

Arnold A. Schwarzenegger of California; White House Chief of Staff Rahm I. Emanuel; Supreme Court Associate Justice-designate

Sonia Sotomayor; and talk show host Oprah Winfrey. The transcript was released by the Office of the Press Secretary on June 20.

## The President's Weekly Address

June 20, 2009

As we continue to recover from a historic economic crisis, it's clear to everyone that one of its major causes was a breakdown in oversight that led to widespread abuses in the financial system. An epidemic of irresponsibility took hold from Wall Street to Washington to Main Street, and the consequences have been disastrous: millions of Americans have seen their life savings erode; families have been devastated by job losses; businesses large and small have closed their doors.

In response, this week, my administration proposed a set of major reforms to the rules that govern our financial system; to attack the causes of this crisis and to prevent future crises from taking place; to ensure that our markets can work fairly and freely for businesses and consumers alike.

We're going to promote markets that work for those who play by the rules. We're going to stand up for a system in which fair dealing and honest competition are the only way to win. We're going to level the playing field for consumers, and we're going to have the kinds of rules that encourage innovations that make our economy stronger, not those that allow insiders to exploit its weaknesses for their own gain.

And one of the most important proposals is a new oversight agency called the Consumer Financial Protection Agency. It's charged with just one job: looking out for the interests of ordinary Americans in the financial system. This is essential, for this crisis may have started on Wall Street, but its impacts have been felt by ordinary Americans who rely on credit cards, home loans, and other financial instruments.

It's true that this crisis was caused in part by Americans who took on too much debt and took out loans they simply could not afford. But there are also millions of Americans who signed contracts they didn't always understand offered by lenders who didn't always tell the

truth. Today, folks signing up for a mortgage, student loan, or credit card face a bewildering array of incomprehensible options. Companies compete not by offering better products, but more complicated ones, with more fine print and hidden terms. It's no coincidence that the lack of strong consumer protections led to abuses against consumers; the lack of rules to stop deceptive lending practices led to abuses against borrowers.

This new agency will have the responsibility to change that. It will have the power to set tough new rules so that companies compete by offering innovative products that consumers actually want and actually understand. Those ridiculous contracts, pages of fine print that no one can figure out, will be a thing of the past. You'll be able to compare products, with descriptions in plain language, to see what is best for you. The most unfair practices will be banned, and the rules will be enforced.

Though some argue that these changes, and the many others we've called for, go too far. I welcome a debate about how we can make sure our regulations work for businesses and consumers. But what I will not accept, what I will vigorously oppose, are those who do not argue in good faith; those who would defend the status quo at any cost; those who put their narrow interests ahead of the interests of ordinary Americans. We've already begun to see special interests mobilizing against change. And that's not surprising, that's Washington.

For these are interests that have benefited from a system which allow ordinary Americans to be exploited. These interests argue against reform even as millions of people are facing the consequences of this crisis in their own lives. These interests defend business-as-usual even though we know that it was business-as-usual that allowed this crisis to take place.

Well, the American people did not send me to Washington to give in to the special

interests; the American people sent me to Washington to stand up for their interests. And while I'm not spoiling for a fight, I'm ready for one. The most important thing we can do to put this era of irresponsibility in the past is to take responsibility now. That's why my administration will accept no less than real and lasting change to the way business is done, on Wall Street and in Washington. We will do what is necessary to end this crisis, and we will do what

it takes to prevent this kind of crisis from ever happening again.

Thank you.

NOTE: The address was recorded at approximately 5 p.m. on June 19 in the Map Room at the White House for broadcast on June 20. The transcript was made available by the Office of the Press Secretary on June 19 but was embargoed for release until 6 a.m. on June 20.

## Statement on the Situation in Iran

*June 20, 2009*

The Iranian Government must understand that the world is watching. We mourn each and every innocent life that is lost. We call on the Iranian Government to stop all violent and unjust actions against its own people. The universal rights to assembly and free speech must be respected, and the United States stands with all who seek to exercise those rights.

As I said in Cairo, suppressing ideas never succeeds in making them go away. The Iranian people will ultimately judge the actions of their

own Government. If the Iranian Government seeks the respect of the international community, it must respect the dignity of its own people and govern through consent, not coercion.

Martin Luther King once said, "The arc of the moral universe is long, but it bends toward justice." I believe that; the international community believes that. And right now we are bearing witness to the Iranian people's belief in that truth, and we will continue to bear witness.

## Statement on Medicare Reform

*June 20, 2009*

I am pleased to announce that an agreement has been reached between Senator Max Baucus and the Nation's pharmaceutical companies that will bring down health care costs and reduce the price of prescription drugs for millions of America's seniors. As part of the health reform legislation that I expect Congress to enact this year, pharmaceutical companies will extend discounts on prescription drugs to millions of seniors who currently are subjected to crushing out-of-pocket expenses when the yearly amounts they pay for medication fall within the doughnut hole: any payments by seniors not covered by Medicare that fall between \$2,700 and \$6,153.75 per year. The existence of this gap in coverage has been a continuing injustice that has placed a great burden on many seniors.

This deal will provide significant relief from that burden for millions of American seniors.

The agreement by pharmaceutical companies to contribute to the health reform effort comes on the heels of the landmark pledge many health industry leaders made to me last month, when they offered to do their part to reduce health spending \$2 trillion over the next decade. We are at a turning point in America's journey toward health care reform. Key sectors of the health care industry acknowledge what American families and businesses already know, that the status quo is no longer sustainable. The agreement reached today to lower prescription drug costs for seniors will be an important part of the legislation I expect to sign into law in October. I want to commend House Chairmen Henry Waxman, George Miller, and Charles