
Free Trade: The Cultural Dimension

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The question of free trade between Canada and the United States has now been settled by the electorate but the challenges and problems it raises have not disappeared. The resolution of these problems is of enormous interest not only to Canada and the United States but to other groups like the Commonwealth and the European Economic Community.

Among these critical areas is the cultural dimension and the whole question of whether the world is headed towards a homogenized society in which the same standards prevail everywhere, or towards a more pluralistic grouping of societies.

“Regardless of the terms of the Treaty I do not think either the Canadian or American governments will be allowed by their own interests to keep culture out of the equation in future.”

By culture I am referring to the arts and letters, scientific research, communications, heritage matters, folklore, recreation and sports and possibly, in some regions, religion.

Culture is specifically exempted from the present free trade agreement. Cultural issues are treated very briefly – only three pages in the whole enormous document, in part 7 of the legal text. And there they are lumped with a lot of other things under the heading: “Other Provisions”. So that they do not even get special attention.

There are two short paragraphs exempting culture industries from the agreement. There are a couple of other things which are specified as being included in the agreement: retransmission fees for satellite television and

advertising in Canadian magazines which has been subject to an income tax regulation.

Most commentary by economists is to the effect that culture will not be affected except that more money generally will be provided in the kitty – some of which might be expected to go towards culture and that concern about culture is either misguided or hysterical, certainly very emotional and largely due to ignorance of the issues and the legislation. Of course, one never hears a word about the hysteria, emotionalism or ignorance of some economists on the subject of culture. Not a word!

The free trade agreement also contains, at its end, the convoluted clause that could, according to some legal opinion, allow the United States to take actions “of equivalent commercial effect” against Canadian industries, if Canada contravenes the general principles of the free trade agreement in the cultural area. There is no specification as to who decides whether it is a contravention or who decides what “equivalent commercial effect” means.

So culture is both exempted from the agreement and included in it as a possible handle on other areas. Culture has become, if you like, a kind of hostage whose redemption might be seen by future Canadian governments as either unimportant or prohibitively expensive or just inexpedient.

It was Disraeli, I think, who said that free trade is not a principle but an expedient. You will not get from me, however, a passionate attack on free trade. I think it has many good things in it. It probably has some inevitable things in it. Nor can I pretend to be a spokesman for the cultural community. I am inclined to listen to the great economists on a subject which is so largely economic, but one must be careful to listen to all the economists and not to one school of economics. My grandfather was an economist and I learned at an early age that they were as untrustworthy as theologians arguing about the way into Heaven.

Back in 1967 John Kenneth Galbraith was asked, “Should Canadians be more concerned about cultural domination or economic domination by the United States?” He replied: “This is an important question and one which I think is very much misunderstood. If I were still a ‘practising’ as distinct from an ‘advisory’ Canadian, I would be much more concerned about maintaining the cultural integrity of the

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broadcasting system and of making sure that Canada has an active independent theatre, book publishing industry, newspapers, magazines and schools of poets and painters. I would be very much concerned that the widest possible support was given by all levels of government to the preservation of the cultural traditions associated with the particular ethnic groups in Canada. These are the things that are important for the maintenance of autonomy". The questioner returned to his point, he said: "but Mr. Galbraith, do you not think Canada should make a determined effort to increase its stake in the Canadian economy?" And Galbraith replied, "I would say this is a very minor consideration as compared with increasing the Canadian stake in the things I just mentioned. These are the things that count."

That is an economist talking, not some rabid member of the cultural community. I think the point Mr. Galbraith was making is that the more freedom you have economically the more you are subject to global effects. The more necessary it becomes to retain control of your own *growth* and *development*. That is what the word culture means. The more pervasive the environment, Marshall McLuhan used to say, the more you need an anti-environment. You need a roof if the rain or snow is particularly heavy.

That is the view, generally, that I take, of the relationship of cultural affairs to the whole question of free trade.

What I am against is *some* of the arguments used to support the agreement. For example, we were told that if we turned down the Canada/US free trade agreement, we were saying we do not need any particular relationship with the United States. We were told that any fears that Canada would lose its culture or sovereignty in a free trade agreement with a partner ten times its size were nonsensical.

I do not believe that if we turned down this agreement, we would be saying no to any relationship with the US – for the simple reason that we have one. It is there. I am not arguing for the status quo, but you do not remove that relationship if anything were to happen to this agreement.

It is my belief that the Canadian government began negotiations in the sincere belief that they could keep cultural affairs off the table. Actually, the chief negotiator, Mr. Reisman, said that he did not understand what all the fuss from the cultural community was about.

The expectation that they thought they could keep it off the table is the only explanation for the lack of a single member of the negotiating team conversant with cultural affairs. I think they were genuinely surprised to find the Americans making such an issue of culture. By then, it was too late to involve the people who knew what it was all about – and I do not think that when push came to shove, at the end of negotiations, they honestly realized what they were giving away with that final clause.

Americans regard culture as very important indeed. In an article that appeared in the *Globe and Mail* during the free

trade debate, Charles Doran, who is the Director of the Centre for Canadian Studies at Johns Hopkins University in Washington, wrote that the issue has been artificially whipped up in Canada. He sees a tactical difference between the Mulroney government's handling of sovereignty in the Arctic and cultural affairs. On the cultural question, he argues, the government is mainly responding to pressure from a small but articulate arts community in Canada.

It is an often expressed view that there is an "artsy" lobby here that goes to work on the government. It whips people up. I do not know what history books these people have read but I find it astonishing that anyone could think that concern for cultural affairs in Canada has been whipped up by the artists. Cultural questions – language communications, heritage, education – have preoccupied not just a small but articulate sector of the arts community, but all Canadians since the day the Fathers of Confederation sat down in Charlottetown in 1864. That is what they were arguing about, and we are arguing still arguing about questions of language, communications, heritage and culture.

Cultural issues substantially determine where and when we move politically and economically, as a great many provincial and federal politicians have learned to their chagrin. You cannot ignore these issues. They are endemic to the Canadian situation. They are built in, and would loom even larger next week if every cultural cheerleader in the place were to shut up tomorrow.

"We are the only known mouse living between two elephants. One of which is the biggest manufacturer and exporter of cultural artifacts that the world has ever known. And who considers up part of his market."

In cultural terms therefore the main issue is not this free trade agreement. The main issue is the point at which a two-way exchange becomes a one-way foray for one of the two parties to the agreement. There is already more free trade in culture between Canada and the United States than between any two other developed countries in the world anywhere. At the moment, though, the exchange is absurdly lopsided. It is about 90 per cent for them, and ten per cent to us in our own country. The current pact gives the Canadian partner not a whit more access to the United States culture market than we now enjoy.

The free trade between our two countries is already enormous. It is one reason why I am not at all against it. I think it is great. But there comes a point where you have to decide what is in your own interest.

Last year in Vancouver one of the representatives of the Department of Communications was out to talk to people and tell them about free trade and I kept asking him: "What are the benefits you see accruing to Canadians in the cultural market in the United States?" Each time one was mentioned he said, "I am sorry I am not an expert in that field." He did not come up with one. And the reason is simply that there are not any.

Our problem is not access to the United States market, but access to our own market – which is dominated to the extent of about ninety per cent of whatever you are talking about, by the United States cultural product.

The view of the Americans, one of the things that, I think, distinguishes our two cultures, is that our market, at least culturally, is rightfully theirs. We are only arguing, mind you, about the ten per cent that is not already American-dominated.

Michael Eisner, the Chairman of the Board of Disney Films in Los Angeles has described how American films bring in 65 per cent of box office receipts all over the world: 87 per cent in Australia, 70 per cent in Greece, 80 per cent in the Netherlands, 92 per cent in Britain and so on. Then he makes a basic point about the content of the product. Eisner makes the point that Disney is an American company and has an American mentality. They are going to make and market a product indigenous to the US. It is what people want abroad.

In other words what American films do is portray American culture, in the viewer's own language and, of course, in Canada, three-quarters of us do not even need a translation.

Now, I think Mr. Eisner's view is perfectly justifiable. I am all for reflecting our own culture. I think it is a good idea. Certainly nobody else is going to do it for you. The problem arises only when the society concerned has no choice in the culture it reflects. That, I suggest to you, is not freedom and certainly not free trade.

Bernard Ostry, the very distinguished Canadian civil servant, has said: "No nation has the right to make the claim that the cultural world is all free, but all theirs." I recall an official in Washington saying he did not see anything in a free trade agreement preventing Canada from pursuing its culture: "The essence of the difficulty is between culture and commerce." In my view the essence of the difficulty is between culture and culture.

Canadians cannot sing their own song if American commerce calls the tune. Americans believe that culture *is* commerce. Some Americans, of course, believe that Canadians use culture as a kind of smokescreen for commercial advantage, knowing full well that in this new

information age, culture is the key to economic advantage. He who controls the culture of a country, controls the economics.

Frank Knight, one of the great conservative economists in the US and one of the founders of the Chicago school once said: "If all the properly economic problems were solved once and for all, the social struggle and strife would not necessarily be reduced in amount or intensity. ... The truth seems to be that in the ultimate and essential problems, the economic factor is superficial and unimportant."

The framers of the Canada-US free trade agreement seemed to think on the contrary that economic factors are the basic and only important factors. That is where the Canadian experience with free trade becomes of interest to the rest of the world, for whom the problem raised is very much the same. It is the problem of how the mass media are used today as one part of the power struggle and of how a country controls its own communications in the face of it.

There are really only three things that a small culture can do when it is next door to a super-culture:

- Close your borders to information and entertainment. That is a step that has proved impractical, even in authoritarian societies, as we know now from the Soviet Union. You cannot do it.
- Allow free play to market forces. But unless you have something of your own to sell, that means becoming a mere consumer of the culture of the more powerful society.
- Contain the bombardment by whatever means are feasible while preserving and regenerating the culture that would otherwise be swamped.

I think the third and last is the only positive one that has a hope of succeeding. And this is true anywhere in the world, not just in Canada. The only thing that is different about the Canadian experience is that we have the problem in spades.

There are four positions which I guess all of us can take on the free trade agreement. The first position is: It is a good thing. No question about it. The second is that it is a good thing but we admit it has some costs although those costs are justifiable. That, I think, is the position that best reflects the result of the election last November. The third position is that it is a good thing in some ways, but the costs, as indicated, are too high. The fourth position, of course, is that it is not a good thing and will be a disaster for the country.

There are people, and we probably know them, who have taken any one of those four positions. I am still inclined toward the third. But now with the agreement in place can only hope that those responsible will see that it does not cost us too much in terms of our culture.■