

though in the autumn Iran began to show willingness to negotiate on the hostages, no early solution was forthcoming, and as a result sanctions remained in effect until the end of the year.

On January 28, six American embassy staff members who had escaped capture and had been sheltered by Canadian embassy staff and their families since November, were able to depart undetected from Iran. On the same day, the Canadian embassy was temporarily closed, and Ambassador Taylor and his remaining staff also left Iran. In March, the new Canadian government confirmed that a Canadian presence in Iran would not be re-established until the hostages were released. Meantime, the Danish embassy in Tehran, aided by Canadian embassy local staff, took on the task of providing emergency consular assistance and administrative support for residual Canadian interests in Tehran. Canada did not break diplomatic relations with Iran, and the Iranians continued to maintain a small embassy in Ottawa.

In late September, the Iranian dispute with Iraq erupted into full-scale warfare. The Iraqis invaded Iran's oil-rich province of Khuzestan and occupied territory along the border both in Khuzestan and further north. The two countries mounted air attacks on each other's infrastructure and oil facilities. For a time, this resulted in the oil flow from both countries being totally cut off, but by late December both were able to resume limited shipments. Fears arose early in the conflict that the fighting might spread down the Gulf and affect freedom of navigation in this vital waterway on which the non-Communist industrialized world and many Third World states depend for imported oil. This did not occur, but by the end of 1980, world attention had become focused on the Gulf as an area of growing instability and possible superpower rivalry. Meantime, efforts by the UN, the Non-Aligned Movement and the Islamic Conference to mediate the conflict met with no success.