered essential. And it was undertaken not to develop a government monopoly, but to open the country to the private sector: alongside the national railroad now run a dozen private railroads; alongside Air Canada fly the jets of a dozen private airlines; alongside the antennas of the Canadian Broadcasting Corporation are those of a number of private networks, and a host of private stations.

There is nothing in this that is peculiar to Canada. Patterns such as these exist in England, in Japan, in Italy, in France and increasingly elsewhere around the globe particularly with regard to information industries. Far from being perverse and undemocratic interference in the business of free speech and free enterprise, they are considered by these countries to be viable, effective, and democratic means to assure these principles, and at the same time to guarantee that national information flows will be maintained in the new global information environment.

It is important that those who make or influence policy return to basic principles, when confronted by changing realities. For not since the industrial revolution have we seen such dramatic changes in the structure of our economies. In the industrial era, many laboured, and information was the tool of the elite, the universities, the churches, the instrument of management or of governance. Information was a scarce commodity and information was power for relatively small groups of people. Today we have seen information percolate down through the echelons of society to an ever-increasing extent, torn from the files of government under freedom of information legislation, squeezed from industry, boardrooms under the banner of disclosure, and spread by the media. And as it reaches ever further down into society, information is being transformed from power to wealth. We have entered a new age, a new economy, whose rules are as yet undefined, whose realities are as yet undetermined.

Unity of information

One of the first new realities of the information age, which helps distinguish it from the old industrial age, is the transformability of information. When wood was manufactured into a table, that was the end of it. No one confused it for a coal scuttle or a cannon or a bottle of ink. But the further we progress into the information age, the less it partakes of the old realities, and the more it seems all of a piece. Data and media

flow through the same satellites, cables and fibres, can be stored in the same tapes, videodiscs and chips, and can be accessed on the same terminals and screens. Plays become movies which become books or musicals and records, sometimes improving in the process, and generating new wealth with each transformation. In any of its transformation, it may pass through a cable, or a satellite, and even be etched onto a videodisc and stapled into a magazine, or burned into a memory chip and played through a home computer.

This growing grasp of the unity of information was reflected in the rush to conglomerate in the Sixties, when industries in the media formed new alliances. And it can be seen in government in the rationalization or restructuring of the government's role. In the United States, the office of telecommunications policy, and its successors, were created to come to grips with the new phenomenon. In Canada, the expertise which had been nurtured in the Departments of Defence and Transport found an expanding home in the Department of Communications, which was created in 1969 to develop policy for the carriage of information, to which computing was soon added. And now, most recently, the responsibility for arts and culture has been shifted to this department. To explain why our government has decided to combine culture with communications in the same department, let me read from my minister's recent statement to the arts community.

"This change should ensure that communications policy is conducted with the highest concern for the cultural content and the cultural implications of communication technology. It should also help make the cultural milieu more sensitive and more aware of the importance and the rapidity of technological progress in the field of communications."

**Information
means jobs**

A second reality of the information age is that information is jobs. If 50 per cent of the work force is now, or will soon be working with information, then the economic development, and indeed the viability, of the world's nations depends on a flourishing information sector. If the flows of information between nations are too unidirectional, and in effect stifle expression, then the damage to the world's economy could be serious. It is not without significance that the major oil companies are moving rapidly into information, and that some forecasters predict their revenues from information may surpass those from energy.

National concerns over transborder data flows focused initially on the question of privacy, are moving to issues of sovereignty, and will probably come down to a matter of jobs, if the Canadian experience proves typical. I can only presume that the emphasis in Canadian policies will be positive. I note that Canadian service bureaus are competing effectively in the United States, and that Canadian businessmen, scholars and researchers want access to the best information available, and will want to shop for it in the global marketplace. However, we would be naive not to take into account in forming our policies, the fact that the continued viability of Canadian society and our economy will depend upon maintaining a dynamic Canadian capacity in the processing and managing of data.

**Integrity must
be maintained**

This concern leads to a third reality of the new information age: information is

rapidly becoming a major component of the nation's basic infrastructure, and its integrity and viability must be maintained. The Canadian telecommunications system, like that of the United States, is run as a series of regulated monopolies, with a sufficient return on investment guaranteed to allow them to attract the necessary funds for modernization and growth. To keep them efficient, increasing levels of competition are being explored. However, the density of population in Canada being very different from that of the United States has led the Canadian Telephone Companies to charge rather more for long distance, and rather less for urban service, than is the practice in the U.S. The two countries have managed to find an equitable sharing mechanism for trans-border calls. The opening of satellite competition to the telephone companies in the United States would affect these arrangements. Should that large proportion of Canadian industry that is U.S.-owned be permitted to communicate with their head offices exclusively by U.S. satellites, this would have an important effect on the viability of the Canadian Telecommunications System, and this would have to be taken into account in the formulation of Canadian policies.

Canadian regulators have recently decided to permit the attachment of terminals to the telephone companies' lines. The telephone companies may, of course, compete for the sale or lease of these terminals, but I hope that innovation and cost-efficiency will be stimulated or improved. The manufacture of terminals has in the past created a number of Canadian jobs, although many of the terminals have been imported from the United States. If the act of deregulation merely favours U.S. manufacturers with larger runs and greater economies of scale than Canadian companies can manage, then whatever economies that have been wrung from the telephone companies will have been more than lost in the exchange.

Fortunately, Canadian electronics manufacturers are learning to sell in the U.S. market, and are able to compete with their U.S. counterparts in price, design, maintenance and efficiency, and the government is encouraging this move towards world-class competition, and away from protectionism. Department of Communications' research scientists working on electronic imagery, for example, developed a major design improvement in the teletext and videotex technology, which we have named Telidon. This may hasten the development of an information marketplace, and help maintain Canada's leading position in telecommunications infrastructure development. Government is working in partnership with industry in the initial phases of this project, but increasing participation by the private sector points the way to government withdrawal once the anticipated market support materializes.

Changing culture

A fourth reality of the new information age deals with the changing role of national culture, that class of information which is more content than carriage, more product than service, and often more feeling than reason. Historically, culture was national in its appeal and only the very best of it travelled through space and time. Information technology is creating world markets for books, records, movies, television programs, magazines, even newspapers. United States producers, with their huge domestic market, were the first to take advantage of the great economies of scale which characterize the media, and are creating a global culture which often enriches, always challenges, and sometimes threatens the economic viability of national cultures of the world. Nations fear that their own freedom of expression will be lost, their freedom

of opportunity to participate in the cultural marketplace constrained.

Part of the answer lies in competing globally, producing world class products for the global marketplace. Sweden's ABBA music recording group have succeeded in finding a global niche among the platinum records, but have had to sing in English to do so. Canada's Harlequin books dominate the world market for romance fiction, but most of its writers are British, and few if any even speak of Canada. The Dutch-German co-national, Polygram, has succeeded in winning a leading position among the major record distributors. We may yet see a second stream of world class culture, as the various nations of the world learn to please on a global scale.

But even were each country of the world to win its fair share of cultural trade, produce its quota of global blockbusters, the problem of regional and national cultural development would only become more aggravated, more pressing, and the question of diversity more real. And just as all governments of the world now subsidize the arts, they now find they have to find new ways to promote national and regional media production, in order to maintain diversity, an internal dialogue, and develop audiences, talent, and new ideas and themes. This, of course, is just as much a concern in the United States as elsewhere. To quote from the NTIA paper on *The foundations of U.S. Information Policy* — "United States policy encourages diversity in both the source and the content of information because of the belief that a sufficient diversity of source and content will lead to a diversity of ideas."

World concern

A fifth reality of the information age is the depth of concern it evokes from nations of every size and persuasion, and the necessity of maintaining a reasonable dialogue in the face of attempts to polarize opinion around extreme positions. Nations large and small are now aware that information is the new wealth, that its development and trade is governed by new and unfamiliar rules and that there is some danger they may be trampled in the gold rush.

Many developing countries are trying to consolidate their concerns and aspirations in a neat package increasingly being referred to as "a new world information and communication order". This, they see, as being intimately linked to "the new international economic order". Some western commentators have tended to dismiss this initiative as an attempt by socialist countries and authoritarian developing countries to legitimize government control over media content, and no doubt there is a basis for this view but perhaps it's also more complicated than that. There are obviously some things which governments should not do — they should not, for example, interfere with freedom of the press. But there are certain things governments think they must do if their citizens are going to prosper and feel free.

As all of us are aware, UNESCO, has been trying to carve out for itself a leading role in promoting "a new world information and communication order". The UNESCO General Conference, which ended recently in Belgrade, expressed the view that the report of the MacBride Commission was a "valuable contribution to the study of information and communication problems". The Conference also launched an ambitious new international program for the development of communication. The U.S. and Canada were elected to the 35-member State Intergovernmental Council

which will co-ordinate the work of the new international program.

Although neither the U.S. nor Canadian governments and private sectors would agree with all perceptions and recommendations in the MacBride report, it is a tribute to the U.S. and Canadian members that so many western concepts ring through loud and clear. For example, the Soviet member had to dissociate himself from the recommendation that "censorship or arbitrary control of information should be abolished". And the proposal — that identity cards should be issued to foreign journalists to protect them in the exercise of their profession — was rejected since a number of members had a sneaking suspicion that any licensing system could be used to control, rather than facilitate, the activities of journalists.

These achievements, however modest, indicate that our efforts in the defence of important principles have not been wasted, and that we should continue to participate actively in the such programs. It is in our enlightened self-interest to support action to assist developing countries to overcome any communication gaps that exist.

The orderly development of a healthy global information marketplace is essential for our continued prosperity. If we believe that freedom of expression and freedom of opportunity have assured our domestic prosperity, we should give these principles every chance to work in the global marketplace.