

support. There will be increased pressure on Prem to proceed with implementation of some of the recommendations made in the Fifth Plan in the near future. The need for changes was reiterated in a report of the Bank of Thailand released on April 6. Most economic analysts agree that 1981 should be a highly prosperous one for Thailand provided the agricultural sector is not ignored, energy conservation is practiced, development of import-substitution industries is encouraged, and foreign private investment is not deterred.

Foreign Relations

Thailand leans to the West in its foreign policy. Relations with Western countries have recently benefitted from international concern for Thailand's security in the face of the Vietnamese occupation of Kampuchea, and Thailand's generous response to the Indochina refugee situation. ASEAN is another corner stone of Thai foreign policy. Thailand had attempted in the past to maintain equidistance between Moscow and Peking but its strong opposition to the Vietnamese invasion of Kampuchea inexorably aligns its policy on Indochina with that of Peking. If Thailand is to achieve and maintain political and economic stability in the years ahead, it will continue to require further support from Western countries, both in alleviating the refugee burden, and in accelerating the development of its agricultural and industrial sectors.

Canada/Thai Relations

Canada's interest in Thailand dates from our participation in the Indochinese Control Commissions and the Colombo Plan. Relations have broadened over the years, with our increased interest in ASEAN, our position as a major recipient of Indochinese refugees, and expanded trade. Canada has participated in a number of development assistance projects in Thailand including major projects for rural electrification (\$10 m) and family planning (\$7 m). An increased aid programme for Thailand is under active consideration and it is hoped that planning of this programme will commence this year.

Canada accepted 60,049 refugees from Indochina in 1979 and 1980 of which 18,379 came from camps in Thailand. Thailand has been extremely appreciative of Canada's resettlement program to date and Foreign Minister Siddhi in particular has been laudatory of Canada. In 1981, we had accepted 3,431 Indochina refugees up to March 31 (1,030 from Thailand) and an additional 4,500 should come from Indochina in the remainder of the year. About 2,000 refugees are expected to come in addition under private sponsorship.