

approximately \$4.8 billion for all United States motion picture companies. Approximately \$2.4 billion were earned in the United States and \$2.4 billion in foreign markets.⁶¹ The U.S. entertainment industry stands second to the aircraft industry in revenues earned from sales outside the United States. The visual media (film, video, television) generates about \$18 billion in foreign revenues annually.⁶²

i) United States Support Measures?

The issue of support measures is presented as a question because the United States does not offer tax incentives and subsidies to the American film industry in the manner that Canada does. This does not mean that United States industry is unsupported, but that its support is different.

On November 7, 1925 in the *Saturday Evening Post*, Edward G. Lowry writes, in an article entitled *Trade Follows Film*, that "the sun, it now appears, never sets on the British Empire and the American motion picture." Lowry quoted the Prince of Wales in this article as stating:

If the United States abolished its diplomatic and consular services, kept its ships in the harbour and its tourists at home, and retired from the world's markets, its citizens, its problems, its towns and countrysides, its roads, motor cars, counting houses and saloons would still be familiar in the uttermost corners of the world...The film is to America what the flag was to Britain. By its means Uncle Sam may hope some day, if he be not checked in time, to Americanize the world.⁶³

Lowry states, about American films, "...their world dominance is an incontestable fact. They are popular, they are affecting trade, they are [colouring] the minds and changing the desires of foreign peoples, they are the most vivid and potent projection - however distorted- of life in the United States that foreigners receive."⁶⁴ Thus, as early as the 1920s, the United States clearly recognized that films were important to trade and its broader foreign policy interests.

What is interesting about this 1925 article is its currency. Not only does it focus on trade,

⁶¹ Bedore, 18.

⁶² Kristen L. Kessler, "Protecting free trade in audiovisual entertainment: a proposal for counteracting the European Union's trade barriers against the U.S. entertainment industry's exports," *Law and Policy in International Business*, January 1995, col.26, no. 2, 563.

⁶³ Edward G. Lowry, "Trade Follows the Film," *Saturday Evening Post*, 198 (November 7, 1925), 12-13, 151, 158 in *Major Problems in American Foreign Relations Volume II: Since 1914* (Fourth Edition,) eds. Thomas G Paterson and Dennis Merrill (Lexington, MA: D.C. Heath and Company), 89.

⁶⁴ Ibid.