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***Telecom Nation: Telecommunications, Computers and Governments in Canada.* By Laurence B. Mussio. (Montreal: McGill/Queen's University Press, 2001. 307 p. ISBN 0-7735-2175-5. \$49.95)**

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*Telecom Nation: Telecommunications, Computers and Governments in Canada.* By Laurence B. Mussio. (Montreal: McGill/Queen's University Press, 2001. 307 p. ISBN 0-7735-2175-5. \$49.95)

*Telecom Nation*, written by an historian from the standpoint of public administration, describes attempts by the federal governments to set policies for Canadian telecommunications. The book's division into two parts corresponds roughly to two eras: Part One (post World War II to the late 1960s) concerns the "old" telecommunications: monopoly suppliers, end-to-end service provisioning, common carrier status with strict separation of content and carriage, cost averaging and cross subsidization, rate of return regulation by a quasi-judicial tribunal. Part Two (late 1960s to mid 1970s) represents the onset of the "new" telecommunications—the commingling of content and carriage through computer communications, accompanied by hybrids of monopoly and competition, and the upsetting of old-style public utility regulation. Despite such marked differences, the author finds common ground in these two eras in the incapacity of governments to do much.

During the period of the "old" telecommunications, primary responsibility for forming and implementing federal policy resided with the Board of Transport Commissioners for Canada (and later the Canadian Transport Commission). One reason for the ineffectiveness of the regulator, according to Laurence Mussio, was the quasi-judicial nature of the proceedings. The BTCC heard evidence on both sides and reached a determination within the parameters of its mandate ("just and reasonable rates;" no "undue" price discrimination). Hence it relied on the testimony and cross-examination of expert witnesses, with little staff of its own. As might be expected, the deeper pockets in regulatory proceedings belonged to the regulated companies, not the public interest interveners. Mussio relates that one lawyer, Lovell Carroll, year after year and rate case after rate case, single-handedly represented the major interveners—in one case 105 municipalities plus associations of municipalities (p. 43). But even when the confrontation was more even, as when Industrial Wire and Cable Company challenged Bell's ownership of Northern Electric (today Nortel) on the basis of Bell's Charter provisions, the regulator bent over backward to accommodate the regulated company. In relating such matters Mussio is very circumspect, evidently finding no absurdity, for example, in the Commission's relying on the existence of a one-way "telephone" wire labelled property of Northern Electric, to deem this corporate integration proper within the bounds of Bell's Charter

(p. 39–40). Part One of *Telecom Nation*, in brief, could have been much more interesting and informative.

In Part Two, the focus of attention shifts from the regulatory agency and regulatory proceedings to the Department of Communications (formed in 1968) and its interactions with various sectors of industry and the provincial governments. This is because the most important issues were now being discussed outside the bounds of traditional regulatory apparatus. These issues concerned the structuring of the emerging computer communications industry, often described at the time as a "computer utility." Should the telephone companies be allowed to enter the data processing field, and if so on what terms? If allowed to enter, it was felt, there would be a strong Canadian presence in this emerging industry and Canadian sovereignty would be strengthened through the stimulus to east-west data flows. Or should "market forces" be given free reign, in which case the problems of monopoly might be avoided but at the cost of American domination and north-south flows of data? Mussio is quite at home describing the divergent policy goals, the conflicting interests, and the federal-provincial confrontations. It is startling to be reminded that among the outspoken proponents of the "nationalist" point of view were Allen Gotlieb (then Deputy Minister of Communications), and Simon Reisman (then Deputy Minister at the Treasury Board), as in the following decade both these gentlemen became vociferous advocates of the Canada-U.S. Free Trade Agreement. In the end, Mussio concludes, market forces won out, not on account of conscious policy direction, but rather through inadvertence on the part of governments as they were immobilized in the face of so many conflicting pressures (p. 219–20).

Part Two of the book is particularly excellent in depicting how countervailing pressures incapacitated government. The book as a whole, however, is less successful in either gleaning or applying general themes or theories. Indeed, the author writes in the Introduction: "Theoretical considerations . . . are largely absent from most of the discussions in this book" (p. 7). That is too bad. Some economic theory as to incentives under regulation could certainly have sharpened the presentation in Part One, and regarding Part Two it is regrettable that no lessons are drawn from the historical account, given that we learn from our successes and mistakes. The highly concentrated structure of today's Canadian communications industry, for example with BCE standing astride Bell Canada (telecommunications), CTV (television broadcasting) and the Globe and Mail (publishing), can be traced to the period 1968–75 and discussions

concerning whether there should continue to be a strict separation of content and carriage on the part of telephone companies. On these and other issues, the book is silent.

Hence, *Telecom Nation* is much less useful to those without an intense familiarity with interest in the period 1968–75, than it could be. But for those who were active in policy circles during those years, the book will prove to be well researched and of some interest.

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