Obama's Troubles Are No 'Watergate'

THE CURRY REPORT

George E. Curry

The Obama administration deserves to be richly criticized for surreptitiously obtaining the telephone records of reporters for the Associated Press, especially for bypassing court proceedings that would have allowed executives of the news organizations an opportunity to at least argue against releasing the documents.

It was also wrong to single out conservative organizations for special IRS scrutiny. In case you haven't noticed, the names of practically all Black professional organizations begin with the word "National." That's because most organizations bearing the name "American" – such as the American Bar Association and the American Dental Association – are professional groups that once barred Blacks from membership. That's why we had to start our "National" organizations. If it's okay to target conservative groups today, there is nothing to prevent a future president or IRS commissioner from targeting organizations with the word "National" in their name.

Still, the actions of some Obama administration officials should not be compared to Watergate, as was the case on last Sunday's talk shows.

To refresh your recollection, as many of the Watergate witnesses would say, Watergate is a reference to a series of scandals that began with the June 17, 1972 break-in at the Democratic National Committee headquarters at the Watergate office complex in Washington, D.C. and ended with President Richard M. Nixon resigning on August 9, 1974 rather than face certain impeachment.

The five men arrested in connection with the Watergate burglary were linked to Nixon's Committee for the Re-Election of the President. It was later revealed that Nixon had recorded many conversations in the Oval Office that showed that he had knowledge about what his Press Secretary Ron Ziegler labeled "a third-rate burglary" and had attempted to cover-up his involvement. Nixon's fought to keep the tapes private, but the Supreme Court unanimously ruled that he had to turn them over to government investigators.

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Nixon resigned in disgrace and 43 people, including his top White House aides, were sent to prison. Nixon's successor, Gerald R. Ford, pardoned Nixon, the only U.S. president to resign from office.

Unlike Nixon, President Obama said – and there's been no evidence presented to contradict him – that he didn't know about the IRS impropriety until after it had been disclosed in a report by the Treasury Department's inspector general.

Obama said, "I have now had the opportunity to review the Treasury Department watchdog's report on its investigation of IRS personnel who improperly targeted conservative groups applying for tax-exempt status. And the report's findings are intolerable and inexcusable. The federal government must conduct itself in a way that's worthy of the public's trust, and that's especially true for the IRS."

Instead of noting the distinction between Nixon's role in Watergate and Obama's non-role in the latest scandals, CBS' Face The Nation host Bob Schieffer told Obama adviser Dan Pfeiffe on Sunday, "You know, I don't want to compare this in any way to Watergate. I do not think this is Watergate by any stretch…but I have to tell you that is exactly the approach that the Nixon administration took. They said, 'These are all second-rate things, we don't have time for this, we have to devote our time to the people's business.' You're taking exactly the same line that they did."

Schieffer, who covered Watergate for CBS, should know better. And so should Peggy Noonan, a former White House speechwriter for Ronald Reagan and George H.W. Bush.

On NBC's Meet The Press, Peggy Noonan defended her May 17 Wall Street Journal column in which she claimed that we "are in the midst of the worst Washington scandal since Watergate." When host David Gregory pressed her, Noonan said, "This IRS thing is something I've never seen in my lifetime."

But the Boston Globe noted last Friday, "As startling as the reports have been in recent days – from the IRS targeting of conservative groups to the Justice Department seizing phone records of the Associated Press – one Nixonian element so far is missing: There has been no evidence that Obama himself ordered or knew about the actions."

John Dean, White House counsel during the Nixon administration, told the newspaper, "I find the comparison – that whoever is making the analysis is challenged in their understanding of history. There are no comparisons."

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Student Loan Debt is a Barrier to Education

RESPONSIBLE LENDING

Charlene Crowell

After receiving comments from nearly 30,000 Americans urging Washington to find the will and way to resolve the nation's burgeoning student loan debt, the Consumer Financial Protection Bureau convened a public forum on May 8 in Miami. In opening remarks to the gathering, Richard Cordray, CFPB Director spoke of the risk this trillion dollar debt is to the economy as well as his proposals for financial relief.

"Identifying emerging risks to consumers and our economy is an important part of our mission" said Cordray. "So we are concerned that unmanageable student loan debt may be harmful to recovering consumer markets and may be dragging down borrowers' lives. In February, we asked the public how student debt is affecting individual consumers as well as the broader economy. . . The response was overwhelming."

Convened during National Teacher Appreciation Week, educators were among those that earlier told the CFPB of the risks imposed by heavy student loan indebtedness and the specific ills wrought by private student loans that typically come with higher interest rates and little if any room for flexible repayments or refinancing.

For the American Federation of Teachers (AFT), with 3,000 affiliates nationwide that represent 1.5 million members, Randi Weingarten, spoke to how broad an impact this issue really is.

"At the AFT", remarked Weingarten, AFT president, "we have heard from many of our members, students and parents about the difficulties they face financing their educations. They come from all walks of life and from across a range of life circumstances and they are all ages. While each has his or her own unique story, a common theme prevails – for far too many Americans, higher education is no longer affordable."

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Addressing private student loans, Lauren Asher, president of the Institute for College Access & Success said, "Private loans are not a form of financial aid any more than a credit card is when used to cover college expenses, but private loans are treated much more harshly in bankruptcy than credit card debt."

In Miami, Director Cordray proposed three solutions to the growing financial concern, each offering a different approach for consumers at different stages of financial stress.

For borrowers who have managed to make their monthly payments on high-interest private student loans, Cordray proposed a "refi relief" option. This approach would enable responsible borrowers to refinance their debt at market interest rates, thereby reducing the monthly loan repayments.

A second option termed "road to recovery" would help borrowers who are delinquent on private loans. By adding incentives for lenders to work with borrowers feeling trapped in debt, Cordray advocates a transparent, step-by-step process with affordable monthly payments tied to a reasonable debt-to-income ratio.

The third option proposed, "credit clean slate" would be designed to help defaulted borrowers with severely damaged credit. Critical to this proposal would be the ability to limit negative credit effects of default and reasonable repayment.

These three initiatives represent an addition to a recent rule from the CFPB that enables the Bureau to monitor servicers that engage in unfair or deceptive acts or practices toward student loan borrowers. Working in conjunction with the U.S. Justice Department, the Bureau will also hold accountable those who violate the rights of military personnel.

For the CFPB, widespread and growing ills of student loan debt are reminiscent of what happened with the housing crisis.

"Consumers were trapped in exotic mortgages with few options" said Cordray, "and the repercussions were felt throughout the economy. We learned a hard lesson in the wake of the mortgage meltdown. We cannot just sit by and watch this happen to people again."

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