es," March-April 2004, page 69) is disclosed annually—a source of controversy, and a possible impediment to recruiting (external managers' fees aren't disclosed).

Having determined to rebuild its depleted staff, HMC had to see whether it could do so. As of early October, five senior professionals appointed by El-Erian will be in place at the management company. Stephen Blyth, previously of Deutsche Bank, is now responsible for international fixed-income investments. Karen Parker Feld, who was Wellington Management Company's director of foreign exchange, assumes similar responsibilities for HMC. Marc Seidner, from Standish Mellon Asset Management, is the new domestic fixed-income leader. Mark Taborsky, formerly at Stanford Management Company, is now in charge of external management for HMC. Those four new vice presidents are joined by Kate Murtagh, who moved from the Goodwin Procter law firm to become HMC's new chief compliance officer. Each, in turn, is now hiring a staff.

As a group, these HMC staff members represent both the beginning of building a new fixed-income investment capability, and El-Erian's decision to add some complementary skills. He cited creating a "true compliance culture" (Murtagh); helping the other portfolio managers deal with foreign-currency and sovereign risk when they invest internationally, and perhaps pursuing active currency management as an investment strategy (Feld); and being more systematic about certain asset categories, including commodities and fixed income, managed externally (Taborsky).

Controversial Visitor

Even before he arrived in the United States for a 12-day speaking tour, Mohammad Khatami, the former president of Iran, stirred controversy. Khatami heads the International Center for Dialogue among Nations, a nongovernmental organizaion for which he has earned praise from several world leaders. But when Massachusetts governor Mitt Romney, J.D.-M.B.A. '74, learned that Khatami would speak at Harvard's Institute of Politics on the eve of the fifth anniversary of the 9/11 attacks, he condemned Harvard for hosting a "terrorist" and vowed that no state money would be spent for the visit, denying the Muslim leader protection by state police.

The *Boston Globe*, in an editorial the following day, noted that "Politicians often strike foolish poses when overcome by an ambition to run for president…," pointing out that Khatami, unlike current Iranian president Mahmoud Ahmadinejad, is a reformer and was one of the first leaders of a Muslim country to denounce the attacks on the World Trade Center. "Few things are more essential to a university," the *Globe* added, "than the exercise of free inquiry," noting that Harvard has let many controversial figures speak, among them Fidel Castro, Malcolm X, and Jiang Zemin. The point was driven home a few days later when the *Wall Street Journal* reported that President George W. Bush, M.B.A. '75, had signed off on Khatami's visa himself. "I wanted to hear what he had to say," Bush told the paper. "My hope is that diplomacy will work in convincing the Iranians to give up their nuclear weapons ambitions. And in order for diplomacy to work, it's important to hear voices other than Ahmadinejad's."

In his speech, "Ethics of Tolerance in the Age of Violence," Khatami—who as president from 1997 to 2005 brought new press freedoms and rights for women to Iran—asserted, "One cannot, and ought not, engage in violence in the name of any religion. Just as one cannot and ought not turn the world into one's military camp in the name of human rights and democracy." "To condemn one group and to ignore the injustice of the other," he said, "leads to nothing but cycles of violence…." "The East," he added, "ought to choose democracy as the most fitting method of collective life and progress." But he made clear that democracy is a process, "a social experience that nations must experience with their flesh and blood," rather than an emplacement forced by "surrogates."

During the question period following the speech, Khatami was asked whether he believed Israel should be "wiped off the map," as his successor says. "I have never wanted the elimination of any person or nation from the international sphere," said Khatami. "But we must not forget that for the last 50 years…a nation by the name of Palestine has been eliminated from the map. So long as we are thinking of killing and eliminating, we will not find a solution for our problems. We should not be thinking of how we can kill; rather, we should be thinking of how we can live and coexist together."

Asked about Hezbollah, he denied that Iran provides the group with financial support, but compared it to the French Resistance in World War II, saying, "We should be fair and not write off justified resistance as terrorism." Asked why the government of Iran executes gay people, Khatami said that homosexuality is a crime in Islam (noting that certain Christians hold similar views), and that crimes are punishable. "The fact that crimes could be punished by execution is debatable," he said, but "we must differentiate between punishment and violence."

The schizophrenic headlines on the day after his Harvard speech—"Khatami condemns bin Laden"; "Khatami calls Hezbollah symbol of resistance"; "Khatami praises democracy, slams U.S. action"—hinted at the unfamiliar positions held by the former Iranian leader, who was simultaneously attacked in the Iranian press by conservatives who said he had acknowledged the existence of Israel and should therefore "repent" to God and "apologize" to the people of Iran.

Mohammad Khatami

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