

Sept. 30 / Administration of George Bush, 1992

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September 30, 1992.

GEORGE BUSH

The White House,

## Message to the Congress Reporting on the National Emergency With Respect to Haiti

September 30, 1992

*To the Congress of the United States:*

1. On October 4, 1991, in Executive Order No. 12775, I declared a national emergency to deal with the threat to the national security, foreign policy, and economy of the United States caused by events that had occurred in Haiti to disrupt the legitimate exercise of power by the democratically elected government of that country (56 FR 50641). In that order, I ordered the immediate blocking of all property and interests in property of the Government of Haiti (including the Banque de la Republique d'Haiti) then or thereafter located in the United States or within the possession or control of a U.S. person, including its overseas branches. I also prohibited any direct or indirect payments or transfers to the *de facto* regime in Haiti of funds or other financial or investment assets or credits by any U.S. person or any entity organized under the laws of Haiti and owned or controlled by a U.S. person.

Subsequently, on October 28, 1991, I issued Executive Order No. 12779 adding trade sanctions against Haiti to the sanctions imposed on October 4, 1991 (56 FR 55975). Under this order, I prohibited exportation from the United States of goods, technology, and services, and importation into the United States of Haitian-origin goods and services, after November 5, 1991, with certain limited exceptions. The order exempts trade in publications and other informational materials from the import, export, and payment prohibitions, and permits the exportation to Haiti of donations to relieve human suffering as well as commercial sales of five food commodities: rice, beans, sugar, wheat flour, and cooking oil. In order to permit the return to the United States of goods being prepared for U.S. customers by Haiti's substantial "assembly sector," the

order also permitted, through December 5, 1991, the importation into the United States of goods assembled or processed in Haiti that contained parts or materials previously exported to Haiti from the United States. On February 5, 1992, it was announced that this exception could be applied for on a case-by-case basis by U.S. persons wishing to resume a pre-embargo import/export relationship with the assembly sector in Haiti.

2. The declaration of the national emergency on October 4, 1991, was made pursuant to the authority vested in me as President by the Constitution and laws of the United States, including the International Emergency Economic Powers Act (50 U.S.C. 1701 *et seq.*), the National Emergencies Act (50 U.S.C. 1601 *et seq.*), and section 301 of title 3 of the United States Code. I reported the emergency declaration to the Congress on October 4, 1991, pursuant to section 204(b) of the International Emergency Economic Powers Act (50 U.S.C. 1703(b)). The additional sanctions set forth in my order of October 28, 1991, were imposed pursuant to the authority vested in me by the Constitution and laws of the United States, including the statutes cited above, and implemented in the United States Resolution MRE/RES. 2/91, adopted by the Ad Hoc Meeting of Ministers of Foreign Affairs of the Organization of American States ("OAS") on October 8, 1991, which called on Member States to impose a trade embargo on Haiti and to freeze Government of Haiti assets. The present report is submitted pursuant to 50 U.S.C. 1641(c) and 1703(c), and discusses Administration actions and expenses directly related to the national emergency with respect to Haiti declared in Executive Order No. 12775, as

implemented pursuant to that order and Executive Order No. 12779.

3. On March 31, 1992, the Office of Foreign Assets Control of the Department of the Treasury ("FAC"), after consultation with the Department of State and other Federal agencies, issued the Haitian Transactions Regulations ("HTR"), 31 C.F.R. Part 580 (57 FR 10820, March 31, 1992), to implement the prohibitions set forth in Executive Orders No. 12775 and No. 12779. Since my last report, there have been two amendments to the HTR.

On June 5, 1992, new section 580.211 was added (57 FR 23954, June 5, 1992) prohibiting vessels calling in Haiti on or after that date from entering the United States without authorization by FAC. This amendment is explained more fully in section 6 of this report. In addition, effective August 27, 1992, new section 580.516 (57 FR 39603, September 1, 1992) authorizes the exportation to Haiti of certain additional food items (corn and corn flour, milk (including powdered milk), and edible tallow), as well as the issuance of specific licenses permitting, on a case-by-case basis, exports of propane for noncommercial use. Copies of these amendments are attached to this report.

4. The ouster of Jean-Bertrand Aristide, the democratically elected President of Haiti, in an illegal coup by elements of the Haitian military on September 30, 1991, was immediately repudiated and vigorously condemned by the OAS. The convening on September 30, 1991, of an emergency meeting of the OAS Permanent Council to address this crisis reflected an important first use of a mechanism approved at the 1991 OAS General Assembly in Santiago, Chile, requiring the OAS to respond to a sudden or irregular interruption of the functioning of a democratic government anywhere in the Western Hemisphere. As an OAS Member State, the United States has participated actively in OAS diplomatic efforts to restore democracy in Haiti and has supported fully the OAS resolutions adopted in response to the crisis, including Resolution MRE/RES. 2/91 and MRE/RES. 3/92.

5. In the first year of the Haitian sanctions program, FAC has made extensive use of

its authority to specifically license transactions with respect to Haiti in an effort to mitigate the effects of the sanctions on the legitimate Government of Haiti and on the livelihood of Haitian workers employed by Haiti's export assembly sector having established relationships with U.S. firms, and to ensure the availability of necessary medicines and medical supplies and the undisrupted flow of humanitarian donations to Haiti's poor. For example, specific licenses have been issued (1) permitting expenditures from blocked assets for the operations of the legitimate Government of Haiti, (2) permitting U.S. firms with pre-embargo relationships with product assembly operations in Haiti to resume those relationships in order to continue employment for their workers or, if they choose to withdraw from Haiti, to return to the United States assembly equipment, machinery, and parts and materials previously exported to Haiti, (3) permitting U.S. companies operating in Haiti to establish, under specified circumstances, interest-bearing blocked reserve accounts in commercial or investment banking institutions in the United States for deposit of amounts owed the *de facto* regime, (4) permitting the continued material support of U.S. and international religious, charitable, public health, and other humanitarian organizations and projects operating in Haiti, and (5) authorizing commercial sales of agricultural inputs such as fertilizer and foodcrop seeds.

6. The widespread supply of embargoed goods, particularly petroleum products, to Haiti by foreign-flag vessels led to the adoption on May 17, 1992, by the Ad Hoc Meeting of Ministers of Foreign Affairs of the OAS of Resolution MRE/RES. 3/92 urging, among other things, a port ban on vessels engaged in trade with Haiti in violation of the OAS embargo. There was broad consensus among OAS member representatives, as well as European permanent observer missions, on the importance of preventing oil shipments to Haiti. Vessels from some non-OAS Caribbean ports and European countries have been involved in trade, particularly oil supplies, that undermines the embargo.

In response to Resolution MRE/RES. 3/92, section 580.211 was added to

the HTR on June 5, 1992, prohibiting vessels calling in Haiti on or after that date from entering the United States without FAC authorization. Vessels seeking such authorization must demonstrate that all calls in Haiti on or after June 5 were (1) for transactions exempted or excepted from the applicable prohibitions of the HTR, (2) specifically licensed by FAC, or authorized by an OAS Member State pursuant to Resolution MRE/RES. 3/92, or (3) made under a contract of voyage that was fully completed prior to the vessel's proposed entry into a U.S. port.

Strict enforcement of the new regulation has benefitted from the close coordination between FAC, the U.S. Embassy at Port-au-Prince, the U.S. Customs Service, the U.S. Navy, and the U.S. Coast Guard in monitoring vessel traffic to and from Haiti.

7. Since the issuance of Executive Order No. 12779, FAC has worked closely with the U.S. Customs Service to ensure both that prohibited imports and exports (including those in which the Government of Haiti has an interest) are identified and interdicted and that permitted imports and exports move to their intended destinations without undue delay. Violations and suspected violations of the embargo are being investigated, and appropriate enforcement actions have been initiated.

Since my last report, penalties totalling more than \$30,000 have been collected for U.S. banks for violations involving unlicensed transfers from blocked Government of Haiti accounts or the failure to block payments to the *de facto* regime. Additional penalties totaling nearly \$175,000 have been proposed for other violations of the HTR,

including penalties against the masters of vessels violating the new regulation, effective June 5, 1992, applicable to vessels calling in Haiti on or after that date.

8. The expenses incurred by the Federal Government in the 6-month period from April 4, 1992, through October 3, 1992, that are directly attributable to the authorities conferred by the declaration of a national emergency with respect to Haiti are estimated at \$2.3 million, most of which represent wage and salary costs for Federal personnel. Personnel costs were largely centered in the Department of the Treasury (particularly in FAC, the U.S. Customs Service, and the Office of the General Counsel), the Department of State, the U.S. Coast Guard, and the Department of Commerce.

9. The assault on Haiti's democracy represented by the military's forced exile of President Aristide continues to pose an unusual and extraordinary threat to the national security, foreign policy, and economy of the United States. The United States remains committed to a multilateral resolution of this crisis through its actions implementing the resolutions of the OAS with respect to Haiti. I shall continue to exercise the powers at my disposal to apply economic sanctions against Haiti as long as these measures are appropriate, and will continue to report periodically to the Congress on significant developments pursuant to 50 U.S.C. 1703(c).

GEORGE BUSH

The White House,  
September 30, 1992.

## Notice on Continuation of Haitian Emergency

*September 30, 1992*

On October 4, 1991, by Executive Order No. 12775, I declared a national emergency to deal with the unusual and extraordinary threat to the national security and foreign policy of the United States constituted by the grave events that had occurred in the Republic of Haiti to disrupt the legitimate

exercise of power by the democratically elected government of that country. On October 28, 1991, by Executive Order No. 12779, I took additional measures by prohibiting, with certain exceptions, trade between the United States and Haiti. Because the assault on Haiti's democracy represent-