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Where is McPherson leading Moo U? - Critics see comparisons to MSU's Vietnam-era role

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Where is McPherson leading Moo U?

Critics see comparisons to MSU's Vietnam-era role

Condoleezza Rice speech only latest indication

By DANIEL STURM

Shortly before MSU President Peter McPherson left for Iraq in April 2003, graduate students in Agricultural Economics 841 were given the following question on their final exam: "Imagine that you are done with finals and the phone rings. It's Peter McPherson, and he wants your help in rebuilding Iraq." They were asked to create a plan for phasing out food subsidies, restructuring large state-operated firms and considering the market and regulatory policies necessary for the restructuring. Professor John Staatz told his class that McPherson had asked for his feedback, and he was passing the inquiry on to them.

One international student said he felt so disgusted that he almost walked out on the exam. He said that being forced to advise McPherson on how to illegally occupy Iraq was downright "abusive." The student has since then transferred to another university.

Following National Security Adviser Condoleezza Rice's invitation to speak at MSU's commencement Friday, May 7, an increasing number of MSU faculty and students are saying that the university president's pro-war politics are affecting the learning environment on campus. What business might a college president have in Iraq, anyway? And what could this possibly have to do with higher learning?

□ Life is Good' In Iraq, said McPherson

In the summer of 2003, McPherson, who was described by Fortune magazine as the U.S.'s point man for "making Iraq safe for capitalism," made a call from Baghdad to East Lansing. The university president had been appointed by

President Bush as financial coordinator for the Office of Reconstruction and Humanitarian Assistance. He had set up office in one of former President Saddam Hussein's many palaces, complete with marble floors and other luxuries. "I think this must be heaven," McPherson told the MSU student newspaper, *The State News*. "I think life is good." He said he was enjoying his sabbatical from Michigan State University, and he expressed optimism regarding Iraq's future.

Lewis Siegelbaum, chairman of the History Department, felt that in light of the daily reports on the devastation in Iraq, McPherson's statement was grossly insensitive. In a letter to *The State News* Siegelbaum wrote, "McPherson does seem to be having □fun' putting together a budget, leaving his suit in the closet, and otherwise playing the colonial officer. I, for one, am ashamed."

News of McPherson's decision to invite Rice as this year's undergraduate commencement speaker infuriated Siegelbaum. Inviting Rice only two years after inviting Vice President Richard Cheney created the appearance of MSU's official endorsement of war, and needlessly antagonized a large segment of the university community which already felt alienated by virtue of McPherson's "gambit," he said.

When asked about the appropriateness for a university professor or administrator to share his or her political standpoints on U.S. foreign policy, History Professor Jim Anderson said he felt it was generally not wrong to get involved, so long as the university's mission wasn't compromised. Universities are funded by taxpayers, he said, and "they have a mission to pursue the truth and pure knowledge, to expose lies, and also [□] a mission they often neglect [□] to pursue justice." But he said this becomes almost impossible when a university "makes itself tail on an Iraq war governmental dog."

Anderson, an East Lansing resident who was in the local 4-H Club with McPherson as a teen-ager, said he believes MSU's president probably didn't know what he was getting into in Iraq. "He used his expertise to help create a financial system for Iraq that would be subordinate and subservient to U.S. financial and corporate interests. I seriously question whether that's the job of a university president."

MSU Board of Trustees member Colleen McNamara suspects a political motivation behind McPherson's actions. She believes the White House gave a green light for Rice to speak at MSU because Michigan is a key swing state in this year's presidential election. "It is not a coincidence that Dr. Rice was scheduled for MSU by the White House. She is a key strategist for the Bush administration."

Vietnam Flashbacks

Faculty, students and community leaders interviewed for this story expressed concerns that Michigan State might revive its Vietnam-era reputation of compromising its academic integrity by linking the university squarely on the side of government in a very unpopular war.

As Anderson pointed out, MSU's reputation received a permanent stain by its involvement in Vietnam. "The university helped organize the police and the secret police for South Vietnam's dictator Ngo Dinh Diem!" he said.

MSU's and other universities' involvement in the Vietnam War effort would lead to heated debates on the role of institutions of higher learning in wartime politics.

The general public first learned about MSU's infamous "Vietnam Project" four years after it had ended. In April 1966 the San Francisco-based *Ramparts* magazine came out with a cover story on MSU, illustrated by a color drawing of Madame Nhu, South Vietnam's former first lady, in a Spartan cheerleader's outfit. Titled "The University on the Make," the article reported on the CIA's involvement in an MSU project to aid the Republic of Vietnam. The Eisenhower administration had asked MSU to not only train civilian bureaucrats, but also security and police personnel, in a project that lasted from May 1955 to June 1962. The project had more than 1,000 employees, and was funded by \$25 million from the Foreign Operations Administration.

On May 15, 1957, the South Vietnam president came to MSU and addressed some 4,000 faculty and students, during a statewide "Ngo Dinh Diem Day." Thanks in large part to U.S. aid, the celebrated nationalist had secured his position as South Vietnam's leader.

Diem's personal relationship with Wesley R. Fishel, a MSU political science professor, had led to the project's

creation. Fishel and other American anti-Communists formed a loosely organized coalition called the "Vietnam Lobby," which promoted support for Diem in the United States. President Lyndon Johnson quietly funneled \$25,000 in private money for Fishel to establish a national pro-war speakers' bureau and research center.

MSU President John Hannah, a former assistant secretary of defense, who (like McPherson) prided himself in having "one foot in Washington," expedited federal approval for the Michigan State University Group (MSUG), the official name for a technical-assistance program that was part of the government's anti-Communist, nation-building effort in South Vietnam.

The MSUG taskforce had the goal of creating a "Good Society" in South Vietnam. Following a Western blueprint for modernization and development, the embryonic nation was supposed to become a wealthy, democratic and orderly country, eventually able to control its own affairs.

The MSUG team living in Saigon could almost double their normal professor salaries, and living in Vietnam was inexpensive and luxurious for them. The chief adviser lived in a spacious home with a living room large enough for receptions of 200, 20-foot ceilings and three servants. Lilian Smuckler, the wife of the former Vietnam Project chief and retired dean of MSU's international programs, noted that sometimes she went to three cocktail parties or receptions and then to an 8:30 p.m. dinner party in one evening.

But Hannah's endeavor to change "Moo U" into a think tank for nation-building failed miserably. MSUG's decision to mold the Vietnamese Civil Guard into an agency resembling the Michigan State Police turned out to be misguided. As Historian John Ernst writes in his 1998 book, "Forging a Forceful Alliance: Michigan State University and the Vietnam War," for example, after MSU modernized the Vietnamese fingerprint system, project staff was unable to prevent Diem's regime from using it in an anti-democratic fashion against his political opponents. The university's zealous support for Diem prevented MSU faculty from securing human rights for the tribesmen and Buddhists who had become the victims of Diem's dictatorial regime. Added Ernst: "South Vietnam was not the Midwest, and in some instances, U.S. concepts clashed with the political realities of a Third World nation facing a growing communist insurgency."

Hannah and Fishel later denied charges that they used MSU as a front for a CIA unit, or that the university had actually bought guns and ammunition and trained secret police. But as Kentucky historian Ernst points out, these charges were confirmed in statements made by the former inspector general of the CIA, Lyman Kirkpatrick.

A War That Can't Be Won

At a recent East Lansing Historical Society discussion forum that brought former police officers and SDS members involved in the protests of the late 1960s and early 1970s together, former MSU student leaders and faculty explained how the university's involvement in the Vietnam Project had functioned as a catalyst for the protests.

Lynn Scott, who transferred to MSU in 1969, remembers that discussions about the Vietnam Project were at the center of student meetings. "It stirred up a lot of important questions. What is the role of a university?"

In late April 1970, after President Nixon ordered the invasion of Cambodia, MSU was the location of the largest campus strike in U.S. history. About 12,000 students boycotted classes in an effort that lasted more than two weeks. The local chapter of Students for a Democratic Society was second only to Harvard in size. In June 1968, when the national SDS convention was held at the MSU Union, 300 undercover agents spied on the 500 "authentic" delegates.

Scott, a Lansing resident today, said she is as unhappy now as she was then, with regard to MSU's close ties to the federal government. "McPherson is following a long tradition of MSU being a great supporter of foreign policy," she said. Scott recalls that student activists were often criticized for being "political," which she found ironic given the university's own incredibly political role in shaping U.S. policies in Vietnam and Iraq.

Scott said she sometimes imagines the contracts that might exist between MSU and Iraq and thinks it's an issue worth investigating, given that former President Hannah also chose to deal with the Vietnam Project in secrecy. "They put CIA people on MSU's payroll with no academic credentials whatsoever," Scott said. "People like Wesley Fishel, who had barely published anything, were getting paid a very handsome salary. Academics and scholarship were not important to most of this university."

Bob Repas, a retired professor of labor and industrial relations, who joined the ranks of the anti-war protesters as a faculty member in the 1960s, warned that MSU should be more carefully in selecting its foreign project partners. He said he's also worried that MSU leaders haven't learned anything from the past.

Repas, who joined the MSU faculty in 1957, criticized McPherson's involvement in Iraq. "I think it's bad business if the head of a major educational institution gets into a situation like that, which is basically a war that can't be won by anybody."

While the Bath resident said that there's principally nothing wrong with becoming involved in world politics, he stressed that nothing positive can come from the kind of censorship a university builds when it becomes involved in political dictatorships and the politics of war. Repas mentioned Vietnam, but to generalize he also recalled a conversation with a friend who taught modern European history as a Fulbright Scholar in Spain, while Franco was still alive. Repas recalls asking him: "What did you do when you came to Franco," and he could only reply: "I had to skip over that episode."

The retired professor said he believes MSU scholars should not be forced to make this kind of a dishonest contribution to higher learning. He also recalled the systematic spying on students and faculty during the anti-war movement, which he said was a "disgrace" for police in the Greater Lansing area.

After a May 1965 rally against segregated housing that led to the arrests of 59 students, the East Lansing Police Department and the MSU Department of Public Safety formed a political surveillance unit that spied on hundreds of faculty and students. Its files were shared with the Michigan State Police "red squad" and the FBI. By 1976 the red squad had nearly 38,000 files. They kept particularly close tabs on anti-Vietnam groups, who were attempting to document defense contractors, Air Force and Army ROTC programs on campus, and university ties to government operations in Vietnam.

Repas said it appeared to him that history might repeat itself, and made a reference to the USA Patriot Act and a 2000 MSU undercover police operation within a student campus group. "Are we going to go through the same kind of thing again?"

Students for Economic Justice, a Michigan State affiliate of United Students Against Sweatshops, had become active at MSU and was engaged in a campaign to end MSU's affiliation with a corporate-controlled labor-monitoring body called the Fair Labor Association. Founding member "Samantha Volare" claimed to be an elementary education junior. But six months later it became clear "Samantha" was actually officer Jamie Gonzales of the MSU Police Department. At a demonstration in January 2001 pictures were taken, and her secret identity was verified.

Sarah McDonald, a member of Students for Economic Justice and an interdisciplinary humanities senior at MSU, thinks there are quite a few parallels between Vietnam and Iraq. "Many of my friends have been arrested at anti-war protests and are getting harassed by police all the time. This stuff is still going on, even though on a smaller scale," McDonald said.

Another member of the student group, human biology junior David Mitchell, thinks the parallel of MSU's close ties with the U.S. government is clear. "McPherson was very helpful to the Bush administration. Now he is returning the favor," Mitchell said. "You certainly see those connections manifest in who's making decisions here, or the decision to bring Rice, or the decision to remain in Iraq. It's all made by the people who have connections. That's the big deal."

Michael Vicente Perez, a member of Students for Peace and Justice, wrote in an e-mail that in his view McPherson's decision to go to Iraq reflects the "most conservative end of the spectrum" and needs to be more critically assessed. "He participated in an illegal invasion and occupation accessing funds that were illegally confiscated and never considered the Iraqi people's needs or ours at MSU," said Perez, a Ph.D. candidate of Anthropology. "Suffice it to say that his decision now fixes him in a position of accomplice to an international crime, and he should be held accountable for that."

Former SDS student leader Maggie Hackett said she was frightened when she first heard about McPherson's mission in Iraq. "It leads you to believe that there may be some connection we don't know about yet," Hackett said. "It's about money and power and that was part of the Vietnam thing, too. No longer was it important enough to be an educator. Now it was important to bring money and prestige to the university."

Hackett, who works as a hospital manager in Charlotte, said she believes McPherson had every right to go to Iraq if he wants to. "But I hate to see him come back as the president of this university, because it's hard to know whether there is still a connection there."

The Lansing resident said McPherson's choice to bring Rice as graduation speaker proved her theory that the MSU President has a personal agenda. "I don't believe he is really interested in making the university a better place, as much as he is interested in making himself a better career. Michigan State is a stepping stone."

A Banker, A Proud Republican, And Much (Much) More

In their comments on McPherson's role as the U.S.'s financial envoy in Iraq, none of the members of the MSU Board of Trustees voiced concerns about the appropriateness of the President's involvement, or questioned how it might reflect upon the university. Trustee McNamara said the board approved his request for unpaid leave as a "courtesy," since he had been working as president of the university for 10 years. "If he had asked for unpaid leave for a Food for Africa program, I would have agreed to that, too."

When asked if MSU could expect to profit from research grants related to Iraq as a result of McPherson's role, McNamara said if she had the slightest evidence that this was the case, "I would talk with you about this."

Other Democratic Party politicians have no problem with McPherson's appointment in Iraq either. Bob Alexander, a Democratic candidate for Congress in the 8th District race, and an active Lansing anti-war activist, criticized McPherson for inviting Rice, but said he did not blame him for accepting a job as public servant in Iraq. Democratic Gov. Jennifer Granholm, who praised McPherson's appointment, recently appointed him to a statewide military panel, set up to keep the Pentagon from closing U.S. military bases in Michigan.

McPherson received a B.A. from MSU in 1965. But many other details of his career are less well-known. A five-page profile in the 1982 publication "Reagan's Ruling Class" is one of the few publications that documents McPherson's role as a senior official under then two Republican administrations. Local media remained rather quiet about the biography of this Grand Rapids native.

The cigar-loving McPherson is a banker and a proud Republican. He was a White House aide in the mid-1970s, answerable to President Ford's two chiefs of staff □ Cheney and Donald Rumsfeld, Bush's defense secretary.

As chief administrator for the U.S. Agency for International Development during the 1980s, McPherson managed missions in 70 countries, maintained a staff of approximately 5,000, and had an operating budget of between \$6 billion and \$7 billion per year.

In a sense, McPherson's career mirrors that of John Hannah. When Hannah retired in 1969 he went on to become head of the USAID.

McPherson's experience as a financial adviser for structural adjustment and privatization policies goes back two decades. One of his first jobs during the Reagan administration was to allocate government funds for bodyguards to protect peasants working for the American Institute for Free Labor Development in El Salvador. The reason the bodyguards were needed was Honduran and Salvadoran military were sent to the U.S.-run School of the Americas to receive training in counter-insurgency directed against people of their own country.

In January 1981, two Americans employed by the American Institute for Free Labor Development were murdered, along with the head of the Salvadorian reform program, while dining together at a hotel in San Salvador. The Reagan administration and the Salvadoran government it supported were criticized for not taking action, because U.S. trained members of the Salvadoran military would have been implicated in the attack.

Having started his career on the shady side of guerilla warfare, one must wonder what kind of programs McPherson approved during his tenure as the head of USAID. After all, during the 1980s U.S. military aid to Honduras grew from \$4 million to \$77.4 million, the United States launched a covert war against Nicaragua, and America trained the Honduran military to support the Contras. Such is the nature of nation-building and structural adjustment.

Immediately after the 1983 U.S. invasion of the tiny Caribbean nation of Grenada, USAID, under McPherson, set to

work to rapidly create "free markets" within the small, formerly socialist-leaning country.

Also during McPherson's tenure, USAID pushed for "shock-therapy" privatization measures in countries as diverse as Poland, Hungary and Kazakhstan. After interviewing him in August 1988, Foreign Policy writer Larry Minear came to a critical conclusion. Under McPherson's leadership, USAID had limited its humanitarian concern of famine relief while refusing to encourage food self-reliance, making it seem as if an effort to perpetuate dependency existed, and that it was driven solely by anti-Communist ideology. "What has distinguished the Reagan administration from its predecessors is not its preoccupation with East-West issues, but the degree to which its anti-Communism has played havoc with humanitarian interests and traditions."

In 1987, McPherson became deputy secretary of the U.S. Treasury Department, a position he held until March 1989. He was a senior negotiator during the 1989 Canada-U.S. Free Trade negotiations and served as a general counsel in the Reagan/Bush transition team.

As the White House's financial envoy in Iraq, McPherson worked around the clock to impose a political and economic vision on an occupied nation. "If you don't do enough to create a political constituency for privatization now," he told Fortune's Jeremy Kahn, "then it will get killed in the cradle." McPherson's free market zeal led one of his own team members to accuse him of believing in an "ideological nirvana," according to Fortune magazine.

Similar to most university presidents in the United States, McPherson was not elected by faculty or students. Nonetheless, his appointment by the MSU Board of Trustees in 1993 was tainted by undue secrecy. The selection process was the subject of a successful media lawsuit by The Detroit News and the Lansing State Journal against MSU for not abiding by Michigan's Open Meetings Act. The trustees considered McPherson's candidacy late in their selection process and then interviewed and selected him in private.

"McPherson seemed an unlikely choice when tapped 10 years ago to lead Michigan State University," wrote USA Today in a 2003 piece. "He was an international banker in San Francisco laden with all manner of partisan political baggage."

Four days after Cheney spoke at MSU's graduation ceremony on May 3, 2002 (the speech lasted seven minutes), the U.S. Energy Department announced that McPherson was appointed to chair of the DOE's powerful external advisory committee.

As Marquette University Professor Lawrence Soley described in his 1993 book "The Leasing of the Ivory Tower: The Corporate Takeover of Academia," McPherson represents a new trend in university leadership. When Soley noted that university presidents increasingly come from corporate boardrooms, he made special reference to the former Bank of America executive McPherson (and that this places a huge impact on universities). "Students, faculty and universities serve the interest of corporations, not the public, as they sell off academic freedom," he wrote.

In a telephone conversation from his office in Milwaukee, Soley affirmed an opinion that I had heard by countless critics, who were also educators. It wasn't appropriate for Michigan State University to become identified with an illegal U.S. occupation in Iraq, as seems to be happening. Soley said the consequences wrought upon intellectual freedom on the campus could be detrimental. "How many professors are protesting McPherson?," Soley asked. When I told him that only a few professors had actively protested against McPherson's Iraq involvement, Soley didn't seem surprised. "When you have a partisan boss you will not speak against him. I'm sure there are many more who have doubts, but there's a fear to articulate those doubts."

Care to respond? Send letters to letters@lansingcitypulse.com. View our Letters policy.

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