

to turn the conflict into an East-West dispute, and on the other, by the desire of Nicaragua to avoid more overt US intervention. The most favourable result so far has been the opening of direct negotiations between the Nicaraguan Government and the Contras.

In contrast, the Caribbean region, traditionally an area of Canadian interest, is relatively quiet for the moment. There remains the potential for instability, however, as seen in the recent Haitian election. Moreover, against the background of the disappointing results of the Caribbean Basin Initiative, the very small states of the Eastern Caribbean in particular, may be especially vulnerable to invasion by paramilitary forces, and to secessionist problems.

Both the Middle East and the Persian Gulf promise to remain highly volatile. The Palestinian uprisings on the West Bank and in the Gaza Strip are symptoms of the running sore left by the failure to reach an Arab-Israeli settlement. Unfortunately, the prospects for making progress in that direction are not good as long as both the Israelis and the Arabs are internally divided. There is also no end in sight for the Iran-Iraq war, in spite of the call for UN mediation. Continuation of the war poses an ever present threat to free navigation in the Gulf and a danger of further escalation in the use of exotic weapons systems. For the longer term it raises some troublesome questions for Western interests, for an Iranian victory would pose the danger of a spread of Islamic fundamentalism. With the successful conclusion of negotiations for a Soviet withdrawal from Afghanistan, there may be hope for similar resolutions of conflict elsewhere.

In South Africa opposition to apartheid continues to increase. Violence has become endemic and is likely to grow more intense. The debilitating effect of South African