

INTERVIEW OF JEFFREY L. FARROW

by Howard P. Willens

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- Willens: Jeffrey L. Farrow has an extensive background in the insular areas, both as staff in the U.S. Congress and in the Executive Branch dealing with this problem. Jeff, I appreciate your taking the time to be interviewed on this subject. You are generally aware of what we are trying to do. Can I begin by asking you first whether you have a middle initial.
- Farrow: Yes. L for Lloyd.
- Willens: Can you tell me a little bit about where you grew up and where you were educated.
- Farrow: I was born in New York but grew up in the Virgin Islands, in St. Thomas. I went to school there before I went away to prep school in Maryland. McDonough was the name of the school. Then I went to Boston University. Would you like me to go on from there?
- Willens: Let me just ask you two questions.
- Farrow: Sure.
- Willens: How did your parents or family happen to find their way to the Virgin Islands?
- Farrow: My father had a lawyer. He was in construction, homebuilding.
- Willens: Your father is a lawyer?
- Farrow: No, he was in construction, homebuilding. He had a lawyer with a client who had property in the Virgin Islands, lived in the Virgin Islands, and wanted to develop housing. So they formed a partnership to do that. He moved to St. Thomas.
- Willens: I see. When did you graduate from Boston U?
- Farrow: 1972.
- Willens: What degree did you have then?
- Farrow: Bachelor of Science in Communications.
- Willens: Did you have any further education?
- Farrow: No.
- Willens: What was your employment history after you graduated from Boston U?
- Farrow: Immediately thereafter I became assistant to the Majority Leader of the Virgin Islands Legislature and the campaign director for the Virgin Islands Democratic Party in the 1972 election. In particular, I worked with Ron de Lugo, who was the first candidate for Delegate to Congress from the Virgin Islands. I then came to Washington with Ron as his press secretary.
- Willens: That would have been in ...
- Farrow: 1973. Later that year I went back to the Virgin Islands to become editor of the new newspaper that was founded that year by a man named Earle B. Ottley, who was a long-time leader of the Democratic Party of the Virgin Islands and leader of the Legislature. He had published a newspaper before, sold it, and then started another newspaper. I went back to the islands and became the editor of the *Virgin Islands Post* in late 1973.

- Willens: How long did you stay in that position?
- Farrow: Through coming up to Washington in 1978. In the interim, in 1974 I was elected to the Virgin Islands Board of Education. In 1976, I was elected Democratic Party Chair in the Virgin Islands.
- Willens: I gather that your family had stayed in the Virgin Islands during your education and your early employment years?
- Farrow: Yes.
- Willens: And you retained then a close relationship with the Virgin Islands.
- Farrow: Virgin Islands is home and that is where I remember growing up.
- Willens: Had you always thought of finding your way into politics?
- Farrow: For a long time and I had always intended to stay in the Virgin Islands. I didn't really anticipate coming up here. I came up to Washington in 1978 for a couple of reasons. The real reason was that I was getting divorced. I had met my wife here in 1973 while she was working on Capitol Hill. We had a baby who has just turned 20. In 1976 he was born, and we were getting divorced in 1978, so I wanted to relocate to this area where she wanted to return. That was the real reason for coming here. There was an additional reason as well that supported this or made it more possible to do when Jimmy Carter and Walter Mondale were elected in 1976. I suggested the need for the political development of the Virgin Islands and the other smaller U.S. territories to Mondale right after the election, when he went to the Virgin Islands—a tradition he picked up from former Vice President Humphrey and other members of the incoming Carter Administration. I had worked in 1968 in the Presidential campaign of Hubert Humphrey as a national student coordinator and met a number of people there. A key individual was Stuart Eizenstat who was the Director of Research in the campaign and became the domestic policy director for President Carter. Vice President Mondale, right after his election, went down to the Virgin Islands, and I hosted him. We talked about the problems of the territories and their political status, primarily from the Virgin Islands perspective, and suggested the need for the incoming Administration to deal with the problem of the U.S. territories. Micronesian status was being addressed, as was Puerto Rico's, but the problems of the Virgin Islands in particular and also Guam and the other small islands were not getting the same attention.
- Willens: Was he receptive to that suggestion?
- Farrow: Well, he was. Nothing developed from it at the time. Later as I became interested in moving to Washington, I talked to Stu and others and Stu followed up on this suggestion. At his recommendation, President Carter directed that a formal policy review be conducted.
- Willens: When did that happen?
- Farrow: 1978. At the same time, I was evolving toward moving to Washington. The study was to be done under Stu's auspices through an inter-agency committee that was chaired by Jim Joseph, who was the Under Secretary of Interior. It had representation from a number of agencies and was largely staffed by the Office of Territorial Affairs.
- Willens: Did you then work for that particular study group?
- Farrow: I came to handle the staff responsibility. Initially, however, I discussed with a couple of people in the White House wanting to come up here and join the Administration, something that they had talked to me about early in 1977, but I wasn't particularly

interested then. There were a couple of suggestions that they came up with for different positions. I wound up being a special assistant in the office of the Secretary of the Interior assisting the Assistant Secretary for Land and Water Policy. The President had a major water policy initiative. So I first began to work on communicating that water policy to the Congress, to States and to the public, particularly in the Western part of the United States. At the same time, however, I was assigned to be part of this inter-agency group that was looking at the policy toward our smaller U.S. territories.

Willens: Just let me interrupt a moment. Did that study expressly exclude any reference to the Micronesian entities that were then being discussed or had taken preliminary form?

Farrow: There was a reference to them, but it was primarily focused on the small U.S. territories, the Virgin Islands, Guam, Samoa. The CNMI was partially covered because its political status had been largely resolved by that time, even though the Covenant wasn't fully implemented. As that study was proceeding and I was consulted by Eizenstat on it, since we had a close relationship, he felt that there was a need for more attention from the White House to the issue. I then joined the White House Domestic Policy Staff in 1979 as Consultant on Territorial Policy. I basically undertook the staff direction of the study as well as handled other territorial issues at the White House, at least from the domestic policy point of view.

Willens: It did not include Puerto Rico though?

Farrow: That study did not. In part, the reason the study did not include Puerto Rico is that prior to this the Governor of Puerto Rico had met with the President, and the President had initiated a study of Puerto Rico's economic problems. So there was an inter-agency group that was headed by Juanita Kreps, who was the Secretary of Commerce at the time, looking at Puerto Rico's economic problems, which were so much a part of the status debates in Puerto Rico. So there was that study separately under way. When I came to the White House, I assumed responsibility for all territorial issues and Micronesian issues from the domestic policy point of view.

Willens: Was there anyone in the White House who had been filling those functions in whole or part before you came?

Farrow: In part, and I suppose in whole, but maybe not to the extent I dealt with them. Let me just finish and tell you what I did at the White House, and that will help you understand it. I also handled some of the domestic issues with respect to the state of Hawaii and handled small business issues on the Domestic Policy Staff. I inherited the territorial portfolio, including Puerto Rico and Micronesia, on the Domestic Policy Staff and worked with (partially I assumed them but he continued to have some nominal responsibility) a man named Al Stern, who also had on the Domestic Policy Staff education issues, parks and cultural issues. With respect in particular to Micronesia and Puerto Rico, I had counterparts on the National Security Council staff. There had been two basic policy councils within the White House up until the Clinton Administration—the Domestic Policy Council and the National Security Council. Bob Pastor was the National Security Council staffer who dealt with the Caribbean and Latin America, and so he had some responsibilities with respect to Puerto Rico from the international point of view. Puerto Rico was often an issue with the United Nations and with other countries. On the National Security Council staff as well, Donald Gregg, who later became the Ambassador to South Korea.

Willens: Donald Gregg?

- Farrow: Gregg. G-r-e-g-g. National Security Advisor to George Bush when he was Vice President. I worked with Don on the Micronesian Compact. So issues that would come from Peter Rosenblatt as the Compact negotiator at that point would come over here, and I would deal with them, as well as Don. It was not a very formal assignment of responsibilities, which is not atypical at the White House versus a cabinet department, which has a lot more personnel and can assign individuals a lot more specifically.
- Willens: Did Stern stay on through this period?
- Farrow: He did and continued to have some little involvement, but not much, with the territories, but was still handling education and cultural issues. President Carter was creating the Department of Education and so on.
- Willens: Those responsibilities then continued until the end of the Carter Administration?
- Farrow: Yes. When the President announced his Territorial policy on February 14, 1980, one of the elements of that policy, which was not as self-serving as it may sound, was that he would have a senior domestic policy staffer handling territorial issues as part of their responsibilities. So I became Senior Advisor on Insular Affairs. Then later I was promoted to Associate Director of Domestic Policy at the end of the Carter Administration. I assumed the responsibility for small business issues formally. I left the White House on January 20, 1981, when President Reagan took office, as Associate Director of Domestic Policy.
- Willens: Did you go into private life at that point?
- Farrow: I did. I joined my now-wife in a public relations firm, which she continues to head and has succeeded at immensely since I left.
- Willens: What's the name of that firm?
- Farrow: Lisboa Associates, Inc.
- Willens: Did you stay in that location then until your return to the government?
- Farrow: Yes, I did. Shortly after the Reagan Administration took office, I became concerned (as many territorial leaders were) about the impact of President Reagan's initiatives on the territories. I worked with Ron de Lugo and Antonio B. Won Pat, who was the delegate from Guam, and others to form a Territorial Caucus in the Congress. I became the part-time director of that caucus while doing private work as well. Later in the beginning of 1982, I joined the staff of what was then the House Interior and Insular Affairs Committee.
- Willens: How long did you stay there?
- Farrow: I stayed on the committee staff through September 21, 1994, when I joined the Clinton Administration.
- Willens: And your current position in the Clinton Administration is what?
- Farrow: I'm Co-Chair of the President's Working Group on Puerto Rico. That may require a little explanation. In 1961, the Governor of the Commonwealth of Puerto Rico went with Secretary Stewart Udall to see President Kennedy and urged that the primary responsibility for Puerto Rico matters within the Executive Branch be moved from the Office of Territories in the Interior Department to the White House. Governor Munoz had been the prime mover in the founding of the Commonwealth government in Puerto Rico, and after the establishment of the Commonwealth government in 1952 had felt it was inappropriate to continue to deal with the Office of Territories at the Interior

Department. He had supported President Kennedy's election, and Secretary Udall agreed with him that it was inappropriate, and not helpful, for the Interior Department to have nominal responsibility for Puerto Rico matters. During the 1950s, it is said that Governor Munoz refused to deal with the Office of Territories and would return letters unopened to the Interior Department. President Kennedy agreed and issued a directive that changed an Order that had been issued by President Roosevelt in 1934 assigning responsibility for Puerto Rico matters to the Interior Department. There were a couple of important reasons for this. One was a recognition by the President that the issues that were raised by Puerto Rico were issues of fundamental policy that ultimately only a President could determine for the Executive Branch—the fundamental conception of what the relationship is, what the status ought to be. A second was the recognition was that the issues that were raised by Puerto Rico, in addition to being based on fundamental status questions, arose within the jurisdiction of almost every department of the government and were far beyond the ability of the Interior Department to effectively influence. They could only be directed from the White House. Finally, the issues were inter-related requiring central direction. Kennedy's order actually assigns the Puerto Rico policy responsibility to the Office of the President. I'm still not absolutely sure what he meant by the Office of the President, whether it was his immediate office or the Executive Office of the President which is much larger, including the White House office, the National Security Council, etc. I don't know that anybody else has figured it out either. That was not a problem during the Kennedy Administration.

Willens: Do we know who drafted the order?

Farrow: Yes. To the extent those folks are still around, I haven't consulted them on what they intended. There probably has not been a lot of incentive to do that because it's given some flexibility regarding how the White House is to handle this, and it has been inconsistently handled over time. The responsibility was primarily handled by the Counsel's Office in the Kennedy and Johnson Administrations by Mike Feldman, who was the Deputy Counsel. In the Nixon Administration, the Domestic Policy Staff took over the responsibility, which continued through the Carter Administration. In the Reagan Administration it ultimately wound up in the Office of Intergovernmental Affairs, which I think makes some sense and it has remained there since then.

Willens: Which office is that?

Farrow: Intergovernmental Affairs, the President's primary office for relating to state, county and municipal governments, as well as territorial governments (which is not well understood in the small territories).

Willens: Is that under the aegis of the Domestic Council?

Farrow: No.

Willens: It stands separately from either the National Security Council or the Domestic Council?

Farrow: Yes. Intergovernmental Affairs is actually part of the White House office. This is probably an issue that is as arcane as territorial policy—how the White House is structured. There is a larger Executive Office of the President that has several components. At the center of that office (the Executive Office of the President) is the White House Office, which does not technically include (although there is a lot of overlapping) the National Security Council or the Domestic Policy Council, or now under President Clinton the National Economic Council. It includes Congressional Affairs, the President's liaison to Congress; Intergovernmental Affairs, the President's liaison to the states and cities; Communications,

including the President's Press Secretary, his Chief of Staff, and Administrative Office, and a couple of other offices. In addition, there are (as I mentioned) the Domestic Council, National Security Council, National Economic Council, the Office of Management and Budget as part of the Executive Office of the President. There's also a Drug Policy Office that's now part of the Executive Office of the President. The Office of Intergovernmental Affairs is part of the central White House office. The responsibility has shifted (as I mentioned) over three basic offices since 1961. It also, however, was inconsistently handled by those offices over time.

Willens: You're saying that the function was inconsistently ...

Farrow: Performed.

Willens: Performed or implemented over time.

Farrow: Staff responsibility.

Willens: Not simply that the function was placed in a different office but that decisions made on common problems were made in differing ways.

Farrow: Differing ways, different levels of attention. When I took over (within the Domestic Council) Puerto Rico responsibility in 1979, I got files a few inches thick. Puerto Rico with 3,750,000 people now is a large place with a lot of complex issues. There was no structure for coordinating the Executive Branch and very little institutional memory at all.

Willens: Isn't it more likely than not that Governor Munoz and his successors would be perfectly happy with virtually a hands-off position in the White House with respect to Puerto Rican problems?

Farrow: It varied depending upon the relationship that an administration of Puerto Rico would have with the Administration here. If they were more friendly, they would want more attention. If they were less friendly, sometimes they would want less attention from the White House and want to be able to deal with agencies without the agencies getting overall policy guidance. The Presidents during that time period paid sometimes more or, at other times, less attention. President Ford sent a statehood bill to Congress in 1976. Governor Hernandez Colon did not have a close relationship with President Ford, was not consulted on sending this statehood bill to Congress, and was not happy about it. At the end of the Bush Administration, President Bush issued a change in the Kennedy order on November 30, 1992. He changed some basic policy. He did not change the responsibility that the policy be directed from the Office of the President, however. Governor Hernandez Colon was not consulted on the policy that was changed and probably wished he didn't have attention from the White House in that instance. There were other instances where greater attention was requested. President Carter had begun development of a policy toward the Caribbean that I had a little bit of involvement with. The primary staff responsibilities were with Bob Pastor of the National Security Council. President Reagan developed that into the Caribbean Basin Initiative. When the Caribbean Basin Initiative was announced, however, it became clear to a number of people, including Governor Romero Barcelo of Puerto Rico, that Puerto Rico had not been thought about at all in this policy. In the origins of the policy in the Carter Administration, I was part of the development of the ideas. I think investigation would show that those folks who continued in the Reagan Administration were primarily from the foreign policy branches of the government, the State Department, etc., and didn't have direct responsibility with respect to Puerto Rico, and didn't consider it in development of the Caribbean Basin

Initiative. In response to Governor Romero Barcelo's complaints about this, President Reagan created a White House Task Force on Puerto Rico, with a member of the Intergovernmental Affairs staff as the Executive Director of the Task Force, and people primarily at the Assistant Secretary level from a number of key departments to coordinate policy with respect to Puerto Rico. That Task Force continued through the Reagan Administration. It was not very active but did exist and met several times. At the end of the Reagan Administration, the Special Assistant to the President, who was the Executive Director of the Task Force, became Deputy Chief of Staff to President Bush, Andrew Card. Andy took the Puerto Rico responsibility with him when he became Deputy Chief of Staff, the number two position in the White House. He had been very deeply involved with it on the Intergovernmental Affairs staff and in the Bush campaign. The Task Force was not recreated in the Bush Administration, and that I think led to a disconnect between President Bush's policies with respect to Puerto Rico (and he had a deep interest in Puerto Rico) and the Administration's activities. I'll give you two examples. President Bush was very committed to statehood for Puerto Rico. He personally inserted into a State of the Union address in 1989 his commitment to resolving the status issue and his personal support for statehood. Allegedly he had asked to have the issue addressed in the State of the Union address. The draft that he got from his staff, however, didn't include it. He then personally wrote into the draft a paragraph on Puerto Rico's status, which he delivered to the Congress. [Another example is that Bush issued a policy that termed Puerto Rico a territory and called for periodic referenda until its territorial status was replaced, but the Bush Administration took a position that was inconsistent with that in the United Nations.]

Willens: When using that as an example, it must have been either right after or before a referendum on the issue.

Farrow: It was somewhat before a referendum on the issue. He said that he would personally support statehood, but our basic policy should be to support the decision of the people, and he urged Congress to authorize a referendum. Indeed, the House then passed a bill authorizing a referendum and committing to act on the results. There was a great effort to pass a bill in the Senate that was well led by Bennett Johnston, whom I admired tremendously. Senator Johnston's bill, however, was a little bit different. What it essentially did was provide implementation bills for statehood, enhanced commonwealth relationship, and independence and then provided that whichever of those implementation bills was selected by the people of Puerto Rico would have automatically gone into effect. That bill came out of the Senate Energy Committee in 1989 and 1990, and was referred to three other committees, but was not taken up on the floor in 1990. It was reintroduced by Senator Johnston in 1991 with a change so that the implementation bills would not automatically go into effect but would have to be voted on again by the Congress if one had received majority support in Puerto Rico. So the process would have been that Congress would have passed a law that said here are implementation bills for statehood, commonwealth, independence. If the people of Puerto Rico vote by majority for one of these bills, the Congress would then vote on whether to actually implement the implementation bill.

Willens: But it was the premise of the bill that the issue put to the people of Puerto Rico should not be generally stated as commonwealth vs. statehood vs. independence, but there should be more specific outlining of exactly what the status alternative was?

Farrow: There should be an outline to the last detail of the implementation bill. The House legislation, by contrast, provided general descriptions of the status options, and Congress

would have committed under the House bill to negotiate implementation legislation based on those outlines and then act on that implementation legislation.

Willens: What is your judgment about the relative strengths and weaknesses of those two approaches?

Farrow: The President's position is that we ought to define what the options are for the people of Puerto Rico and commit to act on the majority will. We will have legislation, as we did in this past Congress, that was passed out of Committee, passed out of Rules Committee, but was not taken up on the floor of the House. We will have legislation that I think is fairly certain in the next Congress as well. We'll see how detailed that legislation is. I think the general consensus now is that there ought to be definite general descriptions although not final implementation provisions. The bill that almost got to the floor of the House this past September had descriptions of the status, fairly specific descriptions of the options but not actual implementation bills.

Willens: But you provided the background going back to 1961 of Puerto Rico in order to illuminate exactly what the mission is now of your present position.

Farrow: And let me carry this for a couple of minutes if I can into the current. It may be of interest; it may not. President Bush proposed the legislation that failed in 1991, Senator Johnston's revised bill deadlocked in the Energy Committee on a vote of 10-10. The issue for many people in the 1992 election in Puerto Rico then became having a status plebiscite. The Statehood Party platform committed to provide a plebiscite on status if it won. The Statehood Party swept the 1992 election in Puerto Rico. President (then-candidate) Bill Clinton in campaigning said that he would support the right of the people to choose among the options in concert with the Congress. After the Statehood Party was elected, it called a plebiscite for later in 1993. The options for that plebiscite were under the Puerto Rican law (this was a plebiscite called under Puerto Rican law) with the options defined by the political parties in Puerto Rico which are based on different status options: commonwealth, statehood, and independence. The plebiscite was held on November 14, 1993. The result was a vote of 48.6% for a commonwealth option, 46.3% for a statehood option, and 4.4% for an independence option. The Puerto Rican law did not make clear how the results were to be interpreted. Some officials in Puerto Rico had said before the plebiscite that the option that won the most votes was expected to be sought in Congress. Others had other ideas. The legislature of Puerto Rico (which was dominated by the Statehood Party) then petitioned Congress and the President to respond to results of the plebiscite. As President Clinton looked at the issues, he decided that the Administration needed to provide a greater focus on Puerto Rico policy. The specific questions that were raised by the plebiscite, the specific commonwealth proposals which were popularly assumed to have won the plebiscite, as well as the overall questions about the plebiscite itself and the status issue, and other questions that Puerto Rico had raised. The Governor of Puerto Rico had raised with the President and then Chief-of-Staff McCarty earlier in the Administration his concern about the lack of focus in the Administration or how the Administration was organized to deal with Puerto Rico. With all this, the President decided to increase the Administration staffing on Puerto Rican matters. The responsibility for Puerto Rico had been assigned to Marcia Hale, who is the White House Director of Intergovernmental Affairs. Marcia and I had worked together, and she also recommended to the President that I join the Administration to help her with this. In doing so, we discussed the need for an inter-agency approach, and she and I became co-chairs of the inter-agency Group on Puerto Rico at the President's decision. She remains, however, Assistant to the President and Director of Intergovernmental

- Affairs, and I'm full-time Co-Chair of the Working Group. In large measure, I function as a member of her staff. Under Leon Panetta, who became Chief of Staff, we formed a White House Inter-Agency Working Group that includes key offices from the White House, the Executive Office of the President, and every department of government, largely at the assistant secretary level. It is a means for coordinating all matters relating to Puerto Rico within the Executive Branch and for the White House to give direction to the agencies and to reconcile differences between them, relate to the Congress, and relate to the Government of Puerto Rico.
- Willens: Is anyone on the Inter-Agency Group from the Department of the Interior's Office of Territories?
- Farrow: No.
- Willens: I guess it's now called the Office of Insular Affairs.
- Farrow: Insular Affairs. The Interior Department is represented by Ed Cohen, who is the Deputy Solicitor and is also the President's Special Representative for the Northern Mariana Islands relations issues.
- Willens: Northern Marianas or Guam?
- Farrow: CNMI issues.
- Willens: That's right. Somebody else has been designated for Guam.
- Farrow: Right. John Garamundi is the Special Representative for Guam commonwealth issues, the Deputy Secretary at Interior.
- Willens: Is there any time frame for the functioning of the current group of which you are co-chair?
- Farrow: Our function is to coordinate all policy and activities with respect to Puerto Rico, so we have a lot of different deadlines.
- Willens: So it's ongoing . . .
- Farrow: It is distinct from a study group (and this is a question I got a lot in the initial stage where people said "Is this a study of Puerto Rican policy where you're going to produce a report?"). Basically, I staff the President. The difference (and a very significant one from what I did in the Carter Administration) is that my scope is Administration-wide in that the Special Assistant to the President on the National Security Council, who handles Caribbean and Latin America, Ambassador Dobbins is a member of our Inter-Agency Group. Jeremy Ben-Ami, who is the Deputy Director of Domestic Policy, is a member of the Inter-Agency Group.
- Willens: How do you spell his name?
- Farrow: B-e-n-A-m-i and Mark Mazr, who's Senior Director of the National Economic Council, are part of our Inter-Agency Group. So that it's Administration-wide, directed from the White House Office.
- Willens: Let me go back if I might.
- Farrow: I hope this is all not too tangential for you.
- Willens: No, it's very useful. I'm glad you went through in sequence as you did. Let me go back to a few of the earlier periods and see if I can trigger any recollections with respect to Micronesia and the Commonwealth of the Northern Mariana Islands. I gather that you worked with Delegate de Lugo from early 1973 until late 1973 on the Interior Subcommittee, I guess,

on the House side. What is your recollection now of the way in which that Subcommittee was run by its Chairman, who then was Mr. Burton, is that correct?.

Farrow: Yes.

Willens: Can you give me any recollections of Congressman Burton and in particular his attitude toward Micronesians or the people from the Northern Mariana Islands.

Farrow: I can give you a lot of recollections, not as much from 1973 but later when I joined the Committee staff. I joined the Committee staff at a point (I'll go back to that in a second but just to help you understand this) in 1982 when Phil became Chairman of the Labor Subcommittee and had left his Chairmanship of the Territories Subcommittee and Territories and Parks Subcommittee. I'd worked with Congressman Burton while I was on the Domestic Policy Staff of the White House and Tony Won Pat became Chairman of the Territories Subcommittee. Phil Burton's interest in the territories did not wane, however, and so I continued to work very closely with him even though he was no longer the Chairman of the Subcommittee. Many of my recollections really relate from that period ...

Willens: Fair enough.

Farrow: ... as opposed to much earlier, particularly in 1973 and intervening years. Phil was a unique individual. If you talk to Ron de Lugo, he will say something that I often say, that Congress became a less fun place to work in after he was no longer around. There was an excitement in working with him because he got things done that were difficult to do. He put together coalitions that were necessary for dealing with issues of the territories that really had very little political importance for the Congress or the federal government to deal with otherwise. So it was his personal interest that led to a number of things being done.

Willens: What do you think led to that personal interest?

Farrow: He told me that what had led to the interest was—there were two things actually he mentioned. One was that he had gone out to Hawaii very early in his married life, I believe, and became interested in islands from that period. He talked about his first days in Waikiki. But the primary reason that he cited was that (and this is something that Bennett Johnston had also told me once) their interest really came from this being the first Subcommittee responsibility that they had. As they got into the issue, they found it fascinating (and I guess that's why I've stayed in it). It is all-encompassing, and Phil said (I think in these words) that if I could run the country, I would be happy to run the country, but I can to an extent run the territories. And that was part of the attraction—that you could make a significant difference and deal with the full range of policy. And I think that—Ron [de Lugo] also in that sense—you could do a lot and see tangible results from that, whereas in many areas of policy, you can have an impact but it's imperceptible when the impact of all those others who are involved in the debate are considered as well.

Willens: What would you say were his principal contributions to the insular areas in the decade or so between 1973 and his death in 1983.

Farrow: I actually asked him that not long before his death. He thought that his greatest contribution had been the delegates from Guam and the Virgin Islands and American Samoa, in which he played a large role and others did as well. Because he said that their contributions would live afterwards. He was also very proud in particular of the Covenant legislation and some aspects in particular within the Covenant. Two that immediately come to mind were the extension of Supplemental Security Income to the CNMI and

the exemption from the Jones Act, the coastwise laws, which was a difficult issue for him in particular because he was very mindful of the needs of the U.S. seafaring interests. And he was particularly frustrated with respect to SSI that he had not been able to get SSI extended to other insular areas. He told me that the House had agreed to extend SSI to the territories a couple of times, but it had been stopped in the Senate by the Senate Finance Committee. That was something that he was continuing to want to address when he passed away. He passed away as a matter of fact on the way back from a trip that we'd had taken to Hawaii and where he'd met (if I recall correctly) with Governor Tenorio and the Attorney General of the CNMI, among others. He had developed a tradition of going out there in February and holding court at the Hilton Hawaiian Village. We were heading back to Washington, on the way back at the end of the trip. Tip O'Neill, who was the Speaker, was in China, and if I recall correctly, O'Neill's trip back from China (it was a large delegation) was coming back a little bit later than had been planned. So therefore the session in Congress was going to begin later than we had originally thought when we'd planned our trip out to the Pacific. So Phil stayed over in San Francisco. I came back to Washington. I was supposed to pick him up at the airport when he came back here. However, he died suddenly in San Francisco. It was also after another trip that we had just taken to the Virgin Islands. I don't think I'd seen him in the couple of years that we had worked together as relaxed as he was at that point. So it was particularly surprising that he passed away at that moment.

Willens: How would you characterize his view with respect to the capacity of the people in the various insular areas to govern themselves?

Farrow: Well, his view I think was very clear. He thought that the people in the insular areas ought to be as self-governing as possible. I think some would look at his number of actions and question that, because he had other strongly-held views that sometimes didn't comport with the views of the elected officials from the insular areas and he sought to impose his views on them. But ultimately in most cases of policy—I'll give you a couple of examples on both sides about deferring to the wisdom of the elected officials of the insular areas. An example on the side of deferring to the insular leaders was the following. The Virgin Islands passed a Constitution in 1980, and there were a number of questions about that Constitution. The Constitution had to be approved by the Congress, recommended by the President to the Congress, and Congress had to pass on it. He shared some of the concerns that the federal Executive Branch had about the Constitution, but felt that the Congress shouldn't intervene in what the voters had decided. The Constitution later went back to a referendum in the Virgin Islands and was defeated.

Willens: But the procedures at that time with respect to that draft constitution was that it would have to go before Congress before it went to the people.

Farrow: Yes. And he didn't want to intervene even though there were some fairly serious issues with the draft constitution. Another example, however, which I think helps you understand his thinking, dealt with gambling in the CNMI. He was adamantly opposed to gambling and used the force of his personal persuasion to try to prevent, and successfully prevented, some efforts to institute gambling in the CNMI during his lifetime. I think that was often the way he would do some of this, by trying to persuade the insular leaders not to go in a direction that he thought was inadvisable for their people or for their relationship with the United States. There were other occasions where he took more formal action, such as with the Northern Marianas tax rebate system. But even in doing it, he would try to craft legislation that would be as respectful as possible of local government authority while also being effective. So legislation was enacted that required, if rebates were to be made,

the rebates would be made public. It was Phil's thought that by making the names and the amount of the rebates public (he thought the rebate system probably benefitted the more affluent) that that would create public pressure to change the rebate system, which he thought was inconsistent with the intent of the Covenant. His understanding of the issue or recollection of the rebate authority in the Covenant was that it was put there (as it had been used in Guam and the Virgin Islands) to provide an industrial incentive for encouraging companies to locate there, not for effectively negating the individual income tax responsibility of the Covenant. He felt as well that the system not only benefited people who were wealthy but also did not benefit the mass of the people of the CNMI and the government of the CNMI to the extent that it ought to. It denied the community revenue and justification for federal support. The CNMI was doing what it would reasonably be expected to support itself, but needed federal aid. He also recognized that the tax autonomy of the territories and insular areas was precarious and would be jeopardized by what would be seen as tax avoidance schemes. We had at least one spectacular example of that.

Willens: In the Marianas.

Farrow: In the Marianas with an individual who sold hundreds of millions, probably closer to the billion mark, worth of stock after he had established residence in the CNMI, taking advantage of the much lower tax rates than would have applied if he had remained a resident of the United States. Phil thought that was wrong and it was dangerous for the CNMI as a whole. Legislation was later enacted that required that someone live in the CNMI for ten years before they could take advantage of the CNMI tax system.

Willens: One of the issues that comes up from time to time in this area is that the insular areas are often treated as a group, and to some extent the insular areas other than Puerto Rico are treated as a group. I wonder what your sense is both of his view and your view as to the extent to which the Virgin Islands, Guam, the Commonwealth, American Samoa and Puerto Rico have different levels of political sophistication or capacities or whatever that deserve recognition.

Farrow: Well, let's speak more to his view than mine. Again, I don't think it was a black and white area for him and I don't think it is a black and white area. He felt that the areas ought to be treated equally among themselves where it made sense to do so, and at the same time we ought to take some recognition of their unique circumstances and needs. There are many fundamental questions that are common to the areas, particular questions of governance that are common. I remember there was a Territorial highway program, and the Committee in the House had passed a bill that allocated the funding among the areas, and either excluded or unequally treated the CNMI among the territories. With the CNMI not represented in the Congress, that clearly seemed to be a factor in the way in which the funds were allocated in the Territorial highway program. He was upset by that and intervened to make sure that the CNMI got an equitable share of the Territorial highway program funding. I think in many areas he was concerned about a tendency on the part of an insular area to want distinct treatment based on their unique needs and circumstances without probably a full recognition of the circumstances and need for another insular area for those same provisions. For example, it is hard to conceive of an argument (and I think his view was) that would say that we ought to provide SSI in the Commonwealth of the Northern Mariana Islands but not do it in a Commonwealth of Guam or the Commonwealth of Puerto Rico—that needy, aged, blind and disabled have pretty much the same needs wherever they might be located. He believed in working by precedent. He was very proud (as I think I mentioned) of getting SSI for the CNMI

through the Covenant, even though he had been frustrated that he couldn't get it for the other island areas. He hoped it would be a precedent and argument for the extension to other areas. He recognized that when you looked at the fundamentals of the issues, it's hard to make some of the distinctions people try to make in rationalizing different treatment. There are different factors that ought to be considered—the trusteeship basis of the CNMI, the Treaty of Cession and the culture of Samoa. The policies had developed on an ad hoc basis because it might be the best way to address a particular issue at the time, but that wasn't necessarily a justification for not doing something somewhere else. Even though it's troubling.

Willens: One of the interesting questions raised by some of the documents that I have seen relates to whether there was any anticipation that Guam at least would benefit if the Covenant were approved with respect to the Northern Marianas irrespective of whether Guam and the Northern Marianas would ever reunite. I've seen some suggestion that there was a representation made to Guamanian officials that they would ultimately benefit by the Covenant.

Farrow: There's a federal law that says that.

Willens: What are you referring to?

Farrow: I'll have to pull it out for you, but there was language that we did in an omnibus bill. There was language which said that in the event of unification, anyway, whatever better provisions applied to either area, Guam or the CNMI, would apply to the whole.

Willens: My concern is that there may have been representations made to Guam that irrespective of reunification that the Covenant would set a precedent that might then enable Guam, when it revisited its status, to achieve at least the benefits that were made available to the Northern Marianas in the Covenant. Do you have any recollection of consideration either in the Executive Branch when you were there in the 1970s or on the Hill in the 1980s that Guam, and to that extent the Virgin Islands, might have equitably argued and reasonably argued that they were entitled to some of the benefits that the Commonwealth enjoyed under the Covenant?

Farrow: I have general recollections of this as an area of discussion over the years. I think it's important, Howard, to understand that as structured as the government becomes, ultimately this is a political system, and political will is what is primarily important. And then questions of policy. Now this is probably something Phil might or might not like to have quoted, but it relates to right before he passed away. We were in the CNMI, and we were in Honolulu meeting with CNMI officials, and there was an issue of labor law that was being discussed. I think it related to minimum wage, but I'm not quite sure. The Governor was there, the Attorney General (I think his name was Van Esser, I'm not sure), and Phil was making a point about what the law provided (federal law) with respect to the CNMI. The Attorney General corrected him, which you always did at your peril with Phil. His response was that what he had said was his intent in writing the law, and if the law didn't reflect what he intended, he would change it to do so. Again, I think that's what's most important, what the political will is, what the intent is, and sometimes, as we've talked about in the case of the rebate law, if there are loopholes, then you'd come back and fix them. What I'm saying relates more to your question than it may appear right now. Whether people in the Congress or Executive Branch intend to create a precedent or not when they are creating policy, in a political system, they are. This is for the reason that I mentioned earlier with respect to SSI. For example, hypothetically one can say that we're extending SSI to the CNMI and it's not a precedent for any other

territory or commonwealth. But that is not an argument that one can successfully make to the people in another insular area. It may be that there are good reasons for not doing something like this in a certain insular area while doing it in another one, and decisions such as this ought to be made on a case-by-case basis, but it seems to me it's got to be a pretty good reason. With SSI, as I say, I can't think of a policy reason for doing it in one place and not doing it in another. Clearly, Guam, for example, has looked at the CNMI as part of the Trust Territory, negotiating the Covenant, seeing some of the aspirations that Guamanians had for Guam realized through the Covenant with respect to the CNMI, for the Northern Mariana Islands, an area that they had declined to unify with earlier, felt had not been as loyal to the United States in World War II, and did not have the history with the United States, and feeling that a Commonwealth Covenant was the way to realize specific aspirations, whether it be for SSI or exemptions from the Jones Act, more autonomy, mutual consent, in a relationship, to which they had long aspired. The people of Guam voted for commonwealth as a political alternative in 1982, shortly after the full implementation of the Covenant. Much of the language of the Guam Commonwealth Bill was taken from the Covenant. There are similarities between language in the Covenant and proposals with respect to what was called the Compact of Permanent Union that Puerto Rico's government proposed in 1975-76. There is no monopoly on ideas, and you create political precedent, even if they're not verifiable legal precedents. We can make some distinctions between the CNMI and other areas and some distinctions between Samoa and other areas, but they're not going to be that persuasive to the people of the insular area who want something.

Willens: Why do you think it is that Guam has been unsuccessful over the past few decades in achieving some of their improved status aspirations, putting aside for a moment the more controversial aspects of their proposed Commonwealth Act. What's your judgement looking back at what the failures may have been on the part of the Guamanian leadership in bringing about some improvement in their status?

Farrow: First of all, I find it hard to see failures on the part of the Guamanian leadership as opposed to failures of the overall process and of history to resolve it. But there are a couple of factors that I experienced that I think relate to this that should not be forgotten. After Guamanians voted for a "commonwealth" relationship in 1982, there was a proposal by Guam's leadership that the matter be negotiated with the federal Executive Branch. Then Chairman Udall of the Interior and Insular Affairs Committee had some concerns about Executive Branch negotiations because of the experience that the Committee had with the free association negotiations with Micronesia during the Reagan Administration. The relationship between the Committee and the Administration was strained, to put it at best. I remember in one of those trips to Hawaii being at the Hilton Hawaiian Village with Phil, while Fred Zeder, who was the Reagan Administration Compact negotiator, was at the Ilikai Hotel, right across an alley. Phil wanted to be briefed on the Compact negotiations, and Zeder suggested that Phil come over to the Ilikai, which Phil refused to do. They wound up never getting together. The problem was not based on partisanship. Phil had an equally poor relationship with Peter Rosenblatt, who was the Compact negotiator in the Carter Administration. But there was a difference in the negotiations that had been conducted by Haydn Williams with the CNMI in the Ford Administration. I was not around at the time, but heard about this from both Phil and Haydn Williams. There was substantial consultation with the Congress and a close working relationship. There was almost no consultation or communications with the House Committee during the Compact negotiations in the Reagan Administration. There were strained consultations in the Carter Administration (some of which I helped alleviate). I don't

think that the problem was the fault of Peter Rosenblatt, who was trying to consult, but there was a lack of a personal working relationship. These experiences were largely responsible for Udall's judgment that there should not be Executive Branch negotiations with Guam for commonwealth. Again, Guam's Governor Bordallo suggested CNMI-like negotiations, and Udall was uncomfortable with that. There was another reason as well that was important. And that was that the status of Guam and the CNMI were different to begin with. Guam was a U.S. territory with a delegate to the House of Representatives, so Udall suggested that Guam's delegate introduce the status legislation that Guam wanted. To explain this, he proposed to meet with Guam's leaders. He became ill, however, and we wound up holding the meeting in Albuquerque, New Mexico in December 1983, chaired by Manual Lujan, who was the ranking Republican on the Committee. There were two aspects of the meeting that I want to mention. One was that we (on the Congressional side) were clearly trying to convey to the Guamanian leadership that they should develop two pieces of legislation. The idea, essentially, was that they would develop legislation, send it on an informal basis to the Committee, we would give them our comments and have sort of informal negotiations, trying to pull in the Executive Branch. The Interior Department was trying to stay away from the issue. The Assistant Secretary for Territories at the time said that status is a Congressional responsibility, not an Executive responsibility. We wanted to pull them into it. But we would negotiate that way on informal drafts of the legislation. We suggested, and thought we had understood, that there would be two bills that Guam would propose, one dealing with fundamental status questions, and another dealing with assorted, primarily economic, issues that Guam wanted to raise. In the course of the conversation, Congressman Lujan, then Congressman Lujan, later Secretary, said to Governor Bordallo, "Throw in the kitchen sink," meaning into the second bill, which was not essential for establishing the new status. Guam's leadership, however, took it to mean throw the kitchen sink into the basic status bill.

Willens: I see.

Farrow: He meant that you can propose whatever you want through these two bills. Guam went and later developed one draft bill, encompassing all the issues, ranging from fundamental status questions, for example, mutual consent, to what type of telephone rates should be applied to Guam,. Domestic vs. international. Policies of the latter sort are constantly changing, (we could never keep up with them in a basic governing arrangement document) and extremely complex. There was also another change in the way the issue was handled after the Albuquerque meeting. In spite of advice (particularly from John Seiberling at the time) to Guam's leadership, Guam voted on its draft bill before submitting it to the Congress. We had assembled an informal working group of various Committee staffs where we had people from the Ways & Means Committee and Energy Committee, Commerce Committee in the House, all the relevant Committees that would have to deal with the legislation. We prepared a presentation for Guam's representatives on their draft bill and said here's what's likely to fly and what's not likely to fly and here are some suggestions on how to avoid problems and so forth. Guam's leadership then decided to hold a referendum on the bill, which was against the advice, public advice by Seiberling in a hearing. By referendum, the voters endorsed the bill. (As a matter of fact they had to have two votes to endorse it. The voters did not approve the sections on immigration in the first round. There were some changes to the sections on immigration and then the voters then came back in the second referendum and ratified that part of the Commonwealth Covenant legislation.) Then Guam sought approval of the legislation, with some people there thinking that by doing so they were constraining the ability of the federal government to say no to some of these provisions. As a matter of

fact, it essentially led to a stalemate on the issue because it did become awkward for federal officials to disagree with something that the people had voted for, although it did not actually prevent them from doing so. So that was another reason for the failure. I think a third reason for the failure of the process so far has been how it was handled within the Executive Branch in past Administrations. As I mentioned, in the Reagan Administration the Interior Department took the position that this was a Congressional issue. In the Bush Administration, with some prodding from the Committee, that the Interior Department still cites, they entered into negotiations and set up an inter-agency task force to conduct those negotiations chaired by the Assistant Secretary of Interior.

Willens: Who was that?

Farrow: Stella Guerra. The negotiations produced a comprehensive and generally good report on the Guam Commonwealth Bill. The real problem with those negotiations came when the draft report was submitted to the Executive Office of the President for Administration approval. Within the Executive Office of the President, a number of decisions were made reversing positions that the Task Force had recommended in the negotiating with Guam, to the great disappointment of Guam's Governor Joseph Ada and Guam's Commission on Self-Determination. I'll give you an example that actually preceded this stage of the effort. The negotiators wanted to agree to extension of SSI to Guam. There were people within the Bush Executive Office of the President who asked, "If we do this for Guam Commonwealth, how do we say 'no' to the Commonwealth of Puerto Rico proposing SSI? What's the policy basis? Therefore, we shouldn't agree to it in the case of Guam." So, it was a reverse attitude from the one Phil Burton had. But an understandable one. In some ways, it was a responsible approach. I think that in this case it was probably not unrelated to the strong support that Bush had for statehood for Puerto Rico, although there certainly are other reasons that can be cited. Again: Are we acting inconsistently without justification? In any case, the report that was sent to the Congress at the very end of the Bush Administration seriously disappointed Guam, not only in the areas that they knew they were going to be disappointed, but in some areas where they thought they had agreements with the Bush Administration through the negotiations and a great deal of effort over a couple of years. So I think there was a process failure. It's very difficult in negotiating on these types of issues for the negotiators not to get out ahead of their principals in the Administration. It requires a fairly good construct of a process, and I think that process existed in the Micronesian negotiations. I think they existed in the CNMI negotiations. I wasn't directly involved. I know Phil talked about his relationship with Gerald Ford and so forth helping in the Ford Administration. In the Carter Administration, Peter Rosenblatt as negotiator would not agree to something, and in most cases didn't propose things, that he had not gotten authority to negotiate.

Willens: Was there still in place in the Carter Administration an Under Secretaries Committee that was comprised as the title indicates of Under Secretaries of the concerned departments and then would produce draft proposals for the President if required that would be processed by the National Security Council? Do you remember anything like that?

Farrow: Yes. There was an Inter-Agency Group or whatever that was chaired by the Counselor of the State Department, whose rank was just about at the Under Secretary level. Roz Ridgeway was the Counselor for much of the time period that I was on the Domestic Policy Staff. They would propose negotiating instructions for Peter Rosenblatt to the White House. I did a lot of the work on them at the Domestic Policy Staff, although as I mentioned Don Gregg also worked on them for the National Security Council staff. His scope of responsibility on the National Security Council was responsibility for the entire

Asia Pacific region. It was much bigger than my area, so I probably did more work on these projects than Don did. I went out to the negotiations myself and sat in and then had separate meetings, coordinated with Ambassador Rosenblatt, with Micronesian leaders and people on the Hill. So, there was an inter-agency framework, and the inter-agency framework consulted with the White House before they took a direction. Let me give an example of this: There is an inflation adjustment factor in the Compact. Ambassador Rosenblatt had worked on it, the departments had produced it, sent it to the White House, and in the Executive Office of the President, it was reviewed by the Office of Management and Budget, and came to the policy councils, to Don Gregg and me, then it went to the President through our bosses, Zbigniew Brzezinski and Stuart Eizenstat. (It actually went to the President through the Staff Secretary, the paperwork manager for the President, a very important role in any White House. You learn around here that you've got to conform to the Staff Secretary's formats on addressing questions before you get your questions answered.) President Carter rewrote the formula for the inflation adjustment. President Carter was somebody who looked at a lot of details and he wound up rewriting the formula.

Willens: Let me ask just a few questions about the Micronesian negotiations at that time since we're in that time frame. I have not given the Micronesian negotiations any particular focus in what I am doing, but I have interviewed two of the lawyers who represented the Micronesians during this time frame, both Paul Warnke and Jim Stovall. And I do know Peter Rosenblatt and I may pursue it at least to that extent. One issue that interests me is whether at the time that you got involved in the late 1970s, there already had been some recognition on the Executive Branch side that it was impossible to retain the remainder of the Trust Territory with the exception of the Commonwealth as a single entity. Were you faced with fragmentation at the time you got involved, and in any event, what was your attitude toward that?

Farrow: Well, I think we were faced by it at the time I got involved. The negotiations were with a multi-sided table at that point.

Willens: Would this have been in the 1979 time frame, or would it have been earlier?

Farrow: 1979 was when I became involved. It was after the Hilo accord that laid out the principles of the Compact and the negotiations were already under way.

Willens: It laid out the principles of the Compact or ...

Farrow: The Compact of Free Association. The basic outline. There was a document as I recall that Peter had negotiated with the Micronesian leaders called the Hilo Accord or Hilo Principles that had four or eight or whatever components of what the political status arrangement would be.

Willens: Did that contemplate one such free association relationship, or more?

Farrow: I believe it did. When I got into it, there were representatives from the distinct entities representing different, nascent sovereign governments. The fragmentation particularly related to the different strategic positions of the areas, as well as the political differences among them. I don't mean strategic positions militarily, but strategic positions in terms of negotiating leverage. With the Marshalls having access to Kwajalein to negotiate and Palau having its specific military use value to the United States, and what became the Federated States, Truk and Kosrae and so forth, not having the negotiating leverage of that sort.

- Willens: Did you have any sense at the time in the late 1970s that the U.S. defense or military objectives in the Trust Territory were significantly lessened than they had been in the late 1960s or early 1970s? Do you have any view on that?
- Farrow: Oh, yes. I had some. I'll give you a good example that will sort of drive it home. Again, it gets back to Phil Burton. As you well know, a provision of the Covenant provided for the lease of land on Tinian to the military. Ultimately that lease payment was made only because Phil forced it through the appropriations process. Left to its own devices, the Department of Defense would have just as soon passed up the lease by the early 1980s. You asked me about the late 1970s, but I think that was reflective of the different view that may have occurred a few years earlier about the strategic position.
- Willens: As I recall, the United States Government had a five-year time period within which to make a decision whether to lease the land and make the negotiated payment. It did come late in the day, as I remember, although I was not personally involved in anything involving the Marianas at the time. It is your recollection now that but for some pressure from Congressman Burton, the Defense Department might have opted to forgo the lease?
- Farrow: Yes. Phil wanted the money that the lease payment would make available for education in the CNMI. So, he pressured the military appropriations process to exercise the lease option obtaining the expenditure of some \$30 million (or whatever it was). We worked with the Appropriations Committee in the House to get this added to the Defense budget. I think, ultimately, some in DoD would like to have everything that it can get under its control—as many people in government would—but Tinian was low on its priority list. The lease would not have been exercised without the political interest in providing the funding for the CNMI under the Covenant. I think that was reflective of the changed military picture from when the Covenant was negotiated several years before. Also, the National Security Council wasn't pushing the Micronesia issue as much as I did.
- Willens: One of the other issues that has come up in my work has been whether the free association relationship as defined by the negotiators changed during the 1970s, specifically with respect as to whether free association would leave with the Micronesian entities the responsibility for foreign affairs as originally construed. Maybe you know this. It was thought free association would delegate both foreign affairs and defense to the United States. But by the late 1970s, it is my understanding that at some point the Micronesians changed their view and thought that control over foreign relations was necessary in pursuit of sovereignty, which they were considering to be of prime importance, and that the United States finally agreed that it could leave the authority for foreign affairs with the Micronesian entities. Do you have any recollection of discussions of that kind?
- Farrow: No, I really don't. I mean I'm aware of that and the different conceptions of free association, but I don't remember that debate specifically. It may have preceded me. The first issue I remember us dealing with (it was a major issue) was the strategic denial question and in particular the concern of some members of the Senate that we were giving up military rights that U.S. soldiers and sailors and so forth had died for in Micronesia. A real problem with the Compact was resolved by the strategic denial language that was then agreed to. I mentioned the difficulty between the House Committee (Phil Burton) and Peter Rosenblatt. In the Senate, the primary issue Senators Jackson and McClure and Johnston had raised was our military rights in the region (vs. Burton's concern for the health and education needs of the Micronesians).

- Willens: Wasn't it always contemplated that free association would include denial of that area to any power other than the United States?
- Farrow: I think it was contemplated by some people to include more than that. The question was what would occur if the Compact relationship were abrogated? Would we continue to have the ability to deny access to the area to other countries that the Compact provides? Would we continue to be able to deny it even if the relationship was terminated?
- Willens: That was an issue that was of particular importance to the Senators that you named.
- Farrow: Yes. Senator Jackson, and I would suggest you talk to Jim Bierne about this. He can fill you in a little bit more. Phil Burton's primary concerns with respect to the Compact were health and education funding, the treatment of nuclear victims, and more of what might be covered under domestic programs. Part of the problem he had in the Reagan Administration was that some of the understandings that he thought he had reached with the Carter Administration were not implemented in the Reagan Administration, even when it picked up the negotiations, essentially from where the Carter Administration left them. That led to a very difficult process of consideration of the Compact well beyond Phil's lifetime in the Congress. The Senate's concerns had largely been taken care of in the negotiations during the Carter Administration, again through the strategic denial issue, whereas the House concerns, health needs from nuclear testing, etc., had not been. At the end of the Carter Administration, Phil had asked us not to conclude the Compact, hoping that after the 1980 election there would be an opportunity to improve the Compact in some of the areas that he wanted to see improved. We compromised on this. Ambassador Rosenblatt very much wanted to sign the Compact before the election in 1980. The compromise was we had the Compact initialed but not signed. In the end, though, it turned out not to be to the benefit of what Phil hoped to accomplish, because the Reagan Administration was much less solicitous of his views.
- Willens: You mentioned the names of a few members of Congress, and I have a few also that I'd like to just ask you about. Was Tom Foley a member of the Committee and did he continue his interest in the Territories that he had in the late 1960s and the early 1970s?
- Farrow: I remember that he was a member of the Committee. I didn't get to know him until later, though.
- Willens: Was he still involved in Territorial issues at the time that you got to know him?
- Farrow: He had minimal involvement but he had great interest. One of the things that I did for him was once when he received a notice that his membership in the CNMI Bar, Saipan Bar, was being terminated . . .
- Willens: I just wrote out my check.
- Farrow: . . . he asked me to deal with that. We got it solved. I think they made him an honorary member for life. His interest really struck me. He had worked on these issues from the time of being a staff member on the Senate committee staff under Senator Jackson and had been very deeply involved in them. By the time I got to know him, he was Majority Whip of the House, or possibly, Agriculture Committee Chairman. We (really Phil) worked out something with him while he was Agriculture Committee Chairman on broad waiver authority for Agriculture Department programs requirements in the insular areas. He and Phil were close and worked well together. Later there were a couple of instances in which we (including Ron de Lugo) worked with him. He was very involved later in the Puerto Rico status legislation in 1989-90. He had been on the Puerto Rico Status Commission in the early 1970s, still a member of the Interior Committee at that point. He represented

the Committee, and Bennett Johnston represented the Senate Committee, and the President had named some people, and the Governor of Puerto Rico and the legislature of Puerto Rico had named some people. And then at some point he resigned, if I recall. He resigned from the Status Commission probably when he left the Committee.

Willens: What about Representative Mink, who served on the Committee for many, many years?

Farrow: In the years that I was involved I think [she had] less direct involvement. I know that she was earlier on, and like most of the Hawaiians were, always willing to be of help and involved, but not necessarily the leader on the issue. She also had a close relationship with Phil. While Phil was around, he essentially spoke for the House on Territorial issues. Although he would often ask somebody else to speak or stand up or offer an amendment or whatever, a lot of it was Phil-constructed, working with the delegates.

Willens: How about the contributions that Mr. de Lugo and Mr. Won Pat made to the work of the Committee in dealing with insular areas?

Farrow: Tremendous contribution. They both served in the Congress for a long period of time. It's a place that works on a seniority basis; the current delegates haven't served as long as they did. They both got along with people. They were there from the beginning. People like Tip O'Neill had a close friendship with Tony Won Pat. People, leaders, who were friendly with Phil and knew Phil's closeness to both Tony Won Pat and Ron de Lugo, I think partly became close to them because of that. They both were individuals who had previous legislative experience who were uniquely qualified to serve in the personal environment of the Congress and succeeded very well in it. Particularly in Ron's case, he wound up with enough seniority to chair other subcommittees of the Congress. I remember him turning down the Aviation Subcommittee, which is an important subcommittee from a national perspective. And he turned down one or two other subcommittee chairmanships over the course of his chairmanship of the Insular Subcommittee because of his interest in the issue. Ron de Lugo and Antonio B. Won Pat were very different individuals. By the time Tony Won Pat became chairman, he was older and had had a stroke and so forth, and so couldn't express himself quite as well. But he had extremely important personal relationships with House leaders that benefitted the Territories greatly. Both were people who looked beyond the scope of their islands to insular policy in general and the needs of the other insular areas.

Willens: How about Senator Johnston?

Farrow: I just did an interview in Puerto Rico where people are sort of assessing the new Congress. One of the points that I made was how much of a loss it will be to have Senator Johnston leave the Senate. It's hard to explain how he and Phil Burton in particular . . .

Willens: Did they work well together? They were very different people, as I recall.

Farrow: Yes, they were very different people. They didn't have a close personal relationship, but they had an ability to work well with one another—from some distance. They recognized each other's different philosophy and would negotiate solutions to differences. They were very different ideologically. They both understood politics, power, and respected each other's authority, expertise and interest. It is something that has changed a lot in this Congress, not just Democrats to Republicans, but not having these powers who act as sort of the Senators or Congressmen from the territories and are major players in the legislative arena, important power brokers in the House and the Senate. We don't quite have that right now.

Willens: Let me just ask you a few remaining questions. You did in the late 1970s produce a report

on territorial policy. I forget the title of it. I believe I have read it, but I don't remember it yet at the moment. Could you summarize what were the principal points that your group made at that time with respect to territorial policy?

Farrow: I'd rather send you a copy. It had a number of specific recommendations of measures that ought to be instituted with respect to the smaller U.S. insular areas.

Willens: Were any of them implemented?

Farrow: Some, not as many as should have been because they came in the last year of the Carter Administration.

Willens: The timing was not too fortunate.

Farrow: Right. Which is often the case with policy and something that I find with respect to all the insular areas that people have a hard time understanding. Of course, if you're 9,000 miles away, 12,000 miles away, whatever it is to the Pacific Ocean, or a couple of thousand to the Caribbean, you look at Washington sometimes as a monolith and if something isn't done you tend to feel that this is a conscious United States government decision, that there is a particular policy behind it, where as often it has to do with the timing. Had other things been present or time extended during a particular Administration or particular Congress, something that wasn't done probably would have been. In these cases, difference in policy is largely just attributable to the change in the players.

Willens: One of the comments one hears in the Marianas at least is that there seems to be a lack of continuity in dealing with the territories. Do you think that's a fair criticism?

Farrow: I think it's fair. There's not a lot of historical knowledge within the government as a whole. We had a lot more of it I think in the Congress than there may be now. This is not any criticism of individuals; it's just the natural consequence of changing the players. It's always been a problem within the Executive Branch as political appointees have changed.

Willens: One of the specifics that comes up from time to time is that people who come into the Interior Department in particular would rather not become familiar with the Covenant and the provisions in the Covenant that outline a different relationship than exists with respect to Guam and the Virgin Islands.

Farrow: I've never sensed that. What I do sense though was that (and not Interior per se but just overall) it is difficult to understand all of the differences in the governing arrangements, what they are as well as why they should be. And it is complicated. They're very (in a relative sense) small questions, and to sort them all out [is difficult]. We have a system of government where the basic units of our government are the States in this Union, and the uniformity clause essentially says they're all treated equally. We were sitting not in one of the States but in the District of Columbia, which is in essence an incorporated territory treated as a State in all aspects other than political representation. So 98 percent of the population of the country are in areas that are uniformly treated. Then we have a couple percent that are treated differently not only from the other 98 percent but within the two percent, constitutional or whatever the basis might be, there's some debate about that in the case of some areas. Not only are you dealing with only 2% of overall number of people for which the federal government is responsible but different treatment among five different areas which these two percent inhabit. It's very hard for officials to keep straight and to understand, and many of them don't. Many of them don't get to understand it by the time they wind up leaving a particular responsibility. This is not just unique to territories. I've observed some of this in dealing with foreign policy, with a State Department that rotates people every few years, except that there is much greater institutional knowledge. And the

questions that they deal with are on such a much larger scale that it is easier to keep that continuity, than some of the little, smaller policies or little projects that really relate to an understanding between one individual and a Territorial government to what they're going to do in the future, where something might lead, and as much really to their ideas for what the policy ought to be as much as what the policy is. And also, just as important, power is dispersed within the federal establishment. The Interior Department has a number of specific missions with respect to different insular areas but its role in them is just part of the concerns of most insular areas. Other departments also have their own missions in the areas. So it is hard to coordinate and have one cohesive direction. It's very tough in the case of the Interior Department because they are often looked at, and in some cases have a specific statutory responsibility as, a lead agency for insular matters but other departments have statutory responsibilities that are not constrained by Interior's judgment.

Willens: You have attended (I believe) some if not all of these conferences on insular affairs, and you've probably spoken at some if not all of them. There's such widespread dissatisfaction out there in the insular areas as to a relationship with the federal government. Is this sort of an inevitable byproduct of the fact that they're not States, or is there some basic way you think that there can be substantive improvement in dealing with these insular areas?

Farrow: Let me confine what I say to what I deal with, which is Puerto Rico. It became clear that, to establish coherent and consistent policy, we needed to coordinate within the Executive Branch. I think that your question is perceptive, that as long as you're dealing with a subject area that is not so clearly defined of what the rules and responsibilities and obligations and so forth are in the Constitution, there are subjective decisions that have to be made from time to time. It's inevitable that there are problems that are going to arise, and frustration. And again the factor that I mentioned just before, that you have in a relative sense some small areas, questions that most Americans are not familiar with. But what we've done with respect to Puerto Rico (and I only mean it to apply to Puerto Rico) has addressed a real need linking the White House in a formal structure with the departments, designating within each department a lead person at a policy level to deal with the Puerto Rican questions. Nelson Diaz is the General Counsel at HUD. He doesn't personally handle all the issues at HUD that deal with Puerto Rico, but he understands them more than somebody else might. We've created a network so we can communicate clearly and cohesively and address problems and issues very rapidly. You don't hear now from Puerto Ricans that they're not getting attention from the federal government, a familiar complaint from all of the insular areas that used to be heard from Puerto Rico too. They don't always like the answers, but they know they're getting attention and they know policies are done on the basis of understanding.

Willens: Is there any reason in principle why that same technique could not be used with respect to the other insular areas?

Farrow: That's something that others have to address.

Willens: In the middle 1980s there was an effort out in the Northern Mariana Islands to revisit what the Covenant meant. There were some publications dealing with self-determination realized or re-examined, and it set forth an interpretation of the Covenant that was certainly quite inconsistent with what many of the people engaged in its negotiations thought it meant. Did you have any encounter with this argumentation which seemed to be an effort to reduce the measure of federal interference in or supervision of the Commonwealth?

Farrow: Oh, I spent a lot of time on it.

- Willens: Looking back on it a decade later or so, what was your assessment of the substance of that effort and secondly its consequences?
- Farrow: Well, Phil's view was that there were questions that the Covenant raised but didn't answer, and there were imperfections in the relationship but that if the issues were pursued with good will on both sides, that these shouldn't be too troubling. He sought to ensure that people adhered to what the relationship was intended to be on both sides and tried to impose his views in this regard on federal officials as much as sometimes on local officials. I think the relationship took an unfortunate turn for the worse after his passing. There were specific policies that were responsible for taxes, immigration and labor policies. As well as very legitimate questions about what the political relationship was, was intended to, and should be. Some of those who were reexamining the relationship wanted what is more commonly understood as free association than perhaps the Covenant provided. It was not always clear that they represented what the people of the CNMI wanted. The Covenant and the Covenant legislation (Senator Javits' amendment) provides for re-examination of issues every ten years, and there's a fairly good structure in the Covenant for addressing day-to-day issues as well as the overall 10 year type issues, the even bigger picture issues. It's inevitable that differences will arise because of changes in particular policies and because of changes of Administrations and other reasons. Not addressing some of these issues as well as they could have been may have led to more reexamination of the basic principles of the Covenant than might have been necessary if problems had been handled better. Getting back to what Phil said, that if we all are fairly sensitive about these questions, the relationship as a whole could work.
- Willens: What would you say have been some of the major strengths or accomplishments of the Covenant? And my second question, of course, would be what do you think some of the major deficiencies and weaknesses have been? I think you've already referred to some of the major problems in the tax area, immigration and labor.
- Farrow: Well, immigration and labor, let me just start on the negative side. I do think that the CNMI of today is a very different one than was envisioned when the Covenant was negotiated. You were a negotiator, so you know that better than I. Rightly or wrongly, what has been done has not protected the CNMI and its culture and community. There's a natural tension between economic development, the need for workers, and an effort to try to protect the culture. The President just sent a letter to Governor Tenorio. It said, in essence, that, overall, this is a relationship that we ought to be very proud of, that has worked well, and that provides the means for addressing problems. I think the Covenant was an enormous achievement in insular relations. It was developed for the CNMI, but some of the ideas, as I've mentioned, have been picked up by Guam in its aspirations, and some of the ideas are ones that ought to be thought about with respect to other areas. And the structure of addressing problems I think is a major contribution.
- Willens: You've been out there regularly, I gather, over the last decade or so?
- Farrow: Not so much in the past few years. The last time was in 1994 before taking this job.
- Willens: One of the problems that the Marianas now has to deal with is dealing with these problems in some sort of a reasoned and politically feasible way. What troubles some of the politicians in particular is the constant threat that if they're not resolved in precisely the way the Congressional oversight committees think is appropriate, the consequence will be significant modification of the Covenant and the relationship between the Marianas and the United States. Do you have any reaction to that expression of concern?

- Farrow: Well, I do think from what I've seen that there's been more talk about putting limitations on federal funds or exercising authorities that clearly were contemplated in the Covenant itself. The Covenant, for example, provided the CNMI with immigration authority through the termination of the Trusteeship. The federal government clearly has the ability to extend U.S. immigration authority afterwards. At the time that this was negotiated, there were efforts to examine U.S. immigration policy in general including determining whether there ought to be special provisions for insular areas, which never came to fruition. It has been a long period of time. Immigration policies that the CNMI adopted were different than the ones the people on the federal side thought were going to be developed. So it's natural that people here would examine whether it still makes sense for the CNMI to have immigration control, and seeing the problems that have resulted from it and abuses. Also, a lot of time has been given to correct problems and, in some cases, the results have been disappointing, suggesting the need for more direct federal action. Generally, a lot of leeway and time has been given. Federal funding on the Covenant (I've worked on that very intimately) is extended to cover grants far longer than I think the negotiators thought they would. When we extended it in the mid-1980s, we felt real happy and proud we'd been able to do this beyond what ought to have been anticipated.
- Willens: One thing I've heard about but don't know very much about is whether at the time that was extended, in other words a second period of seven-year funding was authorized by Congress, whether there were certain concessions made by the Commonwealth with respect to its use of those funds and the extent to which the federal government could provide auditing authority and so forth to ensure the funds were being used for the specified purposes. Do you have any recollection of any trade off of that kind being discussed?
- Farrow: Well, we talked about tradeoffs with respect to the tax rebate issue. We also recognized that the federal government would be able to audit the use of its grants.
- Willens: I see that our time is up, Jeff, and I wish to thank you very much for your help on this project.
- Farrow: You're most welcome.