

September 2008

TO: Interested Parties
FROM: Anne Kim, Matt Bennett and Jim Kessler
RE: Reframing the "Bailout"

Congress has little choice but to act on a rescue package for the nation's financial industry. But Americans are angry and confused. Progressives must be clear what this week's fight was about and where we ended up. President Bush proposed a \$700 billion handout to Wall Street; progressives said no and instead crafted a loan that will keep the economy moving and be repaid to taxpayers.

This memo offers our advice on what progressives must do to reframe the debate, take proper credit for their overhaul of the Bush proposal, and address public outrage.

1. *The Bush plan was a bailout. The new package is a loan.*

Americans are rightly outraged by the notion of a \$700 billion giveaway to Wall Street. Thus, progressives must characterize their actions this week not as an effort to make the giveaway smaller ("Bailout Lite") or simply as an effort to attach strings (no golden parachutes). Rather, what progressives did was to change the very nature of the rescue package, converting it from a *gift* to a *loan*. Consequently, we strongly recommend that progressives stop using the term "bailout" to characterize the bill.

Here's how we would re-frame the debate:

The Bush administration proposed a \$700 billion handout to Wall Street. We said NO WAY, re-wrote the proposal and turned this gift into a loan. This is an emergency line of credit. We want and expect the taxpayers' money back.

2. *Banks need this loan so they can loan to you—the American consumer.*

After the President's confusing and muddled speech last night, progressives must offer a simple, crystal clear explanation of why this loan is necessary for rescuing the American economy and what impact it will have in their everyday lives.

We suggest drawing a straight line from this loan to theirs:

We are loaning banks money so they can loan money to you – to buy a car, pay for college, start a small business, or, yes, buy a house. And just like you have to pay back your loan, we demanded that Wall Street banks return this loan to American taxpayers.