GOING GLOBAL:

Canada Takes Its Goods to World Markets

The international financial pages tell the tale. A Canadian company finds a major role for itself in the U.K.-France ''Chunnel'' project. Another Canadian company is behind London's largest commercial office complex. A third beats its western competitors to the Japanese market by getting a major supply contract from NTT, Japan's huge telecommunications utility.

So begins the next phase of Canadian corporate development. Such companies — respectively Bombardier, Olympia & York and Northern Telecom — have become the new models for others to emulate.

Canada's Bombardier remains heavily involved in the American mass transit market.

Not that any of Canada's budding global players are turning their backs on the huge neighbouring U.S. market. Far from it. Bombardier remains heavily involved in the American mass transit market. Northern Telecom continues to operate so successfully in the U.S., and is so firmly entrenched there, that many Americans are barely conscious of its national origins. And Olympia & York remains New York City's biggest commercial landlord.

But the U.S. market serves purposes well beyond those of simple profitability. It introduces discipline, helps create scale efficiencies and forces abandonment of wasteful and ineffective plans. Bad companies don't last. Good ones become competitive enough to tackle other markets.

Canada-U.S. Free Trade Agreement

That's one of the principles behind the Canada-U.S. Free Trade Agreement (FTA) that came into effect a year ago. The FTA was welcomed with surprising relish by much of the Canadian business community despite the agreement's objective of eliminating trade barriers that had in many cases protected these same businesses.

The trade pact became symbolic of a change in Canadian business aspirations. Suddenly, national market share, no matter how commanding, was no longer enough. And if Canadian firms were to be successful elsewhere, they would require inputs, both domestic and imported, that would also be competitive internationally.

It was tempting to view Canadian business leaders as simply parroting the rhetoric of U.S. trade policy. Like their American counterparts, the Canadians were worried about competitiveness, about losing out to the Japanese and the Europeans, and about establishing a ''level playing field.''

But there was more to it than that, management experts say. For one thing, the titles and some of the executive trappings may be the same, but underneath, Canadian corporate culture is fundamentally different from its American counterpart. A small domestic market has meant that the typical Canadian firm is ready for and needs international expansion at a much earlier stage of development than the equivalent U.S. company. Many firms are resource-based, of course, and need to be attuned to international markets from the outset. But even manufacturers and service businesses in Canada view international sales as an inevitable requirement for growth. So too, they regard international purchases, since price-competitive components are another essential for profitability.

All Canadians have reason for acute awareness of international economic developments. They buy more foreign-sourced products and earn more from foreign sales than do individuals practically anywhere else. Canada's reliance on external trade, generally accounting for 25 to 30 per cent of gross national product (GNP), is twice that of the U.S. and one and a half times that of Japan.

It's a world where comparative advantage is fleeting: this year's low-cost, high-yield mineral find in Canada will, as often as not, be matched soon enough by an even lower-cost discovery somewhere else. Product homogeneity, driven by consumer demand and by increased ''out sourcing,'' i.e., purchasing component parts from cheaper outside sources, is widespread.

Even sophisticated manufactured goods now flow in world trade as if they were raw materials. If a standard microcomputer is being made in Taiwan for $200 less than a comparable product in North America, brokers are