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U.S. mission in Iraq 'a success,' MSU president maintains

November 26, 2003 Publication: Lansing City Pulse (MI) Word Count: 1005

U.S. mission in Iraq □ a success,' MSU president maintains

Problems remain; □ This isn't Ohio'

By DANIEL STURM

What business does a university president have in Iraq, and what purpose might this possibly serve for higher education? Quite a few people in the Michigan State University community have brooded on these questions since last April, when MSU President Peter McPherson was appointed to oversee Iraq's economic development as the financial coordinator for the Office of Reconstruction and Humanitarian Assistance.

Monday, students, faculty, and area residents heard McPherson publicly discuss his work in Iraq, and voiced concerns, support, or disapproval in front of a large campus audience since his return in September.

Two hundred people gathered for the evening forum, held at the MSU Union. The audience met a confident university president, who called his mission in Iraq "a success," although he said some concerns about the stability of Iraq's economy, political system and security remained. "This isn't Ohio," McPherson said.

MSU's president had played a role in removing Saddam Hussein. His image, that is. As financial coordinator, McPherson explained that he was responsible for some hundred million dollars in cash, to be paid to government employees. But since only Iraqi dinars had been available, and these were marked with a picture of Hussein, McPherson had proposed printing new money □ without the dictator's image. Today, there are six denominations available. "Frankly, this is a success," said McPherson.

The college president's role in Iraq wasn't limited to the symbolic dismantling of Hussein, as Fortune magazine put it on June 23, McPherson was to make "Iraq safe for capitalism." His primary tasks were to manage Iraq's oil revenue, administer its central bank, and privatize Iraqi state-owned firms.

McPherson reported that he was able to open up Iraq's economy to private enterprises, so that its firms no longer depend on government subsidies. His team laid out a plan to make Iraq's economy more open to free trade than any other country in the Middle East. McPherson praised the marginal income tax system introduced by his team, with the highest rate at 5 percent, tariffs at a flat rate of 5 percent, and the legality of unlimited foreign investment.

McPherson said he knew that some people opposed his mission in Iraq. "I think that's just fine. One of the great things about Michigan State is that we discuss things openly," he said.

In an open question and answer session, Richard Peterson, a professor of philosophy, wanted to know how significant economic changes imposed by the United State could be legitimized, especially in the absence of an elected government.

McPherson replied that the occupation law was ambiguous. He said that while the French government thought they shouldn't do anything, he felt economic change shouldn't wait until after the next election. "I believe it's irresponsible to be down there and not to act."

Rosina Hassoun, an adjunct professor of anthropology, expressed concerns that rebuilding Iraq meant merely boosting U.S. companies without benefiting Iraqi firms. "Will this money be given back to Iraqis?" Hassoun asked.

Due to its close alliance with the U.S. corporate sector, the Bush administration has been criticized for occupying Iraq in order to win a piece of the market and to be able to influence neoliberal economic reforms in the Middle East. To give an example, the Kellogg Brown & Root unit of Halliburton, an oil-services company formerly headed by Vice President Dick Cheney (a close friend of McPherson), controls Iraq's oilfields under a controversial, no-bid contract from the Army Corps of Engineers. Halliburton has been accused of price gouging on imported fuel.

McPherson argued that the huge contracts given to Halliburton and Bechtel were essentially finished. He added that the new \$87 billion budget appropriated by Congress could by definition only be awarded to U.S. firms. The MSU president said he believed the U.S. government should make sure that it hires more Iraqis, and that it should push for more Iraqi subcontractors.

Williamston resident Sam Hindi, who grew up in Baghdad, said he wonders if McPherson plans to send a team of academic experts to rebuild the country's agriculture.

McPherson said that he would "love to put my fingers in this," but another university, Texas A&M, had already been awarded the contract for agricultural work in Iraq.

English professor Kenneth Harrow said many people were very unhappy that MSU was involved in Iraq. Harrow suggested discussing some of the issues "before we get into them" and reminded the audience of MSU's role in the war against Vietnam.

From 1955 to 1962 MSU provided academic cover to CIA agents in South Vietnam, operating under a \$25 million contract with the federal government to bolster the dictatorial regime of puppet President Diem. MSU provided police training and weapons to South Vietnamese police forces. The involvement had led to a criticism questioning the role of institutions of higher education in wartime politics.

McPherson, who as chief administrator for the U.S. Agency for International Development took part in international projects in 70 countries during the 1980s, said he didn't see an immediate opportunity for the university to commit itself to Iraq. If that question comes up, he said, "I'm sure there will be an opportunity at time to talk about it."

Considering the strong public interest and potential critique surrounding McPherson's role in Iraq, the tame and bureaucratic tone of the evening was surprising. Last summer, in a July 3 interview from Baghdad, McPherson had reported: "It's fun to put together a country's budget," and had told The State News: "I think this must be heaven [□] A lot of people can adjust to not have running water all the time." Those remarks had provoked criticism from History Department chairman Lewis Siegelbaum, who wrote in a letter to the editor that, in light of the daily reports on the devastation in Iraq, such a statement was grossly insensitive.

The Monday evening forum included no such exchanges. The talk revolved mostly around finances. Upon leaving the auditorium, I heard one audience member comment to her friend: "We really were too polite."

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Lansing City Pulse (MI)

Date: November 26, 2003

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