

The greater problem for Canada is the lack of developing interest in this products. Perhaps a greater investment in the marketing of Canadian products could begin to develop this interest. The United States' companies also have the production budgets and distribution networks to take advantage of changes in the industry.

This does not mean that opportunities for Canada and other countries challenged by the power of Hollywood will disappear. The demand for massive amounts of products may aid the Canadian industry. The idea of preserving shelf space within Canada for Canadian products may become less relevant as more opportunities for distribution create more opportunities for production. This does not mean that Canada's concern with access to distribution within its own market is irrelevant, but it does mean that Canada should think about whether technology has changed the question from one about distribution to one more about distribution and production. Clearly, there exists more opportunities to sell product both within Canada and abroad. Furthermore, new technologies may be more difficult to regulate. Canadian policy may become more and more impotent if it relies on measures to control content in an environment that is increasingly difficult to regulate.

ii) The Commercial Challenge

This paper also has suggested that the Canadian and American industries evolve in different economic realities. The vertical integration in the United States is astounding and does present major challenges to those smaller companies both United States and foreign-based trying to build a competitive strategy. Despite anti-trust action against United States entertainment companies, there seems to be few in the United States that are concerned enough about competition in this increasingly vertically integrated industry to push for an investigation under United States anti-trust law. It seems therefore that Canada and others will have to work within the realities of this evolving new global entertainment industry.

A commercial solution is difficult. The Canadian industry is smaller, and it will continue to produce fewer films with a much smaller budget. Canadian policy cannot change market forces, but can address the challenges imposed by them. In Canada, the industry has been characterized by a certain amount of government measures intended to promote the Canadian film industry. In film, these measures have not been particularly successful - few Canadian products are distributed to major screens in Canada. Film policy has provided tax incentives and subsidies to producers, as well as protection to distributors, but Canadian exhibition houses still show little Canadian product. Canada cannot expect to create a Hollywood North, no amount of government support will achieve this goal. Government policy has been more successful in regulated industries such as radio and television; however, it can and has helped the Canadian production industry, which has grown significantly in recent years.

The question is: how can this support be channelled to help Canadian goals? To answer this question, it is necessary to answer whether these goals are cultural, industrial or both. Policy should more carefully address the complex interplay between culture and industry. This