

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

April 25, 1994

*To the Congress of the United States:*

1. In December 1990, the Haitian people elected Jean-Bertrand Aristide as their President by an overwhelming margin in a free and fair election. The United States praised Haiti's success in peacefully implementing its democratic constitutional system and provided significant political and economic support to the new government. The Haitian military abruptly interrupted the consolidation of Haiti's new democracy when in September 1991, it illegally and violently ousted President Aristide from office and drove him into exile.

2. The United States, on its own and with the Organization of American States (OAS), immediately imposed sanctions against the illegal regime. The United States has also actively supported the efforts of the OAS and the United Nations to restore democracy to Haiti and to bring about President Aristide's return by encouraging and facilitating a political process involving all the legitimate Haitian parties. The United States and the international community also offered material assistance within the context of an eventual settlement of the Haitian crisis to support the return to democracy, build constitutional structures, and foster economic well-being.

In furtherance of these twin objectives—restoration of constitutional democracy and fostering economic recovery—as discussed in section 10 below, the United States has taken additional measures to block the U.S.-located assets of persons (civilian as well as military) whose conduct, or material or financial support, has assisted the illegal maintenance of the illegitimate regime in Haiti, including persons obstructing the U.N. Mission in Haiti or the implementation of the Governors Island Agreement, and persons perpetuating or contributing to the violence in Haiti. In addition, in an effort to stabilize employment and minimize economic hardship for the local populace in Haiti, U.S. persons currently licensed to deal with the vital Haitian assembly sector have received reauthorization through May 31, 1994.

3. This report is submitted to the Congress pursuant to 50 U.S.C. 1641(c) and 1703(c), and

discusses Administration actions and expenses since my last report (November 13, 1993) that are directly related to the national emergency with respect to Haiti declared in Executive Order No. 12775, as implemented pursuant to that order and Executive Orders Nos. 12779, 12853, and 12872.

4. Economic sanctions against the *de facto* regime in Haiti were first imposed in October 1991. On October 4, 1991, in Executive Order No. 12775, President Bush 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 *Fed. Reg.* 50641). In that order, the President 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. The Executive order 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, including its overseas branches, or by any entity organized under the laws of Haiti and owned or controlled by a U.S. person.

Subsequently, on October 28, 1991, President Bush issued Executive Order No. 12779, adding trade sanctions against Haiti to the sanctions imposed on October 4 (56 *Fed. Reg.* 55975). This order prohibited exportation from the United States of goods, technology, services, and importation into the United States of Haitian-origin goods and services, after November 5, 1991, with certain limited exceptions. The order exempted trade in publications and other informational materials from the import, export, and payment prohibitions and permitted 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 specific licenses 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.

5. On June 30, 1993, I issued Executive Order No. 12853 that expanded the blocking of assets of the *de facto* regime to include assets of Haitian nationals identified by the Secretary of the Treasury as providing substantial financial or material contributions to the regime, or doing substantial business with the regime. That Executive order also implemented United Nations Security Council Resolution ("UNSC Resolution") 841 of June 16, 1993, by prohibiting the sale or supply by U.S. persons or from the United States, or using U.S.-registered vessels or aircraft, of petroleum or petroleum products or arms and related materiel of all types to any person or entity in Haiti, or for the purpose of any business carried on in or operated from Haiti, or promoting or calculated to promote such sale or supply. Carriage of such goods to Haiti on U.S.-registered vessels is prohibited, as is any transaction for the evasion or avoidance of, or attempt to evade or avoid, any prohibition in the order.

6. As noted in my previous report, apparent steady progress toward achieving the firm goal of restoring democracy in Haiti permitted the United States and the world community to suspend economic sanctions against Haiti in August 1993. With strong support from the United States, the United Nations Security Council adopted Resolution 861 on August 27, 1993, suspending the petroleum, arms, and financial sanctions imposed under UNSC Resolution 841. On the same day, the Secretary General of the OAS announced that the OAS was urging member states to suspend their trade embargoes. In concert with these U.N. and OAS actions, U.S. trade and financial restrictions against Haiti were suspended, effective at 9:35 a.m. e.d.t., on August 31, 1993.

These steps demonstrated my determination and that of the international community to see that Haiti and the Haitian people resume their rightful place in our hemispheric community of

democracies. Our work to reach a solution to the Haitian crisis through the Governors Island Agreement was however seriously threatened by accelerating violence in Haiti sponsored or tolerated by the *de facto* regime. The violence culminated on October 11, 1993, with the obstruction by armed "attaches," supported by the Haitian military and police, of the deployment of U.S. military trainers and engineers sent to Haiti as part of the United Nations Mission in Haiti. The Haitian military's decision to dishonor its commitments made in the Governors Island Agreement was apparent. On October 13, 1993, the United Nations Security Council issued Resolution 873, which terminated the suspension of sanctions effective at 11:59 p.m. e.d.t., October 18, 1993.

As a result, effective at 11:59 p.m. e.d.t., October 18, 1993, the Department of the Treasury revoked the suspension of those trade and financial sanctions that had been suspended, so that the full scope of prior prohibitions was reinstated (58 *Fed. Reg.* 54024, October 19, 1993). In addition to the actions I took in Executive Order No. 12853, the reinstated sanctions in the Haitian Transactions Regulations, 31 C.F.R. Part 580 (the "HTR"), prohibit most unlicensed trade with Haiti, and block the assets of the *de facto* regime in Haiti and the Government of Haiti. Restrictions on the entry into U.S. ports of vessels whose Haitian calls would violate U.S. or OAS sanctions had they been made by U.S. persons were also reinstated.

Also effective at 11:59 p.m. e.d.t., October 18, 1993, I issued Executive Order No. 12872 (58 *Fed. Reg.* 54029), authorizing the Department of the Treasury to block assets of persons who have: (1) contributed to the obstruction of UNSC resolutions 841 and 873, the Governors Island Agreement, or the activities of the U.N. Mission in Haiti; (2) perpetuated or contributed to the violence in Haiti; or (3) materially or financially supported either the obstruction or the violence referred to above. This authority is in addition to the blocking authority provided for in the original sanctions and in Executive Order No. 12853 of June 30, 1993, and ensures adequate authority to reach assets subject to U.S. jurisdiction of military and police officials, civilian "attaches" and their financial patrons meeting these criteria. A list of 41 such individuals was published on November 1, 1993, by the Office of Foreign Assets Control (FAC) of

the Department of the Treasury (58 *Fed. Reg.* 58480).

On October 18, I ordered the deployment of six U.S. Navy vessels off Haiti's shores. To improve compliance with the ban on petroleum and munitions shipments to Haiti contained in UNSC resolutions 841 and 873, my Administration succeeded in securing the passage of UNSC Resolution No. 875. UNSC Resolution 875 calls upon the United Nations Member States acting either nationally or through regional agencies or arrangements to halt inward maritime shipping for Haiti in order to inspect and verify that the Haiti-bound cargo does not contain UNSC-prohibited petroleum or arms. A multinational Maritime Interdiction Force that includes elements of the U.S. Navy and the U.S. Coast Guard has been established and now patrols the waters off Haiti.

7. The declaration of the national emergency on October 4, 1991, was made pursuant to the authority vested in the President by the Constitution and laws of the United States, including the International Emergency Economic Powers Act (50 U.S.C. 1701 *et seq.*) (IEEPA), the National Emergencies Act (50 U.S.C. 1601 *et seq.*), and section 301 of title 3 of the United States Code. The emergency declaration was reported to the Congress on October 4, 1991, pursuant to section 204(b) of IEEPA (50 U.S.C. 1703(b)). The additional sanctions set forth in Executive Orders Nos. 12779, 12853, and 12872, were imposed pursuant to the authority vested in the President by the Constitution and laws of the United States, including the statutes cited above, as well as the United Nations Participation Act of 1945 (22 U.S.C. 287c), and represent the response by the United States to the United Nations Security Council and OAS directives and recommendations discussed above.

8. Since my report of November 13, 1993, FAC, in consultation with the Department of State and other Federal agencies, has issued General Notice No. 3, "Notification of Blocked Individuals of Haiti." The Notice, issued January 27, 1994, identifies 523 officers of the Haitian Armed Forces who have been determined by the Department of the Treasury to be Blocked Individuals of Haiti. General Notice No. 4, issued April 4, 1994, identifies an additional 27 individual officers of the Haitian Armed Forces and one civilian who have been determined by the Department of the Treasury to be Blocked Individuals of Haiti. These are persons who are

members of the *de facto* regime or are blocked pursuant to Executive Orders Nos. 12853 or 12872. (A comprehensive list of Blocked Individuals of Haiti was published on April 7, 1994 (59 *Fed. Reg.* 16548)).

U.S. persons are prohibited from engaging in transactions with these individuals and with all officers of the Haitian military (as members of the *de facto* regime), whether or not named in General Notice No. 3 or No. 4, unless the transactions are licensed by FAC. Additionally, all interests in property of these individuals that are in the United States or in the possession or control of U.S. persons, including their overseas branches, are blocked. U.S. persons are not prohibited, however, from paying funds owed to these entities or individuals into the appropriate blocked account in domestic U.S. financial institutions. Copies of the comprehensive list and of General Notices No. 3 and No. 4 are attached.

A policy statement, effective January 31, 1994 (59 *Fed. Reg.* 8134, February 18, 1994), was published to extend until March 31, 1994, the expiration date for all current assembly sector licenses issued by FAC pursuant to the HTR, and a second policy notice, effective March 29, 1994, was published on April 1, 1994 (59 *Fed. Reg.* 15342), extending these licenses through May 31, 1994. These licenses have provided an exception to the comprehensive U.S. trade embargo on Haiti under which the "assembly sector" has continued to receive parts and supplies from, and supply finished products to, persons in the United States. Copies of the policy statements are attached.

Assembly sector trade with the United States accounted for a significant portion of Haiti's imports, and a substantial majority of its exports, prior to the institution of the OAS-requested embargo in November 1991. Although initially suspended due to the embargo, assembly sector imports from and exports to the United States were allowed to resume on a case-by-case basis beginning in February 1992 in order to keep poorer segments of the Haitian population employed and to reduce their incentive to attempt illegal and dangerous immigration by sea to the United States and other countries. However, the continuing uncertainties of the Haitian situation have led to a sharp decline in assembly sector activity, where employment is now estimated to be no more than 10 percent of pre-embargo levels.

9. In implementing 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 assembly sector, 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 were 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; (5) authorizing commercial sales of agricultural inputs such as fertilizer and foodcrop seeds; and (6) in order to combat deforestation, permitting the importation of agricultural products grown on trees.

10. During this reporting period, U.S.-led OAS initiatives resulted in even greater intensification and coordination of enforcement activities. Continued close coordination with the U.S. Customs Service in Miami sharply reduced the number of attempted exports of unmanifested, unauthorized merchandise. New FAC initiatives are expected to result in more effective coordination of Customs Service and Department of Justice activities in prosecution of embargo violations. During the reporting period, the multinational Maritime Interdiction Force that contains elements of the U.S. Navy and U.S. Coast Guard, continued to patrol offshore Haiti and to conduct ship boardings, inspections of cargoes bound for Haiti, identification of suspected violators, and referrals for investigation. The Maritime Interdiction Force has boarded 612 ships and diverted 38 of these ships for various reasons (inaccessibility of cargo for inspection,

items prohibited by the United Nations Security Council embargo on board) from its inception to March 30, 1994. Actions have been taken to counter embargo violations as they have developed. There have been high-level discussions with the Government of the Dominican Republic to encourage its stated desire to cooperate with the United Nations in increasing the effectiveness of the enforcement of the sanctions on that country's common border with Haiti across which fuel smuggling is occurring. Other steps have been taken to control sales of bunker fuel by ships in Haitian ports and smuggling of fuel in Haitian-Dominican coastal waters.

The Department of the Treasury, in close coordination with Department of State and the intelligence community, continues to designate "Blocked Individuals of Haiti," blocking the assets of persons (civilian as well as military) whose conduct meets the criteria of Executive Orders Nos. 12755, 12853, and 12872, including persons obstructing the U.N. Mission in Haiti or the implementation of the Governors Island Agreement and persons perpetuating or contributing to the violence in Haiti. The list was last expanded on January 27, when the entire officer corps of the Haitian Armed Forces was blocked as part of the *de facto* regime in Haiti, and on April 4, when one additional civilian was added to the list. As others subverting democracy in Haiti and additional members of the officer corps are identified by name, these names will be incorporated into the list of "Blocked Individuals of Haiti."

Since the last report, 35 penalties, totaling in excess of \$146,000, have been collected from U.S. businesses and individuals for violations of the Regulations. Eighteen violations involved unlicensed import- and export-related activity. As of March 4, 1994, 12 payments of penalties assessed against the masters of vessels for unauthorized trade transactions or violations of entry restrictions totalled about \$53,000. A significant penalty collection during the reporting period was from American Airlines for its direct payments of taxes and fees to the *de facto* regime in Haiti.

11. The expenses incurred by the Federal Government in the 6-month period from October 4, 1993, through April 3, 1994, that are directly attributable to the authorities conferred by the declaration of a national emergency with respect to Haiti are estimated at about \$3.4 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.

12. I am committed to the restoration of democracy in Haiti and determined to see that Haiti and the Haitian people resume their rightful place in our hemispheric community of democracies. Active U.S. support for United Nations/OAS efforts to resolve the Haitian crisis has led to the maintenance and enforcement of sweeping economic sanctions. Our diplomatic efforts complementing these sanctions are designed to encourage and facilitate participation by all legitimate Haitian political elements in a broad-based political process that will bring about the fulfillment of the undertakings they

made in the Governors Island Agreement so that Haitian democracy can be restored and President Aristide can return to Haiti. Such a political process will enable the lifting of sanctions and the start of Haiti's economic reconstruction and national reconciliation. The United States will continue to play a leadership role in the international community's program of support and assistance for the restoration of democracy and return of President Aristide to Haiti.

I will continue to report periodically to the Congress on significant developments pursuant to 50 U.S.C. 1703(c).

WILLIAM J. CLINTON

The White House,  
April 25, 1994.

## Remarks on the South African Elections and an Exchange With Reporters *April 26, 1994*

*The President.* This delegation from the House and Senate is here to report on the trip that they took to South Africa a couple of weeks ago. And I'd like to just begin by offering the congratulations of the United States to the people of South Africa for beginning the election process today.

I'm sure many of you have already seen some of the pictures that are coming in. They're very, very moving. There was one older lady who had to wait for a few hours. And she said that she'd been waiting all of her life, that a couple hours more was no problem for her.

I think it is a—especially in light of the extra round of violence that the people have endured in the last few days, that the renewed determination of the people there to claim their democracy and to have this multiracial election is really a wonderful thing. The United States is committed to this process and its success. And we'll be there as your partner when the elections are over.

### *Bosnia*

*Q.* Mr. President, are you confident the Serbs will meet the deadline this evening?

*The President.* Well, we expect them to. And of course, we're following it very closely today.

*Q.* Are you confident you've worked out the problems with the United Nations in case they do not?

*The President.* I believe that we have. We worked hard on it last weekend. And as I told you, I believe that we have.

### *Welfare Reform*

*Q.* Mr. President, are you going to have to scale back your welfare plan because you've decided against any taxes to pay for it?

*The President.* Well, in the beginning we knew that, based on the CBO budgeting rules, we wouldn't have—we couldn't raise enough money anyway to guarantee a job, publicly funded job, for every person on public assistance that might not have a job within the 2-year time period. So we'll have to phase that portion of it in. But it'll still be quite an extensive program.

NOTE: The President spoke at 3:50 p.m. in the Cabinet Room at the White House, prior to a meeting with congressional leaders. A tape was not available for verification of the content of these remarks.