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## CNN NEWSROOM

### Obama To Donate Nobel Peace Prize Money to Charity; Facing Off Against A Tornado

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KYRA PHILLIPS, CNN ANCHOR: President Obama has just met, we're told, with five Americans who got burned because of that ancient rule that governed the financial sector. This hour, he's going to talk about the need to change the system. Then, he's going to leave the East Room for the Strategy Room that we're being told to meet with his war council about Afghanistan and Pakistan. And of course, the president has a new and unexpected topic to talk about today, that's that prestigious shout out from Norway, you know that little prize, the Nobel Peace Prize. All right, well we just found out what he'll do with the nice chunk of change that comes with that peace prize, \$1 million to be exact. White House correspondent Dan Lothian is here with more. So where is he going to donate, Dan?

DAN LOHTIAN, CNN CORRESPONDENT: Well, that was the big question, and I was told earlier this morning he hadn't yet decided, but a White House official confirming now that the president does plan to donate all of that prize money, \$1.4 million to charity. I asked specifically what charity. I was told that they have not yet decided what charity it will be, but it will be multiple charities.

The president not hanging on to any of that money at all. But that sort of fits right into what the president said during his short remarks during his meeting today in the Rose Garden. The president pointing out that this prize is bigger than just one person and that throughout history, this prize has been used to really give momentum to various causes. And so he was accepting this prize as a call for action.

(BEGIN VIDEO CLIP)

BARACK OBAMA, PRESIDENT OF THE UNITED STATES: I know that throughout history, the Nobel Peace Prize has not just been used to honor specific achievement, it's also been use as a means to give momentum to a set of causes. And that is why I will accept this award as a call to action, a call for all nations to confront the common challenges of the 21st Century.

(END VIDEO CLIP)

LOTHIAN: And one of the questions that had been asked of this White House is how can one reconcile the fact that this is a prize that's given for peaceful purposes. And on the other hand the administration is currently talking about ramping things up in Afghanistan, deciding whether or not 40,000 or plus troops should be sent into Afghanistan to wage war against al Qaeda and other extremists. And Robert Gibbs was asked about that in a briefing today and he said sometimes there are exceptions.

(BEGIN VIDEO CLIP)

ROBERT GIBBS, WHITE HOUSE PRESS SECRETARY: There are actions of necessity that will be and are taken by this country to protect their homeland. There are -- it's the discussion that will be had today is about a very dangerous region of the world. And there are steps that have to be taken to ensure that we are not attacked and that our allies are not attacked.

(END VIDEO CLIP)

LOTHIAN: Now, on a lighter note, this kind of keeps the president grounded if you will. He pointed out that this morning, one of his daughters Malia came in, and told him that he had won this prize but also pointed out that it was Bo, their dog's birthday. And then their second daughter Sasha came in and reminded that the president that a three-day weekend was coming up. So leave it to your kids to bring you back down to Earth.

PHILLIPS: Yes, total reality check. All right, another reality check, financial reform, we just heard a number of horror stories.

LOTHIAN: Yes, in fact, many horror stories and the president's going to be addressing that at this event at the White House. It's been delayed. It was supposed to happen at 2:00. We're told it's been pushed back a half hour or so. Now what the president will be focusing in is reforms in Congress, pushing for reforms that will help to prevent what they say are irresponsible and then reckless behavior that led to the financial collapse.

So the president wants to close gaps in regulations, wants to create rules for the road in Wall Street. And there are going to be some examples that the president will highlight at this event this afternoon, specifically one case of a woman who was given a loan that ended up giving her a bigger debt than what she started out with. So again, the focus is trying to put some things in place that will prevent another financial collapse.

PHILLIPS: Dan Lothian at the White House. Dan, thanks so much.



He wasn't the first to say so, but President Obama feels he doesn't deserve the Nobel Peace Prize based on his life's work to date. Instead he views his stunning selection, less than nine months after taking office, by the way, as a call to action, an affirmation of American leadership in the cause of peace. He also says that his kids are pretty impressed to a point, you know, kids.

(BEGIN VIDEO CLIP)

OBAMA: Well, this is not how I expected to wake up this morning. After I received the news, Malia walked in and said, "Daddy, you won the Nobel Peace Prize, and it is Bo's birthday." And then Sasha added, "Plus, we have a three-day weekend coming up."

So it's -- it's good to have kids to keep things in perspective. (END VIDEO CLIP)

PHILLIPS: Whether they're lifetime achievement awards or calls to action, Nobel Prizes, especially peace prizes are often controversial. Leon Bourgeois was honored in 1920 for heading up the brand new League of Nations. But the league fell apart and the treaty ending World War I laid the ground work for World War II

Elihu Root was a U.S. Secretary of State who won the prize in 1912. He did great work for peace, but also oversaw the brutal U.S. occupation of the Philippines after the Spanish-American War.

And who can forget Yasir Arafat's selection in 1994. Arguably the most one can say about the Palestinian strongman's contribution to Mideast peace is that his vision remains unfulfilled. And Henry Kissinger, critics say the winner of the 1973 Nobel helped escalate the Vietnam War and prop up dictators around the world. Then again, the peace prize was created by the guy who invented dynamite.

For what it's worth, President Obama has seen more of the world in his first year than any of his predecessors. This crowded map gives you an idea. He visit 16 countries, the latest being Denmark where he tried to sell the IOC on Chicago. He's addressed the U.N. General Assembly in New York and reached out to the Muslim world in Cairo and other spots. Next month, he'll pat his record with trips to China, Japan, Singapore and South Korea. And we can't forget his December date in Oslo.

So what are people saying overseas about President Obama's win? We asked our correspondents to check it out. Our focus, Moscow, Kabul and Cairo. Now let's go ahead and start in Russia.

(BEGIN VIDEOTAPE)

MATTHEW CHANCE, CNN CORRESPONDENT: I'm Matthew Chance in Moscow. Even though the results aren't known yet, already Barack Obama has had a profound impact on often touchy relations between the United States and Russia. His rhetorical offer to press the reset button in the relationship between the two countries has been backed up with concrete steps, not least his decision to abandon plans to deploy elements of the missile defense system of the United States in Eastern Europe. That was a plan which the Russians strongly objected to, and that move has, in itself, opened up a whole range of possibilities for diplomatic cooperation. Not least over how to tackle Iran's very controversial nuclear program.

ATIA ABAWI, CNN CORRESPONDENT: I'm Atia Abawi in Kabul where we're getting a very interesting reaction from the Afghan people on President Barack Obama's win for the Nobel Peace Prize. They say that they appreciate his efforts to try to bring peace in Afghanistan, but they are still waiting for the peace to come. This also comes at a time where President Obama is mulling over the decision to send 40,000 additional troops to the country. For the most part, the U.S. troops are confident that their commander-in-chief will base that decision on being the president of the United States and not be being a Nobel Peace Prize laureate. BEN WEDEMAN, CNN CORRESPONDENT: When Barack Obama came to Cairo in June to address the Muslim world, Egyptians were wildly enthusiastic. Many had fallen in love with the new, young American president, with the Arabic middle name. Some even took up the slogan "Yes, we can." But that was then, and this is now. And the love affair is beginning to go sour. One Egyptian analyst I spoke with, who is normally quite well disposed to the United States, said he was shocked at the news that he'd won the Nobel Peace Prize. He said that none of the promises made by the new U.S. president have been achieved. That the Arab/Israeli conflict is, if anything, getting even nastier. In short, he said, he's done nothing. Now, Egyptians look at this administration as a work in progress. But in a region where war is always looming, where the U.S. often flexes its military might, the feeling among many Egyptians is, it's a bit too early to be handing out the laurels. Ben Wedeman, CNN, Cairo.

(END VIDEOTAPE)

PHILLIPS: All right, some news from around the world there. Now we want some from the World Wide Web. Send us your tweet at Kyracnn. Tell us what you think about President Obama's Nobel Peace Prize.

(COMMERCIAL BREAK)

PHILLIPS: It was one of then candidate Obama's campaign pledges, hacking and slashing earmarks, the pork, the other white meat so abundantly feasted on by politicians bringing home the bacon. Now nine months into the Obama administration, Capitol Hill's all-stars are still pigging out. Senior congressional correspondent Dana Bash is keeping them honest.

(BEGIN VIDEOTAPE)

DANA BASH, CNN SENIOR CONGRESSIONAL CORRESPONDENT (voice-over): A promotional video for Infinia Corporation, developing a solar-powered engine to produce hot water and electricity for troops in the field. Infinia is headquartered in Washington State. Washington Senator, Democrat Patty Murray, got a \$3 million earmark to fund Infinia's project. It turns out Infinia executives have given more than \$10,000 in campaign contributions to Murray in the last two years.

BASH (on camera): People looking at this might say, "Quid pro quo?"

SEN. PATTY MURRAY (D), WASHINGTON: Absolutely not. I work hard for my state, for everyone who comes to me. We work hard to make sure that the appropriations requests we ask for create jobs and are good for the people in - in our community.

BASH (voice-over): But the watchdog group Taxpayers for Common Sense says it's a problem.

RYAN ALEXANDER, PRESIDENT, TAXPAYERS FOR COMMON SENSE: And when we see big contracts, big earmarks going to private companies that have also happened to have made large campaign contributions, it raises real questions in the mind of the public. BASH: Ryan Alexander's group looked at senators on the powerful committee in charge of defense spending and compiled a lengthy list linking hundreds of millions of dollars in pet projects to campaign contributions.

Republican Richard Shelby topped that list. For example, \$3.2 million for Radiance Technologies in his state of Alabama to develop new sensors for unmanned aerial vehicles. That company's employees donated \$38,500 in campaign cash to Shelby since 2007. The senator refused an on-camera interview, and when CNN caught up with him in a Capitol hallway, he said this.

SEN. RICHARD SHELBY (R), ALABAMA: I don't even know who I get earmarks for, and I don't know who gives me money.

BASH: But Shelby's spokesman did give us a statement saying he does know and defends it, saying he secures appropriations based on merit, not contributions, and provides a full justification for his request on his Senate Web site. Shelby's office also said his projects contribute to national security.

That's what Maine Republican Susan Collins said when we asked about \$10 million she got for Maine's General Dynamics to make lightweight machine guns and grenade launchers. She says the Pentagon needs them.

SEN. SUSAN COLLINS (R), MAINE: My motivation is to help fill the gaps, the gaps in weapons and equipment that our troops need.

BASH: Collins got nearly \$60,000 in campaign contributions from General Dynamics' employees. No quid pro quo, she insists, and no apologies.

COLLINS: The workers and executives who have contributed to my campaign have done so because they feel that I represent the State of Maine well. They have never, ever implied any kind of condition.

BASH (on camera): A spokesman for General Dynamics tells us they give campaign contributions to Senator Collins because she's a "strong backer of national defense". I also spoke with a top executive at Infinia in Washington State who's contributed the maximum amount to Senator Murray's campaign. He says he only does it because of her "commitment to green jobs," not because of an earmark.

Dana Bash, CNN, Capitol Hill.

(END VIDEOTAPE)

PHILLIPS: Burning rubber on the way to a tornado. That's right, speeding toward it, not away from it. Sounds crazy, but it's business as usual for one storm chaser and, boy, does he have some stories to tell. He's right outside.

(COMMERCIAL BREAK)

PHILLIPS: OK, it simply defies logic, speeding toward a tornado that is shredding everything in its path. But that is what the boys do on Discovery Channel's Storm Chasers. Chad Myers outside with Reed Timmer with the Storm Chasers crew. Now Chad...

CHAD MYERS, CNN METEOROLOGIST: Yes?

PHILLIPS: Oh look at you, you're locked in, ready to go.

MYERS: Look at me.

PHILLIPS: Oh look at you, bad boy.

MYERS: I'm in a bank vault right now.

PHILLIPS: I was just going to say, oh hi, I'm Chad Myers, I work for Brinks Security and this is my driver Reed.

MYERS: This is my driver Reed. And this is the car. Now you know what, I hate to ask, but I don't know what some of this stuff is. They're telling me that these are bulletproof sunglasses. I'm not believing it. They're telling me that this car won't fly. I'm not sure I believe that either. Reed is the star of "Storm Chasers" on the Discovery Channel. 10:00, October 18th is your premier.

REED TIMMER, STORM CHASERS: Yes.

MYERS: Why?

TIMMER: I've been obsessed with weather for as long as I can remember and I want to experience the power first hand but also record data that no one else can do. And so we've got all the instruments on back.

MYERS: That's what all the storm chasers say to get by the cops, we're trying to collect data. What are you collecting?

TIMMER: We're collecting wind speed. There's horizontal wind and we also have a radar in the back that shoots straight up to measure those updrafts inside the tornado.

MYERS: You have this little bubble thing up on top here. You could actually put a camera up there?

TIMMER: Yes, this is seems like a greenhouse too, so when the sun is out, it will really heat the vehicle up.

MYERS: Can you put the wipers on for us?

TIMMER: Yes, sure. We've got double windshield wipers, we have some on the inside and also on the outside.

MYERS: Can you take a look at this? Come back around the front here.

PHILLIPS: Look at the front?

MYERS: Look at this. Can you see those things? Can you see both of them going? PHILLIPS: Oh so basically this car that is supposed to be totally secure, we have inside windshield wipers for when the water actually breaks through the windows.

MYERS: Correct.

PHILLIPS: It makes perfect sense, Reed.

MYERS: So you think this is glamorous? Let me show you in between the car here. This is the roll bar. Although you know, I have seen Jack Roush's in some NASCAR roll bars, this looks kind of like a water pipe to me.

PHILLIPS: Has Reed ever rolled in that car?

MYERS: He has never rolled and he can't get out of the cars because it won't open. He finally got out of the window. Another piece of glamour here, what happened to your bumper, dude?

TIMMER: Actually, there's a big dent in the back here when I backed into the production vehicle because the tornado crossed in front of us and was coming back at us and I put it in reverse and our mics hook up to their vehicle and I was yelling at them to back up but I heard the little horn go off and we slammed into them, there was a huge dent in the back.

MYERS: You don't get by the tornado, you get hit by the production truck.

PHILLIPS: Isn't that ironic?

MYERS: So this thing is a 300-pound thing, you pull it out, put it on the ground and hope a tornado hits it.

TIMMER: Yes, if the tornado is too strong, like an F-4 or F-5 tornado, we'll drop this in the path and evacuate. And it's 300 pounds. It's made out of concrete, steel rebar and it has got a bulletproof bubble that houses the camera and the instrument back.

MYERS: All right, I've got to tell you, we're not having tornadoes here in Atlanta. What are you doing here?

TIMMER: We're here for the Passion Driven Life Convention at Cobb Galleria, so we'll share some of our videos from the extreme season up there.

PHILLIPS: So Chad and Reed, let me ask you guys. I understand the whole adrenaline rush thing, I totally get it, and I know that Reed's missing a few marbles in the marble bag there, and that's cool, because you've got to be a little bit nuts to do this.

But tell me from a technology standpoint, from an environmental standpoint, what is this information going to bring to me, say someone who lives in an area that always gets hits by tornadoes. Can this information help me in any way? TIMMER: Well, I've been going to school for 12 years to study the science and hopefully it won't go on too much longer, but we're trying to collect data inside as many tornadoes as possible. And it's really difficult, obviously to record that data because of how strong the winds can get. And so we're trying to measure that data and compare it to computer simulations and try to help us better understand tornadoes and eventually improve warning lead times to help people in the path of these tornadoes.

PHILLIPS: There we go, warning lead time, I love it.

MYERS: And by the way, Kyra, there's a tornado watch for parts of the southeast right now.

PHILLIPS: I was just going to say, Reed's going to be packing up and taking off.

TIMMER: Chad is going to be our new driver.

MYERS: There are two ways, no way and you know the other way.

PHILLIPS: I know Chad's wife too, Reed, forget about it, pal. Thanks guys.

Watch the Discovery Channel, pretty cool show, "Storm Chasers." Reid is one of them. Chad, maybe.

All right, time for your top stories now. Sorry, Charlie, everyone has got to pay the tax man. New York Congressman Charlie Rangel should know, heck, he chairs the House Ways and Means Committee. But the House Ethics Committee expanding its probe into Rangel's delayed disclosure of assets he had not reported before.

And could there be any connection between President Obama winning the Nobel Peace Prize and his push to reform America's health care? Supporters of the president hope that the prestige of the Nobel could rub off juts in time for Tuesday's Senate Committee vote on the Democrat-backed Baucus plan.

A nurse in South Florida facing criminal charges now for allegedly reusing IV bags and possibly contaminating patients with hepatitis and HIV over a span of five years. She's off the job and nearly 2,000 people are now being told to get tested.

The faces of Don't Ask, Don't Tell, some of them might surprise you. Coming up, some folks who felt camouflaged.

(COMMERCIAL BREAK)

PHILLIPS: From dangerous deployments to hazardous homes, lots of our troops are in harm's way, way more than we ever knew. And some of this stuff has finally been exposed on Capitol Hill. At a Senate hearing, vets and their families testified about devastating health problems from their time in service and they say they haven't gotten the support they need.

(BEGIN VIDEOTAPE)

MIKE PARTAIN, SON OF U.S. MARINE: Two years ago, I was diagnosed male breast cancer at the age of 39.

PHILLIPS (voice-over): Mike Partain says he's a victim of toxic drinking water at North Carolina's Camp LeJeune and that the military waited too long to clean it up.

PARTAIN: In fact, I am one of 40 men who share the unique commonality of male breast cancer and exposure to contaminated tap water at Camp LeJeune.

PHILLIPS: Stacy Pennington's brother Stephen Ochs served 14 tours in the military, three tours in Iraq.

STACY PENNINGTON, SISTER OF STAFF. SGT. STEPHEN OCHS: Death lay dormant in their blood and waited for them to return safely home and into the arms of their loved ones. And like every silent ticking time bomb, it eventually exploded.

PHILLIPS: Stephen worked near the burn pits at the Balad Air Base, where garbage, food, plastics, even medical waste were destroyed. He died of leukemia.

PENNINGTON: The graphic images embedded in my mind are of Steve's last screams for air as he was rushed into ICU.

PHILLIPS: Laurie Paganelli says her family was exposed to toxic care from an incinerator near a U.S. air base in Japan. She says her only son breathed what the Navy would later call a witch's brew of toxic chemicals.

LAURIE PAGANELLI, FORMER RESIDENT, U.S. NAVAIL AIR FACILITY ATSUGI: Jordan then 16-years-old was diagnosed with a rare and vicious and highly aggressive form of cancer, so aggressive in fact that by the time he displayed any symptoms, his cancer had already progressed to stage four.

PHILLIPS: The Marines say they found no link between water contamination and later illnesses at Camp LeJeune. And a Pentagon report found only temporary respiratory distress, no long-term threats from the burn pits. As for the Atsugi Japan incinerator, it's now closed, but four studies found suspected cancer-causing chemicals in its smoke.

Disturbing claims for sure, so what's going on? How are we treating our military personnel and their families? Remember those deplorable conditions back in 2007 at the Walter Reed Medical Center? Then there was this cell phone video, made by the father of a soldier stationed at Ft. Bragg, North Carolina. It prompted an inspection of military barracks nationwide.

And who can forget Green Beret Ryan Maseth, who was electrocuted in Iraq while taking a shower? Our special investigations unit was all over the story. The Army later admitted thousands of buildings in Iraq and Afghanistan need urgent electrical repairs. (END VIDEOTAPE)

PHILLIPS: Two senators on the Veterans Affairs Committee are pushing forward legislation to address (INAUDIBLE) used contaminated water. They want the Department of Veteran Affairs to cover medical costs for exposed Marines and their families.

Right now, gay men and women bravely serve the United States military. But they risk their careers if they tell. Former Marine Captain Julianne Sohn served active duty and even a tour in Iraq as a reservist. But that all ended with one phone call from a colonel. She was told she was being investigated for being a lesbian. She resigned her commission rather than face a military investigation. We're going to talk with her in just a few moments.

And Captain Sohn is not alone. The danger of being kicked out of service for being gay is apparently greater if you're a woman. Numbers from the Pentagon reveal a third of the people discharged last year for being gay are actually females. But get this. Women make up only 15 percent of all military active duty or reserve members.

So, why are lesbians being discharged more than gay men? Again, we're joined by former Marine, Julieanne Sohn, and Anuradha Bhagwati, another veteran Marine and the founder of the Service Women's Action Network. Great to have you both. Julie Anne, let's start with you. You were serving in Iraq, and what happened?

JULIANNE SOHN, FORMER MARINE RESERVIST: I was serving in Iraq and actually was at the time pretty quiet about my personal life. I actually was dating somebody at the time and during my time in Iraq, I actually had to -- basically, I guess, cover up that I was dating a woman at the time...

PHILLIPS: So, you were never open?

SOHN: Well, I was actually open while I was on active duty from '99 to 2003 to some of my close peers and friends. Actually, Anu was one of them as well. And being military officers, oftentimes lieutenants and captains are expected to enforce a policy like "'don't ask, don't tell'."

And a lot of my friends they knew that I was a good Marine, and I accomplished my mission and for them it didn't matter. So, I would like to point out that a lot of times "'don't ask, don't tell'" is one of those policies that's just selectively enforced.

PHILLIPS: Well, Julianne, do you think that women are more open than men are, and that's why more women are getting kicked out?

SOHN: Well, I think part of the issue is that there are less women in the military, so we're kind of skylined already. So, we're kind of under a microscope in what we do, and since we are in a profession that's male dominated, typically we do get scrutinized a little bit more.

So, just my personal experiences within the Marines, I found that, you know, the jokes and, you know, typically what we call lesbian baiting does happen to straight women and -- or women who are perceived to be gay. It's not necessarily that women are coming out, it's just that people just assume these things because maybe, just maybe for example if a Marine asks a female marine out for a date and she refuses, then the assumption is maybe she's gay or something like that.

PHILLIPS: So, Anu, you take it even a step further, saying not only are women being targeted and more women are getting booted out more than men, but minority gay women. Why is that?

ANURADHA BHAGWATI, FOUNDER, SERVICE WOMEN'S ACTION NETWORK: Certainly the data that from last year indicates that 45 percent of discharges were actually ethnic and racial minorities, which is a startling number. And as you said, over a third are women.

We have yet to see how many women of color, that is women who makes up the group of ethnic or racial minorities, were actually discharged. But two years ago, it was certainly the case that African-American women were disproportionately discharged.

So, we're seeing that race and gender play important role in the discharge process. You have got a policy that's already discriminatory in nature. It's discriminating against people who are either gay or lesbian or perceived to be gay or lesbian. And that's extremely important. This is a policy that's targeting women as much as it's targeting lesbians...

PHILLIPS: All right, so -- go ahead.

BHAGWATI: Any woman that's perceived to be gay or that is gay or that is under the ire of a special commander or a peer that has a special vendetta against her is more likely to be targeted under "'don't ask, don't tell.'" This is a policy that thrives on rumors about people's perceived sexual orientation, and also their gender identity.

So, for women in particular, they are under extra special attention when it comes to how they play into traditional stereotypes about women: how short hair might be, whether or not they wear makeup, whether or not they date openly, whether or not they're public about

their personal lives. All of these things playing a important role in the actual enforcement of ""don't ask, don't tell.""

PHILLIPS: All right. Let's push it forward. Because I want to know what both of you want to see from the president. Obviously be talking a lot about ""don't ask, don't tell"" because the president is under pressure to make a decision about this. He's talked about this. And so many gay and lesbians, obviously, want a decision to be made. So, Julianne, let me start with you. What is it that you want to see from the president? what do you want him to come out and say?

SOHN: Well, right now he's actually already stated that he is looking to repeal "don't ask, don't tell," and unfortunately, just given the way that the law is written, Congress actually has to pass a law to repeal the policy. It was passed into law back in '93-1994 when Bill Clinton compromised on this particular issue. I just hope that he does take a more visible stance on this as well as the Senate leaders and the congressional leaders.

Right now, there is a bill in Congress on the House side with Congressman Patrick murphy who's the lead sponsor on the Military Readiness Enhancement Act. So, I'm looking forward to hopefully Obama speaking about this at the Human Rights Campaign National dinner tomorrow, hopefully trying to expose this issue. It's basically plain and simple, prejudiced and discriminatory towards a group of people.

PHILLIPS: Anu, final thoughts for us as we wrap things up.

BHAGWATI: Sure. Ironically, "don't ask, don't tell," a policy which was designed to keep homosexuals out of the military is now actually being used, practically speaking, on the ground to keep women and people of color also out of the military.

So, what are we looking for from the president? An immediate repeal of this policy on the grounds that it's not only unfair and impractical and it goes against our national security needs when we're fighting two wars, but that it just is plain wrong, that, you know, also when repeal happens, that we need to work closely with the DOD, equal opportunity enforcement so that no service member is discriminated against or harassed on the basis of race, gender or sexual orientation.

PHILLIPS: Just wanted everyone to know, too. We reached out to the DOD, and they did not give us a response to that. Julieanne Sohn and Anu Bhagwati. Thank you so much for your time today. We'll follow "don't ask, don't tell" and also continue to focus on the angle of women. Appreciate your time today.

BHAGWATI: Thank you so much.

PHILLIPS: Taking it straight to the president of the United States right now. Maybe he'll talk about the Nobel Peace Prize, but what we're waiting to hear now specifically is regulating and refining our financial sector. He's saying he wants an agency that will be more of a powerful watchdog on the correction within our financial system. Let's listen in and see what he has to say.

(APPLAUSE)

BARACK OBAMA, PRESIDENT OF THE UNITED STATES: Thank you so much, thank you, everybody. Thank you so much, thank you. Everybody, please be seated. Thank you.

Tricia, thank you so much for sharing your story. And doing such a wonderful job.

Good afternoon, everybody, before I start with my remarks, I want to acknowledge some people who have been working diligently on this issue, in some cases for years. First of all, our secretary of the treasury, Tim Geithner is here, Christina Romer, the chair of -- there she is -- of my council on economic advisors is here. Senator Danny Akaka from Hawaii. Representative Steve Grehaus of Ohio. Representative Walt Minnick of Idaho. Representative Paul Kajoriski of Pennsylvania, Representative Al Green of Texas, Karen Mills, our outstanding administrator of the Small Business Administration. Sheila Baer, who's been doing a heroic job trying to deal with the banking situation of the FDIC. Mayor Michael Nutter of Philadelphia, and my national economic advisor, Larry Summers.

And finally, we have got some special guests. Some of the finest attorney generals who are fighting against consumer fraud and have been dealing with some of the consequences of the issues that we're discussing here today. I'm proud to have them here. My former seatmate in the Illinois state senate, attorney general Lisa Madigan, Andrew Cuomo of New York, Martha Cokley of Massachusetts and Roy Cooper of North Carolina. Please give them all a big round of applause.

(APPLAUSE)

OBAMA: Now, for the last several months, this administration has been working with Congress to reform an outdated system of financial regulations and lax oversight that helped lead to last year's crisis. And I want to thank some people here who are working tirelessly on this issue. First of all, chairman Chris Dodd of the Senate Banking Committee, chairman Barney Frank of the House Financial Services committee. Richard Shelby, also of the Senate Banking Committee for the leadership and enthusiasm they have shown throughout this process.

Part of our reform effort involving putting in place new safeguards that would help prevent the irresponsibility and recklessness of a few from wreaking havoc on our entire financial system. We want to close gaps in regulation, we want to eliminate overlap and we want to set rules of the road for Wall Street that make fair dealing and honest competition the only way for financial firms to win and prosper.

But a central part of our reform effort is also aimed at protecting Americans who buy our financial products and services everyday, from mortgages to credit cards. It's true that the crisis we faced was caused in part by people who took on too much debt and took out loans they couldn't afford.

But my concern are the millions of Americans who behaved responsibly, and yet still found themselves in jeopardy because of the predatory practices of some in the financial industry. These are folks who signed contracts they didn't always understand, offered by lenders who didn't always tell the truth. They were lured in by promises of low payments, never made aware of the fine print and hidden fees.

Secretary Geithner and I just finished meeting with some of these Americans who joined us here today. You have already heard from Patricia who was forced to pay thousands of dollars in interest on a \$550 payday loan. And we also heard from Susan Chapman, who had excellent payment history until she was contacted by a broker that said she could lower her monthly payments on a mortgage. Instead, the loan they sold her ended up increasing her debt, and her principal has now gone up by \$20,000.

We talked to Karen Cappucio (ph) , who is still fending off foreclosure because her mortgage company duped her into taking out two expensive loans when they had originally promised her one low fixed- rate mortgage. We talked to Maxine Gibbons, whose bank hit her

with four separate overdraft charges because of one mortgage check that they ended up rejecting the very next day.

And I should add, by the way, that this is a CPA that we're talking to here. So, if it's happening to her, if it's happening to Maxine, then imagine what the rest of us who can barely add are dealing with here. We talked to Andrew Girdano (ph), whose bank made a mistake that cost him \$800 in overdraft fees. And when he caught their mistake, the bank only refunded part of the fees.

As we have seen over the last year, abuses like these don't just jeopardize the financial wellbeing of individual Americans, they can threaten the stability of the entire economy. And yet, the patchwork system of regulations we have now has failed to prevent these abuses. Seven different federal agencies, each having a role. There's too little accountability, there are too many loopholes and no single agency whose sole job it is to stand up for people like Patricia, Susan, Maxine, Andrew and Karen. No one whose chief responsibility it is to stand up for the American consumer, and for responsible banks and financial institutions who are having to compete against folks who are not responsible.

So, under the reforms we have proposed, that will change. The new consumer financial protection agency that I have asked Congress to create will have just one mission: to look out for the financial interests of ordinary Americans. They will be charged with setting clear rules of the road for consumers and banks, and they will be able to enforce those rules across the board.

This agency will have the power to make certain that consumers get information that is clear and concise in plain language, so they can compare products and know exactly what they're getting themselves into. It will ensure that banks and other firms can't hide behind these ridiculously confusing contracts, pages and pages of fine print that nobody can figure out. It will have the ability to enforce and build on the credit card reforms we passed earlier this year so that consumers aren't hit with unfair rate hikes or penalties or hidden charges. It will require brokers to look out for the interest of families if they give advice about mortgages.

And it will ensure transparency and fair dealing for other financial products, like bank overdraft services and payday loans. In a financial system that's never been more complicated, it has never been more important to have a watch dog function like the one we proposed.

And yet predictably, a lot of the banks and big financial firms don't like the idea of a consumer agency very much. In fact, the U.S. Chamber of Commerce is spending millions on an ad campaign to kill it. You might have seen some of these ads, the ones that claim the local butchers and other small businesses somehow will be harmed by this agency.

This is of course completely false. We have made clear that only businesses that offer financial services would be affected by this agency. I don't know how many of you are butchers are offering financial services. Contrary to what some have argued, this agency would not restrict consumer choice and innovation, nothing could be further from the truth.

In the past, a lack of clear rules led to innovation of the wrong kind. The firms that did best were the ones who did the best of hiding the real cost of consumers. We don't want them competing by figuring out how much they can fool ordinary Americans. By contrast, the consumer agency we're proposing would set ground rules so that firms don't have to compete to confuse families, but they have to compete to give them better choices.

This will also help small business entrepreneurs who also rely on credit cards and home equity loans to finance their start-up businesses. All this hasn't stopped the big financial firms and their lobbyists from mobilizing against change. They're doing what they always do, descending on Congress, using every bit of influence they have to maintain the status quo, and that is maximize their profits at the expense of American consumers.

Despite the fact that recently, a whole bunch of those same American consumers bailed them out as a consequence of bad decisions that they've made. Since they're worried they may not be able to kill this agency, they're trying their hardest to weaken it by asking for exemptions. Well from this agency's rules enforced by fighting to keep every gap and loophole that they can find. They're very good at this because that's how business has been done in Washington for a very long time.

In fact over the last 10 years, the chamber alone spent nearly half a billion dollars on lobbying, half a billion dollars. The stories we heard today, they remind us that the American people can't afford business as usual any longer. These Americans can't afford high-priced lobbyists to argue their case. They're counting on us to be their advocates, be their voice, to restore a sense of responsibility from Wall Street to Washington. That's why we need a consumer financial protection agency that will stand up not for big banks, not for financial firms, but for hard-working Americans.

That's why we need regulatory reform that will reward innovation and competition instead of shortcuts and abuses. That's why we can't let special interests win this fight. We have already seen and lived the consequences of what happens when there's too little accountability on Wall Street, and too little protection for Main Street. And I will not allow this country to go backward. It's time for us to move forward, it is time for real change and I'm confident that we're going to get it done with the help of all the people who are here today, and most importantly with the help of the American people who are going to demand a better deal from their financial services. Thank you very much, everybody.

PHILLIPS: All right, there you go, the president of the United States at the White House and you saw at the beginning, the individual standing behind him, basically each one had a personal story about how they felt they basically got hosed by the financial institutions and we have seen what happened since things have started unfolding the past couple of years from bonuses to corruption to schemes, taking our money and not putting it of course where we thought we invested it.

So the president stepping forward saying, hey, let's have more regulatory reform, I'm going to make that a commitment; I'm going to do it. We're going to figure out a way that this will not happen again. Of course, we'll follow up. We're going to take a quick break, more from the CNN NEWSROOM straight ahead.

(COMMERCIAL BREAK)

PHILLIPS: Rick Sanchez, I've been reading about you, trying to figure out how to work things out, how to deal with you, how to handle you.

RICK SANCHEZ, CNN ANCHOR: You've been talking to my wife?

PHILLIPS: What are you coming up in the next hour?

SANCHEZ: Do you really think -- am I difficult -- Angie, am I difficult to get along with?

PHILLIPS: Oh, don't ask your E.P. Angie, because she'll be honest. All right, you've got 45 seconds to tease your show, give it to me.

SANCHEZ: I'm heart broken, she loves me.

PHILLIPS: All right, now you have 36 seconds.

SANCHEZ: Look, this is an amazing story. There's a gal who's a contractor, she's working for KBR, Kellogg, Brown & Root, a subsidiary of Halliburton. She's gang raped -- gang raped by fellow contractors. But there's this things called binding arbitration which doesn't allow her to have her day in court. So she says no, I can't live with this. She goes and testifies in Congress and says if something this horrible happens to a woman, and they want it told, they should be able to have their day in court. They should be able to tell their story. She does, and then Al Franken, the senator from Minnesota, he goes off on this contractor like you have never seen before. Wait until you see this videotape. We've got it. We're going to be taking you through the story and all the ramifications of what this means as well. We think it's important.

PHILLIPS: It is important. And how many times have we reported on stories where women have not been taken seriously for rape and it's still a tremendous problem in this country and we'll be tuning in. I look forward to it, Rick.

SANCHEZ: Clear case, thanks.

PHILLIPS: And I'm glad you're tackling that. All right, surprise, joy, outright confusion? We're going to be talking more about the Nobel Peace Prize and what you think about the president receiving it today. Quick break, we'll be right back.

(COMMERCIAL BREAK) PHILLIPS: Nobel Peace Prizes aren't popularity contests, but there's no denying that President Obama is hugely popular abroad and his predecessor was hugely unpopular overseas.

I want you to hear a bit of three landmark addresses that captivated global audiences.

(BEGIN VIDEO CLIP)

OBAMA: The walls between races and tribes, natives and immigrants, Christians and Muslims and Jews cannot stand. These now are the walls we must tear down. So let me say this as clearly as I can. The United States is not and will never be at war with Islam. So long as our relationship is defined by our differences, we will empower those who sew hatred rather than peace, those who promote conflict rather than the cooperation that can help all of our people achieve justice and prosperity. And this cycle of suspicion and discord must end.

(END VIDEO CLIP)

PHILLIPS: Now we got a lot of tweets from you when we asked you what you thought about the president getting the Nobel Peace Prize.

Thenextprez2012 says "Miss America talks about world peace, give her the award next year."

From carolinewitha\_c, "I think it's great. It has come to him sooner than anyone expected, but he's done a lot of change. He's done a lot to change, rather, the tone of our diplomacy."

And fallout666 says, "I want to hear more on how he got it. Ronald Reagan did more than President Obama did. He broke down the iron curtain and helped free countries."

Veritaz says, "The president of the United States brings peace to my heart and calms my spirit and gives me hope. I am so happy for him and for us."

This one coming from taidon, "A faustian absurdity and bitter insult to the memory of Martin Luther King -- jailed, beaten, stabbed and shot, fighting for all of us."

And finally from dohoney\_j, "Why can't America embrace that their president won the Nobel Peace Prize? He didn't make the choice, he was selected. Can't hold that against him."

Thanks to everybody for your tweets today, we loved reading them. Appreciate it so much. Have a great weekend, Rick Sanchez takes it from here.

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