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**LETTER RECEIVED BY THE DIRECTOR GENERAL
FROM THE RESIDENT REPRESENTATIVE OF THE UNITED STATES OF AMERICA**

The text of a letter dated 16 September 1988 which the Director General has received from the Resident Representative of the United States of America is reproduced below for the information of delegates.

"IAEA document GC(XXXII)/INF/258 contains a statement by the Resident Representative of Panama that the failure of his country "to pay her contributions is due to conditions beyond her control". The Panamanian statement attributes its failure to meet its IAEA financial obligations to the freezing of deposits in American banks.

"My Government rejects Panama's claims that the United States is responsible for the Government's inability to pay its debts to the IAEA.

"Secretariat reporting to Member States (see annual statements of financial contributions to the Agency as at the opening of the respective General Conference sessions) notes the following regarding Panama's Regular Budget payment situation:

<u>Year</u>	<u>Current year's assessment</u>	<u>Total outstanding</u>	<u>Reference</u>
1984	\$ 12 039	\$ 9 382	GC(XXVIII)/INF/224
1985	11 767	19 423	GC(XXIX)/INF/232
1986	12 239	18 604	GC(XXX)/INF/239
1987	18 051	38 858	GC(XXXI)/INF/252

"Document GC(XXXI)/INF/252 (in Table I.B) reported that Panama owed \$ 3939 for 1985 as at last year's Conference session. It appears to us that Panama's loss of voting rights at the 1988 General Conference session would arise only if any portion of this amount from the balance due in 1985 remains outstanding. Thus, payment of such amount should enable Panama to continue to enjoy its voting rights at this Conference session.

"Since the deficiency giving rise to Panama's arrearages and loss of voting privileges clearly relates to its 1985 assessment, it is apparent that the Government of Panama could have paid this amount well in advance of 1988. The events of this year, which Panama claims has prevented it from paying its assessment, cannot reasonably be considered the cause of its continuing failure to pay the remaining 1985 balance for the last three years."