

Options for Canada then would seem to lie in:

- The continued focus on the development of multilateral institutions, both in the economic and security spheres.
- A new emphasis on working to affect domestic politics within the US.

The WTO, NAFTA, APEC and perhaps the FTAA can offer a counter-weight to US power in the economic sphere at the international level. But when you are as deeply linked to a country economically, as Canada is with the United States, there are events that cannot be managed through multilateralism. What does Canada do in such a weak situation? It has not balanced, and therefore cannot turn to alliance partners. A traditional approach of affecting domestic politics through lobbying in both Washington and in the rest of the states, has taken a more important role post-SLA. It remains to be seen if such an approach to managing the trading relationship can work.

A similar disturbing argument can be made with regards to military affairs. While Canada can rely on NATO as a forum where US interests can potentially be balanced, affairs in North America, post-September 11, could pose a serious threat to Canada's sovereignty in a more classical sense. And like in the economic sphere, we are on our own. But what is more troubling is the relative insulated nature of defence community in the US. It will be very hard for Canada to influence policy decisions such as NORTHCOM, either through multilateralism or domestic lobbying. The effects of this isolation will play an important role in the formation of both Canada's domestic and international policies in the near future.

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² International Institute of Security Studies, *Military Balance*, Washington, DC, 2000.

³ NATO Parliamentary Assembly, Committee Report, *Draft General Report: Defence Budget Trends Within the Alliance*, NATO: Brussels, September 25, 2000.

⁴ In the context of this article, a threat is a state or group of states that can have a controlling influence over another states sovereignty – the power to control actions and decisions within a fixed set of borders.

⁵ Statistics Canada, 2002.