

# Administrators announce new Iraqi budget, currency

Much of Iraq's \$3.5 billion budget, largely directed to infrastructure, will come from oil revenue

By Dana Hull and Jonathan S. Landay  
Knight Ridder Newspapers (KRT)

BAGHDAD, Iraq — Iraq will get a new national currency, an independent central bank and a budget for the rest of the year that calls for spending oil money on electricity and other basic

needs, the U.S.-led administration announced Monday.

Money in most of Iraq still has Saddam Hussein's picture on it and there are only two notes, the 250-dinar and 10,000-dinar. Many businesses no longer accept the 10,000-dinar notes, forcing Iraqis to exchange them for 250s, often at a loss. The Kurdish-controlled part of northern Iraq will use the new national currency, too. It has been using the so-called "Swiss" dinars that

existed before 1991, but they're so old that they're falling apart.

The new Iraqi dinars — without Saddam's picture — will be available Oct. 15. They will come in denominations of 50, 250, 1,000, 5,000, 10,000 and 25,000.

L. Paul Bremer, the top U.S. administrator in Iraq, also approved Iraq's national budget for the remainder of 2003. Nearly \$3.5 billion, a little more than half the budget, will come from oil revenues. Several billion dol-

lars will come from frozen assets or assets that were found after the war. The biggest line item in the budget is improvements to the electricity system, with other money earmarked for spending on justice and security, public health, water and sewage, and telecommunications.

"The officials who used to steal most of Iraq's resources, and misuse what little was left have gone," Bremer said in a radio and TV broadcast outlining the economic plans. "All of

Iraq's resources will now be spent on you, the Iraqi people, and on projects which directly benefit you."

Bremer's team announced that Faleh Salman will be the acting director of Iraq's central bank, and the bank will be independent of other branches of the government.

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# Judge OKs SEC-WorldCom bankruptcy settlement

Investors will receive \$750 million in cash and stock later this year in compensation for fraud losses

By Jon Van and Michael Oneal  
Chicago Tribune (KRT)

CHICAGO — A federal judge approved a settlement between bankrupt WorldCom Inc. and the Securities and Exchange Commission that would give defrauded investors \$750 million in cash and stock once the company emerges from Chapter 11 bankruptcy proceedings later this year.

The deal, which has been in the works for months, is part of WorldCom's controversial effort to put its

bankruptcy and \$11 billion accounting fraud behind it.

"The proposed settlement is not only fair and reasonable, but as good an outcome as anyone could reasonably expect in these difficult circumstances," U.S. District Judge Jed S. Rakoff said in a 14-page opinion.

He added that the case "raises fundamental questions" about how market regulators and the courts should respond when "criminals" use a public company to commit "massive fraud."

Competitors such as AT&T Corp. and Verizon Communications Inc. were quick to decry the settlement, saying it simply isn't proportionate to the billions of dollars in damages in-

flicted upon WorldCom shareholders, creditors and employees. They have argued that WorldCom should be forced to liquidate so that its assets can be sold to other companies who haven't committed fraud.

WorldCom's accounting scandal was among numerous corporate misdeeds last year that rocked investors and Wall Street. The scandals have led to tighter federal security laws and an outcry for tougher corporate standards.

The fine, which will be distributed to investors who lost everything when WorldCom declared bankruptcy last year, had originally been set at \$1.5 billion in cash, but later was reduced to \$500 million because of the firm's limited cash reserves. It will come out of

assets otherwise reserved for creditors.

The \$750 million final settlement includes \$250 million in stock that the company will issue when it emerges from bankruptcy under the name MCI and resumes trading as a public company.

By seeking a balance between relief for defrauded investors and the desire to keep a company as large and influential as WorldCom afloat, Rakoff said he was trying to move into new territory.

The judge acknowledged that investors aren't getting a lot from the SEC settlement, but said that a bigger payout was made impossible both by the bankruptcy law — which subordinates investors to other creditors —

and the general interest of keeping the company afloat.

The effort to find a fair amount to compensate investors is difficult because much of the money WorldCom once claimed to have has essentially vanished.

"The bottom line is the money just isn't there," said Jim Speta, an assistant professor of law at Northwestern University. "People want their money back and want the people who committed fraud punished. The judge is stuck making the best of a bad situation."

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## Tuition

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would pay about \$1,236 per term in tuition, an increase of 5.9 percent from spring 2003, while a non-resi-

dent student would pay \$5,229 a term, a 4.4 percent increase, according to the fee book. Overall, University students would fork out about \$1,693 in both tuition and fees, an increase from \$1,618 in spring 2003.

Moseley said he believes the plateau system will eventually be eliminated completely from the University because students making use of the plateau rates are riding on the backs of part-time students. Under the University's plateau system, students taking 13 to 16 credits pay the same amount. This means students going to school only part time have to pay more per credit to cover University operating costs.

"It's not fair to part time students because it puts a heavier burden on them," Moseley said. "Intrinsically, you can understand that even if you don't pay any more for a course, that course still has to be paid for. There's

no way we can teach it for free."

According to the OUS Fee Book, proposed changes at other universities include compressing the traditional tuition plateaus at Oregon Institute of Technology, Southern Oregon University and Western Oregon University, and replacing the plateau system altogether at Eastern Oregon University and Portland State University. Oregon State University hopes to implement a modified per-credit structure, similar to what the University proposes.

PSU and EOU have already called for the complete elimination of their plateau systems and both schools want to charge tuition on a strictly per-credit basis. Under the new system, students at the two institutions would experience massive hikes in tuition and fee charges: a 20.2 percent increase at EOU and a 18.4 percent increase at PSU. In the most ex-

treme increase, non-resident graduates at PSU may have to pay almost 66 percent more in fall 2003.

While some students understand the need for tuition increases due to Oregon's harsh economic conditions, they do not believe the proposed solutions are the best ones.

Oregon Student Association Spokeswoman Amelie Welden said the changes at different schools would make education more expensive for many students.

"By eliminating the plateau, you're encouraging students to take fewer credits," Welden said. "That means it would take students longer to graduate."

In addition, she said, the changes are being debated at a time when most students are away for the summer.

"Students are totally unaware and they'll get to school in the fall and

find things changed," she said. She added that the new hikes are coming on top of increases already made in the last school year.

Senior general science major Jada Lee said any kind of increases to tuition and fees would disappoint her.

"It's going to increase my loans and it will take longer for me to pay it off," she said.

ASUO President Maddy Melton said the University is becoming less affordable for low-income students and less accessible for middle-income students.

"We're urging the Oregon Legislature to look for alternative income sources," she said. "The state needs to start funding its institutions instead of having (funding) come on the backs of students."

Contact the reporter at ayishayahya@dailyemerald.com

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