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Telecommunications: A Bridge to Better East-West Relations

Parker W. Borg* and Fredric A. Emmert**

“Those who march with the times and make the necessary accommodation to the introduction of high technologies into the world will meet with success,” declared Soviet leader Mikhail Gorbachev in April.¹ His statement reflects official acceptance in the Soviet Union of new Information Age imperatives.² Other Soviet Bloc countries are also coming round to this new, liberalized outlook, and are making the difficult adjustments³ necessary to take advantage of the tremendous economic potential these technologies can unleash. As communications information technology transforms economic and political thinking in the Soviet Bloc, it is also playing a pivotal role in eroding the barriers that have separated East and West since World War II.

I. The Global Market

One of the most significant technological developments of recent years has been the linking of computers into vast international networks.⁴ Financial computer networks, for example, connect well

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¹ Hoagland, *Gorbachev Fails to Bite Bullet on Cuban, East-West Questions*, Wash. Post, Apr. 8, 1989, at A14. The comment was made during an overseas trip that included Cuba and England. It was an indirect rebuke to Castro for openly criticizing Gorbachev's economic reform efforts as inapplicable to Cuba.

² “Information Age” is a loosely defined term generally referring to the period since the invention of the computer, a period in which there have been great increases in the availability of information and significant changes in the way it is stored and disseminated through the use of computers.

³ Examples of this are the decision of a number of Soviet Bloc countries to cease jamming broadcasts by Radio Free Europe and Radio Liberty and the Polish government's lifting of licensing requirements for satellite dishes. See *infra* notes 46-52 and accompanying text.

⁴ Computer networks are groups of computers linked electronically, usually by telephone lines or satellite communications. Examples of such networks are those used for financial transactions. See *infra* note 5 and accompanying text.

over 300,000 computers,⁵ and have largely obliterated national financial markets, replacing them with a global electronic market. Over a trillion dollars in financial transactions move electronically across national borders every day.⁶

At the same time, the marriage between the telephone and the computer has propelled the rapid rise of services, which constitute about thirty percent of total world trade.⁷ In the United States alone seventy-five percent of the population is engaged in service provision.⁸ The key to success in this service-oriented, global economy is immediate access to the latest information.⁹ More than ever before, knowledge is power.

It is clear that current Soviet leaders have grasped the significance of these developments. Belatedly, the Soviet Union has realized that in today's rapidly evolving world, governments cannot dictate economic results, nor overrule markets for long, especially given the vast quantities of goods, services, capital, information, and technology streaming across national boundaries everyday.

II. Trends

Hence, the Soviet Bloc has taken important steps to meet the challenges of the Information Age. These steps can be summarized in four general categories: 1) market-oriented moves that have loosened government control over the economy; 2) encouragement of joint ventures and foreign investment in telecommunications; 3) establishment of computer links and other high-volume communications interconnections with the West; and 4) increases in media access and information exchanges with Western countries.

It is important to examine how these four common threads have helped bring East and West closer together. The opening of Soviet Bloc markets to free enterprise, for instance, has been a step toward diminishing our ideological differences. The allowance of greater

⁵ BRADY COMMISSION, REPORT OF THE PRESIDENTIAL TASK FORCE ON MARKET MECHANISMS (Jan. 8, 1988). "The communications networks of four key data providers alone cover over 100,000 corporate equities, connect over 110 exchanges, and include 300,000 terminals in over 110 countries." *Id.* at 10. The figure, limited to financial networks, includes all types of computers.

⁶ *National Success and International Stability in a Time of Change*, speech by former Secretary of State George P. Schultz, before the World Affairs Council of Washington, Washington, DC (Dec. 4, 1987), published in 1029 CURRENT POL'Y 2 (1988) [hereinafter Schultz].

⁷ U.S. Secretary of Commerce, The Service Industries Development Program 20 (Apr. 1989) (unpublished draft). The information was gathered by the British Invisible Exports Council (BIEC). Data are for 1984, the most recent year available, and account for all "invisible" exports. "Invisibles" include business services, government transfers, and investment income. According to the BIEC, business services alone in 1984 amounted to \$360 billion, or nearly 15% of total world trade. The amount of "invisible" exports in 1984 was \$733 billion, up considerably from \$84 billion in 1969.

⁸ *Id.* at 2.

⁹ Schultz, *supra* note 6, at 2.

private enterprise in Eastern Europe and the Soviet Union has concomitantly stimulated individual initiative and competition and created a more favorable environment for telecommunications advances, all of which are vital underpinnings for democracy in the modern era.¹⁰

Joint ventures and other foreign investment in COCOM¹¹ approved¹² telecommunication technologies show promise of increasing the interchange of goods and services. Increased high-volume communications links in nonsecurity-threatening sectors are helping promote the free flow of information. Finally, broader media exposure of differing points of view, along with information exchanges, are contributing to better mutual understanding and trust between the U.S. and Soviet Union, and reducing tensions worldwide.

III. Soviet Reforms

Secretary General Gorbachev has made *perestroika*,¹³ or restructuring, a top priority for the Soviet Union. *Perestroika* embodies some market-oriented approaches. For instance, Soviet cooperatives have been unofficially allowed for the last three years and have been growing rapidly.¹⁴ Between July 1987 and August 1988 the number of cooperatives increased from 3,709 to 32,561.¹⁵ Their growth has been aided by their ability to pay workers on average between one and one-half and two times more than workers in state enterprises.¹⁶ In response to the cooperatives' success, the Supreme Soviet legalized them in May 1989.¹⁷

As part of *perestroika*, the Soviet Government has been encouraging joint ventures with Western companies. At least thirty-three U.S.-Soviet joint ventures are underway or under negotiation, ac-

¹⁰ Telecommunications advances depend upon innovation, which history has shown to be encouraged by market-oriented systems and discouraged by centrally-planned systems, such as that of the U.S.S.R.

¹¹ COCOM stands for Coordinating Committee for Multilateral Export Controls. Established in 1949, the organization now includes Belgium, Canada, Denmark, France, Greece, Italy, Japan, Luxembourg, the Netherlands, Norway, Portugal, Spain, Turkey, United Kingdom, the United States, and West Germany. COCOM is based neither on a formal treaty nor an executive agreement. Instead, it operates upon informal agreement and according to the rule of unanimity. Cf. *Controlling Transfer of Strategic Technology*, GIST, May 1988, at 1.

¹² COCOM determines which materials are not militarily sensitive and thus are approvable for export to Soviet Bloc countries and China. See *id.*

¹³ "Perestroika" has meant the introduction of market forces into the Soviet economy and a rejection of traditional Soviet central planning concepts.

¹⁴ Dobbs, *Legislators Weigh in on Cooperatives Law*, Wash. Post, May 27, 1988, at A1, col. 5. The cooperatives are nominally private enterprises owned by workers or individual entrepreneurs. Unlike Western enterprises, they do not issue stock, but must be registered with the government. When ownership is transferred the enterprise must be reregistered with the state.

¹⁵ Lloyd, *Soviet Cooperatives Take Off in a Big Way*, Fin. Times, Aug. 23, 1988, § 1, at 2.

¹⁶ *Id.*

¹⁷ *Id.*

ording to the U.S.-U.S.S.R. Trade and Economic Council, Inc.¹⁸ Several of these are in the field of telecommunications. A U.S. company, Advanced Transducer Devices, Inc., for instance, has signed a deal that will send \$9.5 million of AT-compatible computers to the Soviet Union.¹⁹ Another U.S. company, TeleVideo, a maker of computer terminals and PC clones, has been exploring an arrangement with Soviet authorities to export TeleVideo personal computers to the Soviet Union and hopes to eventually build them there.²⁰ The number of PCs will surely multiply in the U.S.S.R. because of Mr. Gorbachev's goal to introduce one million personal computers into the Soviet school system by 1992.²¹ The current deficit of PCs is great. Although Soviet manufacturers produced a record 100,000 microcomputers last year, there are still only about 200,000 PCs in the U.S.S.R. for a population of 280 million, compared to 30 million PCs in the United States for a population of 241 million.²²

Another recent telecommunications joint venture designed to attract Western business is by IDB Communications, Inc., which will provide dedicated, digital satellite links between Moscow and the United States.²³ These links will primarily serve U.S. media organizations operating in the U.S.S.R.²⁴ The agreement also calls for upgrading a system for beaming signals within the Soviet Union and from the Soviet Union to Eastern European countries.²⁵ The Soviet signatory is a recently established for-profit arm of the Soviet Ministry of Post and Telecommunications.²⁶

Last January, a U.S. company, San Francisco/Moscow Teleport, established a two-way satellite link in a joint venture with the Soviet government's Institute for Automated Systems.²⁷ Traffic flowing in both directions has been growing.²⁸ The new link significantly upgrades previous, more cumbersome, costly, and sporadic ones.²⁹

¹⁸ Ottaway, *Code of Business Conduct in Soviet Dealings Sought*, Wash. Post, May 17, 1989, at A18.

¹⁹ Brownstein, *ATD to Begin Shipping 4,000 AT Compatibles to Russia*, INFOWORLD, May 30, 1988, at 32, col. 2.

²⁰ *Will a Deal with the Reds Stem TeleVideo's Red Ink?*, BUS. WEEK, June 13, 1988, at 64A [hereinafter *TeleVideo*]. Computers will be built, not just assembled, in the U.S.S.R.

²¹ Elmer-DeWitt, *In Search of Hackers*, TIME, Apr. 10, 1989, at 95.

²² *Id.* Population data for both countries are 1986 estimates included in the 1988 WORLD ALMANAC AND BOOK OF FACTS.

²³ Roussel, *Soviets Set Up Satellite Links to U.S. for Voice, Video, Data*, COMM. WEEK INT'L, July 1988, at 76.

²⁴ *Id.*

²⁵ *Id.*

²⁶ *Id.*

²⁷ Markoff, *New Satellite Channel Opens Computer Link to the Soviets*, N.Y. Times, Feb. 19, 1989, at A1.

²⁸ *Id.*

²⁹ *Id.* Use of the link has been impeded, however, by the shortage of computers in the U.S.S.R. Messages sometimes must be directed to computer-equipped parties other than the addressee and then hand-delivered to the intended recipient, which is similar to the telex system. Many messages directed to parties that do not have computers are chan-

While some U.S. Government officials have expressed concern about Soviet access to U.S. computer networks, this new link has been cleared by the relevant U.S. Government agencies, including the Department of Defense. Only unclassified information is transmitted.³⁰

Scientists in both countries have found the new service especially useful. The U.S. Academy of Sciences and its Soviet counterpart, for example, exchange information over it, and researchers at the Space Studies Institute at Princeton have employed it to discuss joint Soviet-U.S. space missions with researchers at the Moscow Aviation Institute.³¹

As a result of *glasnost*,³² another top reform priority under Mr. Gorbachev, access by the West to Soviet media has increased considerably. Western journalists, during the last two years, have had unusual opportunities to cover events in the Soviet Union and to talk with Soviet leaders.³³ Similarly, the Soviet media has given unprecedented and largely uncensored coverage to recent visits by Western leaders, such as the summit meeting last year between President Reagan and Secretary General Gorbachev in Moscow. The Soviets have begun to allow Western advertising in the Soviet Government daily, *Izvestia*,³⁴ and small numbers of Western publications—such as the *International Herald Tribune*, *Time*, and *Newsweek*, are now being sold publicly in Moscow.

On the other hand, Vadim Medvedev, Soviet Politburo leader for ideology and propaganda, reportedly has indicated that a new press law is being written, which will not lessen control over the mass media.³⁵ He said, "People are concerned about hysteria, sensationalism, the destructive direction of some statements, the inciting of passions, lack of regard for the facts, and a deficit of professionalism" in the Soviet press.³⁶

In the broadcasting sphere, former President Reagan and Secretary General Gorbachev this year sent their third televised New

nelled through the Soviet Institute for Automated Systems, a government organization that has played an aggressive role in promoting international computer communication.

³⁰ *Id.*

³¹ *Id.*

³² "Glasnost," or openness, was born out of a realization that the Soviet system was facing serious operational deficiencies which had to be identified and dealt with. Thus, greater freedom of speech is used to expose inefficiency, ineptitude, and corruption in low levels of Soviet bureaucracy where the leadership might not otherwise be able to identify existing problems.

³³ NBC, for instance, aired a one-hour interview of Secretary General Gorbachev on November 30, 1987 (*A Conversation with Mikhail Gorbachev*).

³⁴ Keller, *Izvestia Opens Pages to 'Parasites'*, N.Y. Times, Jan. 4, 1989, at D1, col. 3. Among the Western advertisers have been Monsanto, Occidental Petroleum, Dresdner Bank of West Germany, and Pechiney, a French aluminum packaging company. *Id.* at D17, col. 3.

³⁵ Porubcansky, *New Ideology Chief Criticizes Press, Informal Organizations*, Associated Press, Dec. 26, 1988.

³⁶ *Id.*

Year's Day messages to the citizens of each other's country. Even before *glasnost*, in 1982 the two countries started a series of sixteen television "Spacebridges," two-way satellite dialogues between private groups in both countries.³⁷ The Soviet Bloc Television Exchange Network, Intervision, has also been exchanging television programs with Western broadcasters for a number of years.³⁸ Soviet broadcasts disseminated on American television have increased considerably in recent years. In 1987, the American Discovery Channel cable network broadcast a full week of Soviet programming,³⁹ and since 1986, the Cable News Network (CNN) has been operating an earth station to receive via the Ghorizont satellite Soviet television clips for retransmission.⁴⁰ According to the arrangement, the Soviet Union is to provide reciprocal access for CNN material on Soviet television.⁴¹ Several American universities are now receiving transmissions directly from Soviet domestic satellites for educational purposes.⁴²

In a watershed meeting in Moscow held September 26-28, 1988, a delegation of U.S. Government, business, cultural, and media leaders met with high-level Soviet officials.⁴³ The sessions were co-chaired by then USIA Director Charles Z. Wick and Novosti Press Agency Chairman Valentin Falin, who later became head of the Communist Party Central Committee Information Department.⁴⁴ Significant accomplishments during the three-day information talks included the establishment of a Voice of America bureau in Moscow and agreements to ensure against piracy of audiovisual works and to permit U.S. film distributors to lease Soviet theaters, exhibit films, share in box office receipts, and establish a process whereby rubles can be used to cover costs.⁴⁵ On disinformation, the Soviets agreed in principle to direct communications on the working level regarding information complaints, including jamming, and to set up an early warning system that would help reduce or eliminate repeated mis- or disinformation.⁴⁶

³⁷ USIA, *Spacebridges* (May 1988).

³⁸ KIELPINSKI, *INTERVISION: SOVIET BLOC TV EXCHANGE NETWORK AND LINK WITH WESTERN BROADCASTERS* 6 (1985) (USIA Research Paper R-26-85).

³⁹ Discovery Channel, Press Release (Feb. 11, 1987).

⁴⁰ Telephone interview with Stephen Hayworth of "CNN World Report," CNN Atlanta Headquarters (Mar. 1989). CNN news exchange with the U.S.S.R. is part of CNN's exchange program with 138 news organizations in 112 countries, including China.

⁴¹ *Id.*

⁴² GEORGE JACOBS AND ASSOCIATES, INC., *RAPID EXPANSION IN SOVIET SATELLITE TV BROADCASTS* 24 (1985) (USIA Research Paper R-6-85).

⁴³ *U.S. and Soviets Sign Historic Agreement at Bilateral Information Talks in Moscow*, USIA WORLD 6, (Jan./Feb. 1989).

⁴⁴ *Id.* at 4. A total of 68 senior American officials and private sector leaders met with 107 senior Soviet officials during the September talks. The Moscow round followed talks held April 20-22, 1988, in Washington.

⁴⁵ *Id.* at 4-5.

⁴⁶ *Id.* at 5.

On October 27, 1988, the United States and the Soviet Union began cooperative programming through USIA's WORLDNET facilities.⁴⁷ This agreement permits jointly produced U.S.-Soviet programs to be broadcast over Soviet national television.⁴⁸ Themes for discussion are open and include even the political and security policies of both countries.⁴⁹ Additionally, the Soviets agreed to provide WORLDNET with news coverage of events in the U.S.S.R. having a bilateral interest.⁵⁰

Jamming—once a major obstacle to the free flow of information between East and West—has gone out of style. Bulgaria, the last country of the Soviet Bloc to jam a U.S. international broadcast service, stopped interfering with the broadcasts of Radio Free Europe (RFE) on December 23, 1988.⁵¹ Czechoslovakia had ended its jamming of RFE programming a week earlier, and, a few weeks before that, the Soviet Union stopped thirty-five years of jamming the signals of RFE's sister station, Radio Liberty.⁵²

Reinforced and prodded by unjammed Western radio broadcasts, independent-minded Soviet cameramen and television producers have been making and circulating videocassettes showing mass demonstrations and repressions.⁵³ Some Soviet television programs have been offering viewers bold footage and comments on current affairs.⁵⁴ The recent television coverage of the Soviet Peoples' Congress, including the protest walkout of the Lithuanian delegation, for instance, has advanced political openness to new heights.⁵⁵ Such television programs have provided millions of Soviet families with a nightly crash course in independent thinking.⁵⁶

IV. The Future

This positive trend should accelerate as communications and information technologies break down the remaining barriers separating East and West. The continuing spread of videocassette recorders and satellite dishes in Communist countries will make it

⁴⁷ Speech by Charles Z. Wick, former Director of the USIA, at the International Institute of Communications Annual Conference, in Washington, D.C. (Sept. 13, 1988). One hundred thirty-four USIA posts in 94 countries are equipped with satellite dishes to receive WORLDNET programs. Through live, interactive teleconferencing, foreign journalists in these countries are given a unique opportunity to pose direct, uncensored questions to senior American officials and to print and broadcast the answers.

⁴⁸ *Id.*

⁴⁹ *Id.*

⁵⁰ *Id.*

⁵¹ *Growing Clarity on the Shortwave Dial*, BROADCASTING MAG., Jan. 2, 1989, at 45.

⁵² *Id.*

⁵³ USIA Off. Res., *Perspectives on Perestroika: Is the Fourth Russian Revolution Already Under Way?* 5 (June 1989) (USIA Res. Memorandum).

⁵⁴ *Id.*

⁵⁵ *Id.*

⁵⁶ *Id.*

more difficult for governments to control public opinion. Since 1981, over 700,000 Western-built VCRs have been acquired in Poland, 300,000 in Hungary, and 150,000 in Czechoslovakia.⁵⁷ Over 1,500 satellite dishes are now privately owned in Poland.⁵⁸ At the beginning of 1989, the Polish government lifted obligatory licensing of satellite dishes, and satellite dishes are now offered for sale by both state-owned shops and small private businesses.⁵⁹ Their cost, however, is well beyond the means of most Poles.⁶⁰

Through high technology, individuals in both East and West will continue to gain more personal freedom and outreach beyond their borders. The imminent advent of direct broadcast satellites and the eventual development of receiving antennas no larger than books⁶¹—as well as the spread of small, cheap personal computers linked to international networks—will soon make it virtually impossible for governments to obstruct the free flow of information. Governments such as the Ceausescu regime in Romania, which requires even typewriters to be licensed,⁶² are fighting a losing battle to control the creative energies of their citizens.

It is no coincidence that these developments in communications have accompanied the most promising period in post-World War II East-West relations. Indeed, telecommunications have played a starring role in the drama. As former President Reagan said in his June 13, 1989, address to the English Speaking Union in London: "More than armies, more than diplomacy, more than the best intentions of democratic nations, the communications revolution will be the greatest force for the advancement of human freedom the world has ever seen."⁶³

⁵⁷ Wick speech, *supra* note 47.

⁵⁸ *Id.*

⁵⁹ McIntyre, *East Bloc Rush For 'Television Without Frontiers,'* Reuters Library Rep., May 12, 1989.

⁶⁰ Satellite dishes sell in Poland for between \$1500-\$2000, compared with an average monthly wage of about \$100. *Id.*

⁶¹ *All the World's A Dish,* THE ECONOMIST, Aug. 27, 1988, at 7.

⁶² Speech by former President Reagan to the English Speaking Union, London (June 13, 1989).

⁶³ *Id.*