

In this issue

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Front Cover: Dawson
City is one of the oldest
communities in the Yukon

- 3 Canada develops overall strategy to tackle emerging mega markets
- 4 UK company exploits new opportunities created by Free Trade Agreement
- 6 The spell of the Yukon
- 9 Canada marks anniversary of two world wars
- 12 Memorable words of a surgeon poet
- 13 Mosaics
Energy
 - World energy conference planned for Montreal

Politics

- Liberals and New Democrats both search for new leaders
 - Liberals win in two provincial elections
- ## Business
- Bombardier to buy Short Brothers
 - UK company invests in British Columbia
- ## People
- E P Taylor dies at 88
- ## Culture
- Festival of Canadian contemporary music

14 Exhibition at Canada House shows performing arts heritage

16 New SkyDome boosts Toronto's bid for 1996 Olympics

Editorial

When people in Britain think about the Free Trade Agreement which Canada recently concluded with the United States, they tend to see it as a counterbalance to the Single Market being created within the European Community.

There are, of course, some parallels – at least to the extent that both the FTA and the Single Market measures loosely referred to by the shorthand '1992' will each be covering one of the world's major market areas.

But on closer examination, it soon becomes apparent that the FTA and 1992 are marked more by their differences than their similarities.

The most striking difference is that 1992 – by removing non-tariff barriers that have in the past hindered the free, internal movement of goods and services – will strengthen the European Community as a customs union and help move it towards a form of economic union.

In sharp contrast, the FTA makes no attempt whatever to turn North America into a customs union; nor does it try to create an economic union.

Under the FTA, the two countries – Canada and the US – will continue to set their own external trade policies. No effort will be made to bring those policies into line (so there will be no increase in protectionism). Also, there will be no attempt to harmonise the two countries' economic or social policies.

The sole aim of the FTA is to guarantee both Canada and the US free access to each other's markets. It is as straightforward as that.

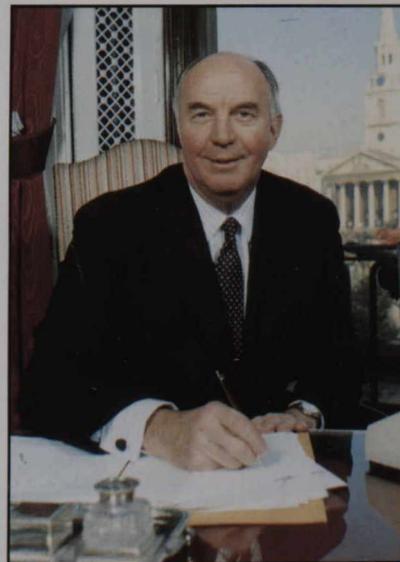
That said, it is nonetheless clear that both the FTA and 1992 are working to change the pattern of international trade and investment. As a result, it has become necessary for Canada to develop a single policy towards these two important, but different agreements.

This policy – the so called 'three-pillar strategy' – was outlined in some detail at the recent *Business Leaders' Conference On Europe 1992* in Toronto. It will have an impact on the way Canadian and UK companies can work together to exploit the

opportunities that are now being created in North America and in Europe; so it is important reading for anyone involved in Canada-UK trade and investment.

As a result, the new policy forms the basis of our lead article in this issue of *Canada Today*, starting on the page opposite.

This issue also contains an article on our summer show in the Canada House Gallery. *Putting it Back Together* is an exhibition of Canadian Theatre artifacts and memorabilia from many of Canada's most established performing arts institutions. Canada's creative excellence in the arts is perhaps the most effective means by which we distinguish ourselves as Canadians. This impressive and important exhibition goes a long way towards illustrating the quality, richness and history of Canada's magnificent theatrical traditions.



Donald S. Macdonald

Canadian High Commissioner