

I.O.U.S.A.: Audio Commentary Transcript

THE MAKING OF *I.O.U.S.A.* :
AN INTERVIEW WITH PATRICK CREADON,
CHRISTINE O'MALLEY, ADDISON WIGGIN

PATRICK CREADON:

01:00:12:00 My name is Patrick Creadon. I'm the director of *I.O.U.S.A.*

CHRISTINE O'MALLEY:

01:00:17:00 I'm Christine O'Malley. I'm the producer of *I.O.U.S.A.*

ADDISON WIGGIN:

01:00:20:00 I'm Addison Wiggin. I'm the executive producer, and the co-writer of *I.O.U.S.A.*

PATRICK CREADON:

01:00:28:00 So, today is December 29th, 2008, and we're about maybe, well, three weeks away from inauguration. But it's important to remember that this movie-- this story is moving so quickly right now, that a lot of the things that are in the film have changed since the film came out in August. And probably a lot of things we talk about today will change in the months, and years ahead.

ADDISON WIGGIN:

01:00:59:00 And that's been the case with the entire project. We've been making this movie for two years, now, and, you know, as we began the project, if the things that are going on in the market today-- if we try to predict those things-- we may not have made this movie (LAUGHTER) because there-- they've far exceeded any of the dramatic events

that we expected to happen.

PATRICK CREADON:

01:01:27:00

When Addison, and Sarah Gibson came to Christine and me with this book, the book was called *Empire of Debt*. And they came to us about two years ago, to see if we were interested in making this into a film. We asked Addison, "How bad do you think this might get if America continues down this path?" And Addison has told us that no one thought things were gonna get this bad. In the last two years, since we first met Addison-- the Dow Jones is down almost 50 percent and we're obviously in a recession; and it may get much worse before it gets better. What are some other things that have happened?

ADDISON WIGGIN:

01:02:15:00

Well, certainly no one expected the banks to go bankrupt as they have. We've seen--

CHRISTINE O'MALLEY:

01:02:23:00

Bailouts.

ADDISON WIGGIN:

01:02:23:00

Bailouts of Fannie Mae, Freddie Mac, AIG, bankruptcy of Lehman Brothers, (CLEARS THROAT) bailout of Bear Stearns.

CHRISTINE O'MALLEY:

01:02:32:00

The housing bubble.

ADDISON WIGGIN:

01:02:33:00

Well, and that's really the point: that when we began the project, it was the height of the housing bubble.

CHRISTINE O'MALLEY:

01:02:39:00

Uh-Hmm (AFFIRM).

ADDISON WIGGIN:

01:02:39:00

And the banks were flush, or people believed that they were flush. And that's one of the things that we had pointed out in *Empire of Debt*, is that we were headed for a debt deflation, similar to what we had seen at the end of the credit bubble in the 1920's. And we were making that (CLEARS THROAT) analogy in *Empire of Debt*, and we have readers of the *Daily Reckoning*, we have readers of *Agora Financial*, who understand what's happening. But we felt it was a much more important project to get out to a wider audience. And-- making a documentary film about the people who are in the position to make decisions and who actually are engaged in trying to manage the

money supply and the economy seemed like a much more important way of getting it out to a wider audience, and educating people about the challenges faced by the country.

PATRICK CREADON:

01:03:38:00

Addison and his partner, Bill Bonner, and all the folks that write with *Agora Financial*-- they have been called the doom and gloomers, because they've talked for years about how things are gonna end very badly if we continue to live beyond our means, and take on excessive levels of debt. And, you know, like we said, no one really saw what was coming. And I think even Addison and Bill are surprised at where this has all led to.

01:04:12:00

And it just goes to show that, you know, sometimes when you believe very firmly that something in our society is heading in the wrong direction-- you can be criticized and-- and sort of, I guess, even mocked-- until it happens. And then--

ADDISON WIGGIN:

01:04:33:00

That's putting it (UNINTEL).

PATRICK CREADON:

01:04:34:00

People say, "Wow, you were-- " yeah, (LAUGHS) "You were really smart. You saw this coming and no one else did. Why didn't you say something?" And you're like, "Well, we've been saying things for years."

ADDISON WIGGIN:

01:04:41:00

Well, that's why it's fortunate, too, that we-- (CLEARS THROAT) that we ran into-- David along the project. In fact when we met David Walker-- we went into his office at the GAO. He was still at the head of the GAO at the time and-- we sat down with him and he asked us to explain the project. And he said, "Patrick, why don't you tell us what the project is." And Patrick said, started explaining and didn't even get one sentence out of his mouth and David said, "Does this have anything to do with *Empire of Debt*?" And we weren't sure (LAUGHTER) what his thoughts about the book were.

01:05:20:00

So Patrick answered loosely. (LAUGHS) And then David said he loved the book and in fact had read

it to his grandkids-- or read portions of it to his grandkids. So-- he shared our passion for history and obviously a passion for explaining the challenges the country is facing right now-- to a wider audience so that they could be educated and make good decisions and hold public officials accountable for the decisions they make-- so that, you know, our project collided with David's work on the Fiscal Wake-Up Tour and, you know, here they are testifying. Bob Bixby-- here is testifying before a Senate budget hearing and--

PATRICK CREADON:

01:06:07:00 There's been a lot of talk about Bob's desk.

CHRISTINE O'MALLEY:

01:06:09:00 Yeah. (LAUGHTER)

PATRICK CREADON:

01:06:11:00 But--

ADDISON WIGGIN:

01:06:11:00 Even Bob talks about Bob's desk.

PATRICK CREADON:

01:06:12:00 Yeah, even Bob talks about it. (LAUGHTER)

ADDISON WIGGIN:

01:06:14:00 He's threatening to clean it up.

PATRICK CREADON:

01:06:14:00 In the fact that he loves-- he loves drinking Tab cola which is-- I just think it's very fitting that he drinks a drink that was very popular in the '70s and this was the last time we had a situation like we have today. The situation today is probably much worse than it was in the '70s. But-- I was gonna say something about Dave earlier.

01:06:40:00 The minute we met David Walker, we met him when he was Comptroller General of the United States. We met him in his office in Washington. And I think that day the story that we were trying to tell really clicked. I mean, there-- there were a million ways to tell this story.

ADDISON WIGGIN:

01:06:55:00 Well, and David had done all the work of establishing the four deficits that the country is facing-- which we end up using as the framework of the film. And it really helped put-

-

PATRICK CREADON:

01:07:08:00 Right.

ADDISON WIGGIN:

01:07:08:00 Put in two things-- a narrative arc together that we could follow, and then also it gave us a human story. David and Bob had been headlining the Fiscal Wake-Up Tour for a number of years trying to get outside the beltway and educate people. And it makes for a very important kind of human element that people can identify with in the film at the same time that we're trying to deliver some pretty big economic ideas and numbers that usually just put people to sleep.

CHRISTINE O'MALLEY:

01:07:44:00 And that was a very helpful way to organize the film.

PATRICK CREADON:

01:07:48:00 Yeah. And the thing about Dave Walker is that he's an extraordinary individual. He's been called the most trusted man in Washington. People on the left, people on the right-- both parties have the highest respect for him. And so the fact that he wanted to be involved in this story really helped us because-- a key ingredient I thought to this film would be to have somebody front and center that nobody was gonna argue with, you know, that no one was gonna say, "Oh, that guy doesn't know what he's talkin' about."

01:08:31:00 And it was so important to have that, that that's why we made the decision to start the film with *60 Minutes*, you know, and Dave being profiled on *60 Minutes*. And immediately in the first two minutes we establish who Dave is and why he's so important. You may not have ever heard of him, and you may not know what the Comptroller General of the United States-- does-- but in those first few minutes you realized this is someone that we should be paying attention to.

ADDISON WIGGIN:

01:08:59:00 Well, and it gave us a framework, too, for establishing a nonpartisan approach to the subject matter, that a balanced budget should be a nonpolitical issue. It should be the end result of all of the political debates that--

CHRISTINE O'MALLEY:

01:09:13:00 Uh-Hmm (AFFIRM).

ADDISON WIGGIN:

01:09:14:00 That come about. That hasn't been going on for a long time in Washington. And David has been working diligently to point that out.

PATRICK CREADON:

01:09:22:00 Yeah, it's worth noting, too--

CHRISTINE O'MALLEY:

01:09:23:00 This is--

PATRICK CREADON:

01:09:23:00 Dave is a political independent. He's had three Presidential appointments in his career, one from Reagan, one from Bush 41 and the Comptroller General position he was appointed by President Clinton. (CLEARS THROAT) So, he doesn't really owe his allegiance to any party, which I think is part of his strength and part of what gives him so much credibility. I think this is a good time to point out the work of--

CHRISTINE O'MALLEY:

01:09:48:00 Right, I was just gonna say, this graphic is really amazing. (LAUGHTER)

PATRICK CREADON:

01:09:53:00 There's a guy, he lives in Brooklyn with his family-- and he has a little, we call it a little Santa's workshop in his brain. It's Brian Oakes. He's the guy who created every graphic in this film. He did have some help-- early on-- with a couple of other people on his team. But, by the time it came for us to make the final version of the film, Brian went back and redid or revised every single graphic element in the film.

01:10:29:00 This graphic that you're looking at is-- well, you know, if you saw this in a textbook you might flipright by it and not think much of it. But, in a way this graphic explains the story we're trying to tell. It explains what the debt levels have been in our country throughout our history, going all the way back to the first day of the Federal Government. And working with Brian we thought, "Well, wouldn't it be fun to sort of travel through time and to show the different chapters in American history and what the debt was doing as a result of those different chapters?"

01:11:08:00 It becomes very apparent, obviously, that wars

are very expensive. They're not just expensive in-- in human lives that are lost. But, they're expensive-- because they cost a lot of money. And that's what we see as we look back in history. It was Brian's idea-- of the many ideas he had-- it was his idea to have a little penny traveling through the chart and through time.

01:11:32:00

And you know, by the time the film was completed that penny basically became a character of the film--that's something that even young kids can relate to. They can follow that penny and they watch it closely. And-- I can't say enough about workin' with Brian.

CHRISTINE O'MALLEY:

01:11:49:00

Well, and just the level of complexity to this motion graphic, I mean there's archival footage. There are photographs. There's a ton of data and he just puts it together so--

ADDISON WIGGIN:

01:12:02:00

Right.

CHRISTINE O'MALLEY:

01:12:02:00

Seamlessly.

ADDISON WIGGIN:

01:12:03:00

Well, it helped us achieve what we wanted to do in about-- what is it, about a two minute period.

CHRISTINE O'MALLEY:

01:12:07:00

Yep.

ADDISON WIGGIN:

01:12:07:00

I mean, we wanted to tell the entire history of debt in America. (LAUGHTER)

CHRISTINE O'MALLEY:

01:12:10:00

Uh-Hmm (AFFIRM).

ADDISON WIGGIN:

01:12:11:00

And it does it in a very succinct manner and--

CHRISTINE O'MALLEY:

01:12:14:00

It's a little mini-movie.

PATRICK CREADON:

01:12:15:00

We-- we were-- yeah, I think the person who likes the graphics the most is Dave Walker 'cause he realizes that this is a very hard story to tell, the story that we tell in *I.O.U.S.A.* Here's the sort of the pullback. You see the war of 1812. The first spike before that was the war for independence, obviously. Civil War, World War I, Great Depression, World War II. And then you see in 1980 there was a change. That's what Dave is

talking about right now is that for a variety of reasons the debt level just started to go up and go up very dramatically. And that's sort of where our story focuses.

ADDISON WIGGIN:

01:12:58:00

Well, that's when the idea the deficits don't matter became part of the political fabric of Washington. And that's what the Fiscal Wake-Up Tour and The Concord Coalition has been arguing against since 1992 when they were founded.

PATRICK CREADON:

01:13:17:00

I also want to mention two other people. One is our editor, Doug Blush-- who is an incredible storyteller, and he's very funny and he's very, very smart and when he works on a project, especially this one, he wears it around with him for a whole year. I mean, he just completely immersed himself, as we all did in this story.

01:13:44:00

And he's extremely talented. And also our composer, Peter Golub who, along with his team of musicians and mixers created the score for the film which I think was really terrific. That team of Brian and Doug and Peter is also the same team that all worked together with when we made *Wordplay* a couple years ago.

01:14:20:00

There's something I've always liked about this shot, because Bob is heading off to testify in front of the Senate Budget Committee and he's just one man. He's in his little winter jacket and his little toque.

CHRISTINE O'MALLEY:

01:14:32:00

He could be going skiing.

PATRICK CREADON:

01:14:33:00

Yeah--

ADDISON WIGGIN:

01:14:34:00

Yeah, but this is where Peter shines, too. Because, he-- he--

CHRISTINE O'MALLEY:

01:14:38:00

Yep.

ADDISON WIGGIN:

01:14:38:00

The dramatic-- (LAUGHTER)

PATRICK CREADON:

01:14:39:00

Oh, yeah-- yeah.

ADDISON WIGGIN:

01:14:40:00

Heroic music that comes in.

CHRISTINE O'MALLEY:

01:14:41:00 The drumbeat.

PATRICK CREADON:

01:14:42:00 And-- but I love the fact that Bob is literally going down into the bowels of Washington, D.C. to sort of--

ADDISON WIGGIN:

01:14:51:00 Right.

PATRICK CREADON:

01:14:52:00 Try to cleanse-- do his best to cleanse-- our nation's capitol of it's fiscal--

ADDISON WIGGIN:

01:14:58:00 And this--

PATRICK CREADON:

01:14:58:00 Ills.

ADDISON WIGGIN:

01:14:58:00 This is the first of-- Bob's great metaphors, too--

CHRISTINE O'MALLEY:

01:15:01:00 Uh-Hmm (AFFIRM).

ADDISON WIGGIN:

01:15:01:00 Where he talks about the budget being like a diet. And then later when he talks about the budget being like the family sitting around the table.

CHRISTINE O'MALLEY:

01:15:08:00 Right.

PATRICK CREADON:

01:15:09:00 Right.

CHRISTINE O'MALLEY:

01:15:09:00 Mom and Dad deciding how to spend the years' money.

ADDISON WIGGIN:

01:15:11:00 He has a very comfortable way of explaining a pretty difficult subject matter to people in a way that they can grasp and understand.

PATRICK CREADON:

01:15:23:00 I always liked this sequence because, you know, when you're flipping around the channels late at night you see C-Span. There's something about the way C-Span is shot that the people do not look like human beings. I mean, they-- you know that they are but they don't seem like real people. And being there at that hearing and seeing sort of the behind the scenes of what happens at these hearings I think really makes you realize that there are a lot of very hard

working and very talented people like Bob who do this kind of thing every single day.

01:15:58:00

Bob, I-- I also wanted to point out when we were speaking earlier about Dave, Bob is such a wonderful complement to Dave. Dave is-- he has a very neat desk. He's very-- he's very sort of button-down. Bob is-- has a little bit of a different personality. But, together they are a wonderful team and they have the utmost respect for each other. And--

ADDISON WIGGIN:

02:00:09:00

And they make--

PATRICK CREADON:

02:00:09:00

I think--

ADDISON WIGGIN:

02:00:10:00

The most unlikely protagonists--

PATRICK CREADON:

02:00:11:00

Yeah, well--

ADDISON WIGGIN:

02:00:11:00

For a film, ever.

PATRICK CREADON:

02:00:12:00

It's-- they're like the Butch Cassidy and the Sundance Kid of fiscal responsibility. (LAUGHTER) And-- and that was actually-- that was something that Doug Blush came up with early on. He's, like, "You know, this is like a buddy movie." You know, and--

ADDISON WIGGIN:

02:00:24:00

Yeah, a buddy road flick.

PATRICK CREADON:

02:00:25:00

A buddy road trip, yeah. And-- they're drivin' around in their van and- traveling around the country.

CHRISTINE O'MALLEY:

02:00:33:00

In a minivan.

PATRICK CREADON:

02:00:34:00

Yeah, in a-- yeah, exactly. And again, I think when people see this film there's a lot of things to follow. They can follow the numbers and they can follow the graphics and the history. But, undoubtedly what people follow I think more than anything is the human people in the film, the characters: Bob and Dave and everyone else that's in the film. And that's so important when you're trying to tell a story that's this complicated. You need that human-- human touch.

CHRISTINE O'MALLEY:

02:01:03:00

A really great graphic as well.

PATRICK CREADON:

02:01:05:00

Yeah, I-- I want to point something out. We finished the film in July of 2008. And that \$410 billion that you see for the 2008 budget deficit, that was a projection based on the numbers they had. The budget deficit ended up being \$454 billion. It was the biggest budget deficit our country has ever had in nominal terms, meaning numbers wise.

02:01:33:00

We'd never gone over budget that much in one year. For 2009, the projection is that we will have a trillion dollar budget deficit. So we will have gone from the worst budget deficit ever at \$454 billion to one trillion in one year. I think that more than anything wakes people up and realizes, "Boy, that-- this is not where we want to be."

ADDISON WIGGIN:

02:01:58:00

Right. That's just another example of-- we were trying to talk about the structural imbalances that were happening in Washington that were leading to-- potentially disastrous--

PATRICK CREADON:

02:02:10:00

Right.

ADDISON WIGGIN:

02:02:11:00

You know, fiscal situation in the future-- and all of the government response to the credit crisis and the fall of the stock market in 2008 is off budget. It's outside of the projections that we were trying to describe in the film. We expected that if we entered into a debt crisis that that type of thing could happen-- where you would see the government coming in and trying to bail out banks. And-- but we didn't build that into the film because we were just trying to talk about primarily the things that-- Judd Gregg just points out there-- Senator Gregg.

02:02:51:00

The imbalances in the Social Security, Medicare, Medicaid programs and the rising levels of interest that we're having to pay on the federal debt as we move forward. So those are all problems that are built into the system before we had a financial crisis. And that's

really, for me anyway, that's one of the most important messages of the film is that if you run structural imbalances in your finances, when a crisis arises--

PATRICK CREADON:

02:03:23:00 Right.

ADDISON WIGGIN:

02:03:23:00 Arises--

CHRISTINE O'MALLEY:

02:03:24:00 Right.

ADDISON WIGGIN:

02:03:24:00 You don't have the resources--

PATRICK CREADON:

02:03:25:00 Right.

CHRISTINE O'MALLEY:

02:03:26:00 Right.

ADDISON WIGGIN:

02:03:25:00 To deal with them and you have to print money, print your way out, and--

CHRISTINE O'MALLEY:

02:03:29:00 And all the options are bad.

ADDISON WIGGIN:

02:03:29:00 History shows that's a disastrous--

CHRISTINE O'MALLEY:

02:03:32:00 Right.

ADDISON WIGGIN:

02:03:32:00 Disastrous direction.

PATRICK CREADON:

02:03:33:00 Yeah, couple things I want to point out real quickly. One is that no one who is involved with the film, whether they're in the film or made the film-- would argue for a balanced budget in 2009. I mean, we're not insane. There is a time to run budgets and there's a time to run surpluses. And 2009 is not a year to run a balanced budget.

02:03:59:00 A large spending program-- is the right thing to do right now. And that maybe the case for several years. What we need to change in the future is that during good years we need to be running balanced budgets and possibly running surpluses. I also want to point something out. We just went over a bunch of stuff that had to do with the large Medicare deficits in the future.

02:04:25:00 It's important to remember one thing about Medicare deficits. One of the biggest factors in

that is that the cost of health care continues to rise. Year after year the cost of health care goes up and up and up. It's far outpacing inflation. And if that were able to be fixed-- if that were able to be reigned in and the cost of health care just kept pace with inflation, let's say, that would be one gigantic step in the right direction for fixing our future fiscal health. But, that's a very complicated set of challenges-- fixing our health care system in our country. You know, when in-- when in doubt I think it's always good to cut to college age kids in prison garb. Because, that-- (LAUGHTER) that usually wakes people up a little bit.

CHRISTINE O'MALLEY:

02:05:18:00

I think this is a great stunt. I love that they came up with this.

PATRICK CREADON:

02:05:21:00

Yeah, these guys were great. These kids are students at the University of Pennsylvania, and they started a group called Concerned Youth of America and this is their main issue-- this talk about the national debt and where this is heading--

ADDISON WIGGIN:

02:05:37:00

They work closely with the--

PATRICK CREADON:

02:05:38:00

And how it's gonna affect them.

ADDISON WIGGIN:

02:05:39:00

He's handing out pamphlets there of The Concord Coalition. They work closely.

PATRICK CREADON:

02:05:42:00

Right, right. They work close with The Concord Coalition. It's--

CHRISTINE O'MALLEY:

02:05:46:00

I mean--

PATRICK CREADON:

02:05:46:00

Yeah.

CHRISTINE O'MALLEY:

02:05:46:00

I've al-- well, I was gonna say, I mean, these guys have an uphill battle. Of all of the things that you could get into on a college campus, I think this is a tough sell. So, I give them a lot of credit--

PATRICK CREADON:

02:05:58:00

Oh, yeah.

CHRISTINE O'MALLEY:

02:05:58:00

For getting out there and doing what they do.

PATRICK CREADON:

02:06:02:00

It's funny because when we first started this project two years ago, Christine and I were married and we have three kids. And-- you know, we didn't know a lot about this. We were not experts in this area-- the way Addison is and-- and Bill Bonner and Kate Incontrera who works very closely with Addison. And if you don't know a lot about this issue you think that it's a conservative issue, or that it's something that people on the right are concerned with and other people on the political spectrum shouldn't be.

02:06:36:00

And that's just simply not the case. In fact, if this situation gets completely outta control, it's the people on sort of the lower end of the socioeconomic ladder that are gonna get hit the hardest. And that's something to keep in mind, is that if our finances spin outta control-- the rich and the wealthy will probably be okay for much longer than people who do not have a lotta money and are living-- paycheck to paycheck.

ADDISON WIGGIN:

02:07:11:00

Well, especially if the program is to bail out all the banks and-- and bail everybody out and-- and really try to print our way outta the situation-- the end result is a return to aggressive inflation. And early in 2008 we saw the impact of that, the rising-- price of food, gas-- and if we have that kind of environment in an era where unemployment is rising at the same time-- that's a very difficult situation for people that are simply trying to raise their families and educate them and keep them healthy.

PATRICK CREADON:

02:07:49:00

This is one of my favorite moments in the whole movie right here. This is Harry Zeeve from The Concord Coalition. He pretty much sums up the problem right here, and watch closely.

HARRY ZEEVE:

02:07:58:00

"Big government spending program, a small government tax program which is a recipe for deficits as far as the eye can see. You know, this isn't the most sophisticated (LAUGHTER) you'll see, but it-- it illustrates the problem."

PATRICK CREADON:

02:08:11:00 What's-- what was great-- (LAUGHTER)

ADDISON WIGGIN:

02:08:13:00 I love his smile right at the end.

PATRICK CREADON:

02:08:14:00 But, what was great about spending time with Bob and Harry from The Concord Coalition and Dave Walker and this whole group is that they're constantly trying to come up with new analogies to explain this. Because, it's humanly impossible to figure out what ten trillion dollars is, what that looks like. But, you can-- but everyone knows what a diet is.

CHRISTINE O'MALLEY:

02:08:37:00 Uh-Hmm (AFFIRM).

PATRICK CREADON:

02:08:37:00 And everyone knows what a simple math equation looks like or a chart, you know, that's easy to look at and tells a compelling story. So, that's-- these guys are great storytellers in that sense, 'cause they're always looking for ways to explain something that's very complex in a way that-- that's understandable.

CHRISTINE O'MALLEY:

02:08:56:00 This is always so--

ADDISON WIGGIN:

02:08:56:00 Yeah, this is incredible, 'cause-- we went to New Hampshire and there was a Nor'easter coming in-- so that the-- you know, you're talkin' about them being great storytellers, but they don't often get the chance to tell their story to a wide audience.

PATRICK CREADON:

02:09:11:00 Right-- right, they didn't make the news that night which was--

ADDISON WIGGIN:

02:09:13:00 There was a Nor'easter coming in so nobody showed up at the luncheon. There was a vote going on in the legislature at the time about banning smoking in public places. So the legislators that were invited didn't show up. And then the news did show up, but it never aired on the--

CHRISTINE O'MALLEY:

02:09:33:00 Well, 'cause the guy swallowed the ring and that's-- (LAUGHTER) people need to know.

ADDISON WIGGIN:

02:09:36:00 And then we all got snowed in New Hampshire for

two days. (LAUGHTER) David was the only one that got out that time.

PATRICK CREADON:

02:09:46:00

I love that story about the local news, because it does emphasize the fact that not only is this a hard story to tell, but it's a story that most people don't want to listen to.

CHRISTINE O'MALLEY:

02:09:58:00

Right.

PATRICK CREADON:

02:09:58:00

They're listening now because it's pouring rain outside.

(OVERTALK)

CHRISTINE O'MALLEY:

02:10:03:00

They're-- they're seeing the--

PATRICK CREADON:

02:10:04:00

It's-- it's--

CHRISTINE O'MALLEY:

02:10:04:00

They're seeing the effects of (UNINTEL).

PATRICK CREADON:

02:10:05:00

It's undeniable what's happening in our country.

ADDISON WIGGIN:

02:10:06:00

Well, that's been happening throughout this project as we pointed out. We started out at the height of the housing bubble where everybody thought that house prices would go up forever. And they were feeling that impact on their own family balance sheets. Now the wealth effect has gone into reverse. People are asking much different questions now.

PATRICK CREADON:

02:10:26:00

Right.

ADDISON WIGGIN:

02:10:27:00

And-- that's what we're hoping to provide answers in at least a base level for people to understand what's happening-- and they can, play it accordingly in their own lives by understanding that.

CHRISTINE O'MALLEY:

02:10:41:00

Yeah, we were talking about that-- one of the challenges early on in making the film was that we needed to define a lot of these terms and we were trying to figure out how to make sure people understood what we were talking about. But, now those things are on the nightly news. They're in the newspapers. They're--

PATRICK CREADON:

02:10:56:00

Yeah, but the-- but the truth is that a lot of people still don't understand those terms which is all the more reason why we made the film and-- we're happy that so many people are seeing it, because if you don't understand the language of a certain topic you're certainly not gonna invest much time in trying to understand it.

02:11:15:00

We constantly reminded ourselves that this film is really a film that's being told in a foreign language. It's like a foreign language film. And the language is the language of economics. And that's why throughout the film, we do take time to explain certain concepts so people understand, 'cause we made this film. You know, we joke about this, but the truth is we made this film for what I would consider a really smart group of high school students.

02:11:43:00

If they could see this film and they could understand it, then that's important. They're, like, our target audience. I hope everyone sees it and I'm happy that people of all ages are going to see it. But, we did not make this film for an older-- financially astute crowd. We made it for a younger crowd that doesn't know anything about this.

CHRISTINE O'MALLEY:

02:12:04:00

Cue the next clip.

PATRICK CREADON:

02:12:06:00

Yeah. (LAUGHS)

SNL ACTOR:

02:12:08:00

That's why I developed this unique new program for managing your debt. It's called Don't Buy Stuff You Cannot Afford.

PATRICK CREADON:

02:12:16:00

I mean it still makes me laugh (LAUGHTER) when I see Steve Martin. (MAKES NOISE)

CHRISTINE O'MALLEY:

02:12:21:00

His expression is fantastic. (LAUGHTER)

PATRICK CREADON:

02:12:33:00

So one thing about the Clinton administration that I wanted to point out a minute or two ago is that right when President Clinton was about to take office in '93 he had a meeting with his top advisors including Robert Rubin and Alice Rivlin

who were on his economics teams, and George Stephanopoulos and James Carville who were his political advisors.

02:13:00:00

And in one of those early meetings, this was before he even got to the White House-- but had already been elected president-- they had a debate about the middle class tax cut and whether or not they were going to give that to the middle class. And Robert Rubin and Alice Rivlin and others argued that the country couldn't afford a tax cut at that time.

02:13:19:00

And the president decided that balancing the budget was gonna become a top priority. And James Carville says-- he said this several times, that he was furious about that decision and that politically that was gonna harm the president a great deal. But, looking back on it years later, James Carville has said that they were right. That was the best thing to do. It was politically unpopular, but it was what the country needed at that time.

ADDISON WIGGIN:

02:13:47:00

Well, it's interesting, too, because they strategically planned to balance the budget at a time where it was unpopular to do so. Coming up here in a bit David Yepsen-- who is a reporter for the-- what is it the Iowa--

CHRISTINE O'MALLEY:

02:14:03:00

Des Moines Register.

ADDISON WIGGIN:

02:14:04:00

The *Des Moines Register* points out-- it's one of my favorite parts of the movie, he points out that, "Hey, this is America. We don't do anything until there's a crisis."

CHRISTINE O'MALLEY:

02:14:12:00

Uh-Hmm (AFFIRM).

PATRICK CREADON:

02:14:12:00

Right.

ADDISON WIGGIN:

02:14:13:00

In the '90s they recognized the importance of balancing the budget at a time when there wasn't a crisis. And they worked towards-- you know, they had that one actual, fiscal surplus in 1998 at a time when a crisis hadn't arisen. And now, here it is 2008-- we're in the midst of one of

the greatest financial crisis the country's ever seen. And only eight years ago, they were already trying to solve that problem. But, we jumped the tracks and--

CHRISTINE O'MALLEY:

02:14:46:00

Uh-Hmm (AFFIRM).

ADDISON WIGGIN:

02:14:47:00

Went down an entirely different--

CHRISTINE O'MALLEY:

02:14:48:00

This is where he said that.

DAVID YEPSEN:

02:14:50:00

(IN PROGRESS) --whether it's military rearmament before World War II or whether it's this question, now. We're not gonna be willing to take this pain until it gets to be a real problem.

PATRICK CREADON:

02:14:59:00

You know, I've talked to Dave about that quite a bit, about the fact that-- we live in a much different world today than we did even a year ago when we were making the film.

ADDISON WIGGIN:

02:15:11:00

Well, we don't. We live in the same world. It's just--

PATRICK CREADON:

02:15:13:00

Right. Right.

ADDISON WIGGIN:

02:15:13:00

We were under many delusions.

CHRISTINE O'MALLEY:

02:15:15:00

Different (UNINTEL).

PATRICK CREADON:

02:15:15:00

The scoreboard is much different than--

ADDISON WIGGIN:

02:15:17:00

Yeah.

PATRICK CREADON:

02:15:17:00

It was a year ago. And-- in a way-- Dave is-- obviously you have to fix your short-term crisis and right now that is trying to get our economy back on track and get the housing market stabilized. Those things are top priorities. But, in a way, Dave always says this. He's like, "We're gonna get through this. You know, it's gonna be painful but we'll get through it." And once we do get through it, hopefully people will finally learn that, you know what, you can't live an unsustainable life forever-- or run an unsustainable economy, or an unsustainable fiscal

policy forever. That will catch up to you. And-

-

ADDISON WIGGIN:

02:16:03:00

Yeah.

PATRICK CREADON:

02:16:03:00

I think they're gonna be using what happened in 2008 in the future and show people we have to get a handle on our social spending programs and other spending programs in the Federal Government and look at our tax policy and get very serious in the future about being more fiscally responsible.

ADDISON WIGGIN:

02:16:23:00

Yeah, that's one thing we point out in *Empire of Debt* and in our work in the *Daily Reckoning*-- a lot is that people in science and technology, we are knowledge builds. We learn how to harness electricity and build things and then we can build on that body of knowledge. But, in politics and in economics-- we often forget the lessons that we learned a generation ago and we have to learn them all over again. I think we're in that period right now where we're gonna learn the lessons of overindulging in debt.

02:16:56:00

And we're gonna have to figure out a new economy that supports less consumer spending, more savings, more local investment. And it's necessary. We were on an unsustainable path and generally it takes a crisis to change people's behavior, as Yepsen points out. And then it's only when we look back in history that we call it a crisis.

02:17:21:00

And that was when we had to change things because the unsustainable path came to an end and now we have to do something. I love this section of the film. It's-- it's the historic love affair between Ron Paul and Alan Greenspan.

PATRICK CREADON:

02:17:39:00

Right. They--

ADDISON WIGGIN:

02:17:42:00

This is another point where we could have potentially gone way off track with the film because it's an attempt to explain the functions of the Federal Reserve and management of money supply, which is a very arcane and difficult

subject-- even if you spend your entire life studying it as the current Fed chairman, Ben Bernanke has been doing.

02:18:07:00

So, putting all of this information into a film that is covering the financial challenges of the country-- I think we did a nice job of encapsulating what the role of the fed is, and how it actually affects the dollars that are in people's wallets.

PATRICK CREADON:

02:18:25:00

Yeah, it was interesting interviewing Ron Paul because at the time we interviewed him he was running for president. And-- we certainly didn't want the film to come off as some sort of endorsement of his presidency-- because it isn't. But, I think most people would agree that Ron Paul is one of the few people in Congress who has been sounding this alarm for years and years and years. Remember, when he was having that sort of-- shouting match or back and forth with Alan Greenspan, that was 2001. I mean, that was the height-- or maybe 2000--

CHRISTINE O'MALLEY:

02:19:03:00

2000.

PATRICK CREADON:

02:19:04:00

Even. That was the height of Alan Greenspan's popularity and yet there's Ron Paul saying, you know, "Mr. Chairman, I think-- "

ADDISON WIGGIN:

02:19:13:00

You should seek employment elsewhere. (LAUGHTER)

PATRICK CREADON:

02:19:14:00

Yeah. Literally.

CHRISTINE O'MALLEY:

02:19:16:00

And it's also, I think, important to note that Ron Paul was one of the first people to agree to do an interview for this film. I mean, knowing--

PATRICK CREADON:

02:19:22:00

Right.

CHRISTINE O'MALLEY:

02:19:22:00

You know, he-- he was-- he's been talking about this for a long time.

PATRICK CREADON:

02:19:36:00

This is obvious illustrating the great danger of printing a lot of money which is what our country is doing right now. As I mentioned earlier, there's gonna be a trillion dollar budget deficit

next year. There's gonna be a lot of new money pumped into the system. And what everyone is hoping to avoid and hope doesn't happen is that we head into a serious inflation cycle like we did in the late '70s and early '80s. And it's funny--

ADDISON WIGGIN:

03:00:31:00

But, given the choice, and they've stated this-- expressly, given the choice they'd rather deal with inflation than battle deflation. And that's why the government is pursuing the policies that they are right now.

PATRICK CREADON:

03:00:43:00

You know, it's interesting because-- when we were making the film there were some people who had seen earlier cuts of the film and they weren't exactly sure why there was all this stuff in there about the Federal Reserve and Paul Volcker. Because, the truth is-- this is not something that they talk about a great deal in the Fiscal Wake-Up Tour. However, it's proven that these people, Paul Volcker especially-- are so important in understanding what they did-- and the challenges that he was confronted with when he was a Fed chairman in the late '70s and early '80s. That is--

ADDISON WIGGIN:

03:01:23:00

I love this poster.

CHRISTINE O'MALLEY:

03:01:24:00

Yeah.

PATRICK CREADON:

03:01:24:00

Yeah, that is a lesson. He's fighting inflation. This is him turning off the faucet if you will. That's an analogy for raising interest rates right there. When you raise interest rates you're turning off the spigot-- the spigot of money. He was burned in effigy when he did what he did-- in the early '80s, literally burned in effigy.

03:01:47:00

Some of you might remember that there were farmers that-- drove all the way from the heartland to Washington and they had protests outside the Federal Reserve. If you work in an industry like farming, which is very debt intensive and interest rates go from 10 percent to 20 percent in one year, imagine how hard that

is-- for people who need to refinance loans.

03:02:12:00

And, you know, again, I was in college back then. And one of my roommates' father was a banker in Iowa and I used to hear horror stories about the suicides and the banks that were lost to foreclosure. It was a very, very painful time in our country, and obviously no one wants to go down that road again. We hope that doesn't happen, but we have to get through what we're going through right now. It's--

ADDISON WIGGIN:

03:02:41:00

Right, and that's the challenge.

PATRICK CREADON:

03:02:41:00

The Fed is in a very precarious position right now.

ADDISON WIGGIN:

03:02:43:00

That's the rock and the hard place, the deflation that they're fighting against-- now they're pursuing policies that print money. They believe that-- and Volcker has been appointed to the head of the economic advisors of the new president-- they believe that when the time comes and they have to start reeling back in the money supply to head off inflation that they'll have the right guys in place to be able to do it. And they've appointed Volcker to that position.

03:03:13:00

And it's really an interesting part in our history because we don't want to go down the route that we went down in the '30s that led to massive unemployment. At the same time, we have to be very careful not to go the route that we went in the '70s which led to the situation that Patrick is talking about. Here's another one of Bob's metaphors. (LAUGHTER)

PATRICK CREADON:

03:03:41:00

Cold shower. Three of--

ADDISON WIGGIN:

03:03:43:00

Yeah, this entire project-- I wrote in the foreword to the companion book to the-- (LAUGHS) to the documentary that this entire project has been one, giant cold shower for everyone. (LAUGHTER)

PATRICK CREADON:

03:03:57:00

Right.

ADDISON WIGGIN:

03:03:58:00 'Cause everybody we talk to: the press, or we go on speaking tours or anybody that we talk to-- they immediately start wondering what our motives are. (LAUGHS)

PATRICK CREADON:

03:04:10:00 Three of President-Elect Obama's key economic advisors-- sort of elder statesmen, are-- Paul Volcker, Warren Buffett and Robert Rubin and those three people are all in the film. You know, another thing, just sort of looking at these guys talking to a room full of Rotary Club members-- Dave and Bob are just such good communicators.

CHRISTINE O'MALLEY:

03:04:50:00 Uh-Hmm (AFFIRM).

PATRICK CREADON:

03:04:50:00 And-- and I think that's why they are so important in this story. This is a great moment here, too.

ALAN GREENSPAN:

03:04:59:00 Absolutely-- you're quite correct to the extent that there is a central bank governing the amount of money in the system, that is not a free market. And most people call it regulation.

JON STEWART:

03:05:10:00 And so when you lower the interest rate and drive money to the stocks, that lowers the return people get on savings at a bank.

ALAN GREENSPAN:

03:05:18:00 Yes, indeed. Yes, indeed.

JON STEWART:

03:05:20:00 So, they've made a choice, "We would like to favor those who invest in the stock market and not those who invest in the bank. That helps us."

ALAN GREENSPAN:

03:05:27:00 That-- no, that's the way it comes out. But, that's not the way it is-- (LAUGHTER)

PATRICK CREADON:

03:05:31:00 You know, Jon Stewart gets so much credit for his comedy and his humor, but he is an extraordinarily good interviewer. And again, sort of the same thing with *Saturday Night Live*, one way to reach a more mainstream audience is to have people like Jon Stewart appear in the film. It's funny, he was also--

CHRISTINE O'MALLEY:

03:05:52:00 This--

PATRICK CREADON:

03:05:52:00 In *Wordplay* which is-- which is sort of a--

CHRISTINE O'MALLEY:

03:05:55:00 This is so interesting to me, 'cause they're talking about Bear Stearns and this is from--

ADDISON WIGGIN:

03:05:59:00 This is prior to Bear Stearns going bankrupt.

CHRISTINE O'MALLEY:

03:06:01:00 Yeah, this is from late 2007.

PATRICK CREADON:

03:06:04:00 This was a moment--

ADDISON WIGGIN:

03:06:05:00 And this is Cramer begging Bernanke to lower the interest rate and now-- you know (LAUGHS) it's a year and a half later and we're at a range between zero and .25 percent and here he is begging for a quarter point in July-- or it's early August of 2007.

PATRICK CREADON:

03:06:24:00 And where were rates at this point roughly?

ADDISON WIGGIN:

03:06:27:00 We're talkin' 2.5.

PATRICK CREADON:

03:06:29:00 Yeah-- I mean, this was a moment-- that moment with Jim Cramer screaming-- that we felt was really important. We wanted people to wake up and realize just because this is not something you spend your days studying, or let's say you don't work in the markets or you don't work in the financial community, so this story seemed sort of tangential to you, perhaps. It's not. These are life and death decisions that are being made right now and they affect all of us. And there's a lot of blood and sweat and tears and worrying and staying up all night--

ADDISON WIGGIN:

03:07:10:00 And that was just the filmmakers. (LAUGHTER)

CHRISTINE O'MALLEY:

03:07:13:00 But, you know, that rant was run on a lot of shows picked that up because it was so passionate, but he said-- these firms are gonna go outta business. These people are losing their jobs. And it seemed like he was way out there. And look what's come to pass.

PATRICK CREADON:

03:07:30:00 Yeah, there's something I want to point out here, too, with Alan Greenspan. There's a lot of people who want to lay all of the blame of what's happening at his feet. And I don't think that that's-- I think that's disingenuous. I think he--

ADDISON WIGGIN:

03:07:49:00 Well, at the very least--

PATRICK CREADON:

03:07:50:00 Played a--

ADDISON WIGGIN:

03:07:50:00 We gave him an opportunity to explain his position--

PATRICK CREADON:

03:07:53:00 Exactly.

ADDISON WIGGIN:

03:07:53:00 And he says something that I think is very important here--

PATRICK CREADON:

03:07:55:00 Absolutely.

ADDISON WIGGIN:

03:07:56:00 He says that in the face of bad fiscal policy and low savings rates, there's very little that the Federal Reserve can do in terms of manipulating the interest rate--

PATRICK CREADON:

03:08:10:00 Absolutely.

ADDISON WIGGIN:

03:08:10:00 In order to head off financial--

PATRICK CREADON:

03:08:12:00 And that's what I was gonna say--

ADDISON WIGGIN:

03:08:13:00 And that's just the system that we operate under. We have a central bank that manages interest rates. It requires a balanced budget and higher savings in investment by the population in order to make sound monetary policy work.

PATRICK CREADON:

03:08:30:00 And that's really one of the most important things we try to accomplish with the film is that it would be disingenuous to lay all of the blame at the foot of one person or one party-- because that's just not true. We have a culture that has lived beyond its lifestyle, and lived beyond its means for a very long time. And now we're all feeling that. Some people may be more

responsible than others, but it's not-- no political party has a monopoly on fiscal irresponsibility. That's for sure.

ADDISON WIGGIN:

03:09:08:00

Right, as Pete Peterson points out in the preface of his book, *Running on Empty*, the Democrats have historically been accused of being the tax and spend party. But over the past 30 years, the Republicans have become the borrow and spend party-- neither one of them practices fiscal responsibility in any measure.

PATRICK CREADON:

03:09:28:00

Or the don't tax and spend.

ADDISON WIGGIN:

03:09:29:00

And that's really the focus of our project here, because average citizens, like the man on the streets that we-- the men on the street, and women (LAUGHTER) that we interviewed as we went along, because they don't understand what's at stake-- they don't hold their public officials, the people that we've elected to make these decisions, accountable when they make them improperly.

03:10:00:00

The trade balance is an interesting story. I'm glad we have Warren Buffett anchoring the story because he wrote the famous story-- article for *Fortune Magazine*, *Squanderville versus Thriftville*-- in 2003, and it was a pleasure working with him, and he gave us, what was it, an hour and 20 minutes in his office in Omaha. But the trade deficit is a very interesting situation, because we've benefited greatly from globalization as we've outsourced jobs to lower wage markets around the world, but at the same time, we've gutted the productive capacity of the country.

03:10:41:00

And that's one of the biggest challenges that the country faces, is being able to produce things from our own investment, from our own savings, in order to be able to run a positive trade balance. And Buffett does a good job here of explaining what happens if you run (LAUGHTER) an unsustainable trade balance over a long period of time.

PATRICK CREADON:

03:11:04:00

And you have to sell off the family farm. He was a real pleasure to work with, and he really enjoyed the film. You know, one of the things that was hard about making this film is that not every one who appears in the film agrees with every single thing that's in the film. And when we were making this, Warren Buffett, as an example, was not as concerned about our debt levels as some other people are. I think--

ADDISON WIGGIN:

03:11:34:00

I'll bet he is now.

PATRICK CREADON:

03:11:35:00

--I think that's changed and I think he's starting to-- his concern is probably rising. But what he told us was, he said, you know it, whether or not I agree with every single thing that's in your film, there's never a bad time to teach fiscal responsibility. He has characterized himself as a compulsive saver. He has been-- he said, "Just ask my kids. You know, I've been a compulsive saver my entire life, and I figure that any money that I save is money that I could reinvest somewhere else, and add to the wealth of my company, and the wealth of my family." And I think there's a lesson to be learned there. He lives in the same house that he's owned for-- I think,

ADDISON WIGGIN:

03:12:19:00

Since the '50's.

PATRICK CREADON:

03:12:20:00

--yeah, 50 years now. I know, for a long time he drove an old car to his office. He's been in that office-- I asked him, I said, "How long have you been in this office?" And he said, "Well, the last office I had before this was in my spare bedroom at my house." (LAUGHTER) So, you know, he--

CHRISTINE O'MALLEY:

03:12:38:00

And his big-- big thing is cheese burgers and cherry coke. So--

PATRICK CREADON:

03:12:42:00

Yup-- he was great. When the film released, we had a really interesting event. Roadside attractions--

CHRISTINE O'MALLEY:

03:12:52:00

Yup--

03:12:53:00 PATRICK CREADON:
--what's-- what's that?

03:12:53:00 ADDISON WIGGIN:
That's an important point that he makes--

03:12:55:00 CHRISTINE O'MALLEY:
Yeah.

03:12:55:00 ADDISON WIGGIN:
--that a trade imbalance, in and of itself, is
not a bad thing--

03:12:58:00 PATRICK CREADON:
Right.

03:12:58:00 ADDISON WIGGIN:
--as long as it's true trade, where we're
exchanging goods for goods. But if we're just
trading in order to consume, then, over time--
the system falls apart. And he makes the point
later in the movie that that's when demagogues
can come along and do some very foolish things.

03:13:19:00 CHRISTINE O'MALLEY:
Beca-- politically unstable.

03:13:20:00 ADDISON WIGGIN:
Meaning that, politically-- when you are indebted
to other countries, and people are in debt in
their own lives-- it's possible for people to
play on the fears that are generated-- when
you're in that situation, to do things that may
not be in the interest of the country going
forward.

03:13:42:00 PATRICK CREADON:
And we--

03:13:43:00 CHRISTINE O'MALLEY:
I thought that was a really interesting question
to ask people, because there's one moment
(LAUGHS) he said (PAUSE)-- yeah, their-- their
answers, I thought, were really interesting.

03:13:58:00 ADDISON WIGGIN:
Yeah, how does the Federal Government borrow
money.

03:14:02:00 CHRISTINE O'MALLEY:
I don't think-- not one person got it.

03:14:05:00 PATRICK CREADON:
There was actually one guy who did get it right,
and then I asked him what he did, and he said,
"I'm an attorney in Washington." (LAUGHTER) I
said "oh"--

03:14:15:00 ADDISON WIGGIN:
Not exactly a man on the street.

PATRICK CREADON:

03:14:16:00 Yeah, yeah, yeah, yeah. I think he actually may have worked for the Fed--

CHRISTINE O'MALLEY:

03:14:20:00 The GAO.

PATRICK CREADON:

03:14:21:00 Or the GAO, or something. (CLEARS THROAT) I was gonna say earlier though, we had a terrific opening night event that happened with our film. In August of 2008-- the film was-- its' premiere night, it was fed digitally to over 350 theaters around the country. And on that one night, over 43,000 people saw the film-- and they saw it live. It was simulcast live. And then immediately after the film, there was a live Town Hall Meeting, which took place in Omaha. Warren Buffett was on the panel, along with several other people-- David Walker, Pete Petersen, and several other people who are in the film.

03:15:07:00 And it was just a great event. It was like the world's biggest Q and A, if you will, after a film. And it was an opportunity for people, not just to learn about this topic, but to hear a follow up to the film, and to talk about the film and what lies ahead. That idea was dreamed up by Roadside attractions, who distributed the film. And they have been terrific partners helping us get this film out to a wider audience.

04:00:07:00 We're hoping that in the future, there'll be more of those kinds of events. There's a group called Fathom Events that does that sort of thing. And I know the documentary community is really excited about doing more of those in the future. (CLEARS THROAT) That night, again now, that was August 21st, of 2008, Warren Buffett was the one person on the panel who was much more optimistic about the future than anyone else. And in the four months--

ADDISON WIGGIN:

04:00:35:00 Well he began his statement by saying, he's gonna play the token Pollyanna--

PATRICK CREADON:

04:00:39:00 Right.

ADDISON WIGGIN:

04:00:40:00 --meaning that we live in the best of all worlds.

PATRICK CREADON:

04:00:42:00

Right. In the four months since that event took place, Warren Buffett's net worth has gone down approximately \$10 billion. But true to his word, he is investing his money, and continues to invest most of his money, in American companies, and in America-- U.S. Currency. He is a very, very passionate believer about the fact that we live in a great country, and no matter what we're going through right now, we're gonna get through it, and things are gonna continue to get better. (CLEARS THROAT) I spent eight days in China with John Karnes, who was one of the original team members, and sorta helped us get this film off the ground, and we had a great time there. And--

ADDISON WIGGIN:

04:01:37:00

I like this segment with David Chia, 'cause he's a Chinese national, and even in the parts of this interview that hit the editing room floor-- he really expresses kind of American entrepreneurial spirit, and says that he never expected to be able to do it China-- and it give him pleasure to be able to pay his workers salaries, and to build such a big building, and a lot of the things-- the spirit that we would attribute to American entrepreneurship, and yet he's a Chinese national.

04:02:15:00

And doing that work in China really shows how far along China has come. They used to be-- you know, the big Red nation that scared all Americans about, you know, taking over the world with communism (LAUGHS), and now they practice a form of capitalism, that in may ways, we've lost in the United States.

PATRICK CREADON:

04:02:35:00

When I told David Chia-- who's the guy who owns this company-- when I told him that Warren Buffett was also in the film, he almost fainted. He was so excited that he was gonna be in a project with his hero.

CHRISTINE O'MALLEY:

04:02:51:00

Savings is just such a big part of his culture-- and you see that they do with very little.

PATRICK CREADON:

04:03:06:00

There's an interesting phenomenon that happened, and this is something that I think a lot of

people tend to forget-- when communism fell, and the Berlin Wall came down, and China opened up economically, all these things were happening near the end of the last century. One of the results of those things happening was that there was a tremendous amount of wealth created, especially in China-- and also to a great extent in Russia-- and that wealth needed to go somewhere. And where it went-- in a large part, was back to the United States.

04:03:45:00

And people in China were buying U.S. Treasuries for the first time. I mean, China had bought U.S. Treasuries, but they started to buy a lot of them in the '90's, and in the early part of this century. That's another reason why interest rates were so low in our country for such a long time. People-- again, they oversimplify, and think that the Federal Reserve is the only determinant? What's the-- (LAUGHS). The-- the--

ADDISON WIGGIN:

04:04:17:00

You have to say that with an Austrian accent.

PATRICK CREADON:

04:04:17:00

--the Fed is the only-- (LAUGHS) the Fed is the only (CLEARS THROAT) factor that decides what interest rates should be, but there are market forces. And because there was such a high demand for U.S. Treasury bonds for so long, that helped keep interest rates down. And when interest rates are low, that's an incentive to borrow money. That's--

ADDISON WIGGIN:

04:04:39:00

The unintended consequence, being the rapid innovation in the mortgage market--

PATRICK CREADON:

04:04:44:00

Right.

ADDISON WIGGIN:

04:04:44:00

--that led to the financial crisis we're in right now.

PATRICK CREADON:

04:04:46:00

And it's also one of the reasons that savings fell off so, so rapidly in the last 10 or 20 years-- because, why save, when it's so easy to borrow?

ADDISON WIGGIN:

04:04:58:00

Right. It created a disincentive to save, rather

than an incentive. One of the ways that we describe it in the *Daily Reckoning*, is we won the war-- the Cold war-- but we're losing the peace, because the peace dividend turns out to be an era of extremely low interest rates, and a lack of high interest investment vehicles. It's interesting too, because since-- (LAUGHS) since the final cut of the movie, the scrap metal market has completely fallen off.

CHRISTINE O'MALLEY:

04:05:39:00 Yeah.

ADDISON WIGGIN:

04:05:40:00 Hedge fund companies had been going in, buying up scrap, because the price had been rising so rapidly. And then the demand in Asia dropped off--

PATRICK CREADON:

04:05:49:00 Yeah.

ADDISON WIGGIN:

04:05:50:00 --so the price plummeted. Now there are a lot of hedge fund companies that are holding on to scrap, waiting for the price to come back. This is a pretty dramatic part of the film. And as we've been going out and talking to different groups, or speaking to the media, a lot of people are shocked. This is new information for a lot of people, that when-- we have an example here, where the U.S. used to hold a lot of British debt.

04:06:17:00 And we were able to control them politically in this event in the '50's. And if you reverse the situation, and look at the fact that China holds so much of our debt, and they even publically called it their nuclear option, they're insinuating that they have control over policy, that we might dictate from Washington, in a way that-- the U.S. is accustomed to holding around the world. We've lost that position, because we're a net debtor nation, where, in the '50's, in the Suez incident, we were a net creditor.

PATRICK CREADON:

04:06:54:00 It's a very complex issue that we're looking at, because if China, who is, to a large part, one of our most important bankers-- they've lent us an incredible amount of money-- China would not want to deliberately hurt us, because if they hurt us

economically--

ADDISON WIGGIN:

04:07:16:00

That hurts them, too.

PATRICK CREADON:

04:07:17:00

--that'll hurt them. We're one of their best customers. However, at the same time, when you get into very important political decisions and negotiations, and-- when other factors come into play, you never know what's gonna happen. We live in an era today, where people have to admit that anything's possible. You never know what a large lender might do to the United States, or any other country to get what they want. It's fascinating watching this film, because again, we shot most of this a year and a half, or a year ago.

CHRISTINE O'MALLEY:

04:08:15:00

Two years ago, or--

PATRICK CREADON:

04:08:17:00

Yeah. Well, we started two years ago.

CHRISTINE O'MALLEY:

04:08:19:00

Yeah, a year and a half ago.

04:08:19:00

(OVERTALK)

PATRICK CREADON:

04:08:19:00

So-- maybe a year and a half, and a lot of it we shot during the summer, and the fall of 2007. And we live in a much different world today than we than we did then. I was talking to Bob Bixby the other day, and he was saying that the Fiscal Wake-Up Tour is going to continue, and that they are gonna continue doing their work and continue traveling, but they're gonna start to focus more on solutions, and what needs to be done to fix these problems that we've created.

04:09:01:00

And to some extent, our film is sort of a reflection on what the Fiscal Wake-Up Tour used to do. They spent all their time talking about the problem; they didn't set out to talk about solutions. They wanted people to understand the problem first. If you start with the solutions, you're gonna lose people-- because the solutions are tough. The solutions are hard. And--

ADDISON WIGGIN:

04:09:28:00

Well, and at the time, they began the project in 2005, so it was similar to our own situation, where people didn't even recognize that there was

a problem. They had to explain the four deficits just to get people to engage in the conversation.

CHRISTINE O'MALLEY:

04:09:46:00 And you could see--

ADDISON WIGGIN:

04:09:47:00 Now we're in a different period, where people are wondering, "Oh, well, how did we get into this situation, and what do we need to do?"

CHRISTINE O'MALLEY:

04:09:53:00 Uh-Hmm (AFFIRM).

ADDISON WIGGIN:

04:09:53:00 You can begin to advance solutions once people understand that there is a problem that needs to be addressed.

CHRISTINE O'MALLEY:

04:10:04:00 Well-- I love this (UNINTEL).

PATRICK CREADON:

04:10:06:00 Lookin' at six trillion seems so quaint.

ADDISON WIGGIN:

04:10:07:00 That seems so quaint. (LAUGHTER) The sign looks old.

CHRISTINE O'MALLEY:

04:10:12:00 I know. What--

ADDISON WIGGIN:

04:10:25:00 I like this--

CHRISTINE O'MALLEY:

04:10:28:00 (UNINTEL) funny.

ADDISON WIGGIN:

04:10:28:00 --Douglass Durst is talking about his father, who created the debt clock, and he's standing at the front door of the Wall Street Journal.

PATRICK CREADON:

04:10:39:00 Right, they have the same-- his offices are in that building.

CHRISTINE O'MALLEY:

04:10:42:00 What did they do about the debt clock now? Did they order a new one?

ADDISON WIGGIN:

04:10:46:00 They fixed it once it went to 10 trillion--

PATRICK CREADON:

04:10:48:00 They changed the dollar sign to a one.

CHRISTINE O'MALLEY:

04:10:50:00 Oh--

PATRICK CREADON:

04:10:50:00 So that now says ten-- in fact, today, it's 10 point--

04:10:55:00 ADDISON WIGGIN:
Five-- six.

04:10:56:00 PATRICK CREADON:
--five-- six trillion. In late December of 2008,
it's 10.56 trillion.

04:11:00:00 ADDISON WIGGIN:
So he talks about it approaching 10 trillion, and
there not being enough digits in the sign to
handle 10 trillion.

04:11:09:00 CHRISTINE O'MALLEY:
Here-- here.

04:11:12:00 PATRICK CREADON:
Yeah. So they ended up taking the dollar sign
off, and-- and--

04:11:17:00 ADDISON WIGGIN:
No, they actually-- what they did, was they made
up a sticker.

04:11:21:00 CHRISTINE O'MALLEY:
Of the dol--

04:11:21:00 ADDISON WIGGIN:
They moved the dollar sign over, and then they
just put a one in there.

04:11:24:00 PATRICK CREADON:
Literally are out of digits.

04:11:27:00 ADDISON WIGGIN:
Sort of a gum and--

04:11:28:00 PATRICK CREADON:
I'd cry if I wasn't laughing so hard, you know--
(LAUGHS)

04:11:30:00 ADDISON WIGGIN:
--tooth pick solution to the debt crisis.

04:11:31:00 PATRICK CREADON:
--how bad this is getting.

04:11:50:00 ADDISON WIGGIN:
You know, there's a been a lot of people who have
approached us, and said that we were too light on
the president.

04:11:59:00 PATRICK CREADON:
Or, some people think we were too hard on the
president--

04:12:02:00 ADDISON WIGGIN:
(LAUGHS) Right.

04:12:02:00 PATRICK CREADON:
--which is kinda hard to believe.

04:12:02:00 ADDISON WIGGIN:
And basically what we did, was we let the
president speak for himself, and let the record

04:12:00:00 speak for itself.

PATRICK CREADON:

04:12:07:00 And we laid out the facts, and these are the facts.

ADDISON WIGGIN:

04:12:10:00 And people can--

CHRISTINE O'MALLEY:

04:12:11:00 You really don't need a commentary. You can just--

ADDISON WIGGIN:

04:12:12:00 Right. People can draw their own conclusions.

PATRICK CREADON:

04:12:15:00 It's also worth pointing out that every president is dealt a different hand. And I think, to be fair, I do think this president was dealt a very tough hand with 9/11.

ADDISON WIGGIN:

04:12:31:00 Well, it's interesting--

PATRICK CREADON:

04:12:32:00 9/11 changed everything.

ADDISON WIGGIN:

04:12:33:00 --it changed everything, because he ran his first campaign on a more humble foreign policy, and then, within a year, he was faced with--

CHRISTINE O'MALLEY:

04:12:42:00 Uh-Hmm (AFFIRM).

ADDISON WIGGIN:

04:12:44:00 --9/11, and then sort of an erratic response policy-wise.

PATRICK CREADON:

04:12:49:00 When we start--

ADDISON WIGGIN:

04:12:51:00 And then you have the outcome of an era of low interest rates, like we were talking about a few minutes ago. That came on his watch as well.

PATRICK CREADON:

04:13:01:00 Uh-Hmm (AFFIRM). When we started making the film, again, I was not an expert on this topic, and my understanding was that the cost of the Iraq war was the most fiscally irresponsible thing that this president had done. And yet, that pales in comparison to the cost of Medicare D. The Medicare D program is an eight trillion dollar liability on the government's books, and the cost of the Iraq war to date, I think, is approximately 10 percent or 12 percent of that. It's about 800 billion-- \$900 billion, I think.

04:13:44:00 Obviously, that number will go up greatly in the years ahead when soldiers are coming home, and we have other expenses to pay. But it just goes to show you that, for the last five years in our country, all of our attention has been on the Iraq war. And at the same time, our financial house was falling apart--

ADDISON WIGGIN:

04:14:03:00 Deteriorating.

PATRICK CREADON:

04:14:04:00 --deteriorating.

ADDISON WIGGIN:

04:14:04:00 It's interesting too, because when we began doing the man on the street interviews, the every man response was that the fiscal challenge that the country faced was caused by the expense of the war. That was the answer that we got from everyone. As the project progressed, more and more people started asking different questions. They recognized that the war was only one portion of the total challenge.

PATRICK CREADON:

04:14:33:00 And if that sounds like an endorsement for us being in Iraq, it most certainly is not. But it does go to show that, relatively speaking, that cost is small compared to some of the other expenses that we have.

ADDISON WIGGIN:

04:14:49:00 And obligations.

PATRICK CREADON:

04:14:50:00 It'd be great if we didn't ever have to go to war, and didn't ever have to spend money fighting in other countries. And hopefully we can work toward that, too. Paul O'Neil is another person who said yes to an interview right off the bat, and he was a real pleasure to meet, and to work with. His interview was fantastic. And he walks you through a very, very important period in the Bush presidency. He's explaining now how he was not comfortable with the deficits that we were running, and was not comfortable with a third round of tax cuts. And when he spoke up, and became a squeaky wheel about that, he was fired.

ADDISON WIGGIN:

04:15:47:00 During this interview, it occurred to me that we were developing a narrative that was a very

important slice of contemporary American history, 'cause we had Paul O'Neil talking about the day he was fired, by a sitting President.

CHRISTINE O'MALLEY:

04:16:03:00

Uh-Hmm (AFFIRM).

ADDISON WIGGIN:

04:16:03:00

And we were in Washington talking to a former Treasury Secretary about a conflict he had with a sitting President. And David has been sounding the alarm for a number of years-- but as we went through the project, and talked to the richest man in the world, two former treasury secretaries, and a number of Chairmen of the Federal Reserve, we had gathered over a very short period of time, about 18 months, a real significant slice of American history that people are gonna be looking back in time-- historians are gonna be pouring over these events-- of these 18 months for years and years to come.

PATRICK CREADON:

05:00:15:00

That, added to the stress level while we were making the film (LAUGHTER) 'cause, when we started--

ADDISON WIGGIN:

05:00:21:00

Yeah, we had a good, important piece of film.

PATRICK CREADON:

05:00:22:00

--well, when we started making it we used to joke we're like--

ADDISON WIGGIN:

05:00:25:00

And we needed to do something.

PATRICK CREADON:

05:00:27:00

--this movies gonna be really good. And I think all 12 people who see it are really gonna appreciate the work we did. (LAUGHTER) And when the financial health of our country became the biggest story in the world, which is what it is today, I would argue-- we realized that we were telling an incredibly important story, and that we wanted to make sure we got it right, and we also wanted to make sure that we told it in a non-partisan way.

05:00:54:00

You know, Dave always says, he's like, "The facts are the facts." And we tried to stick to the-- well, we did. We stuck to the facts as best we could. There's a little bit of editorializing in our film-- but I think we also knew that we were

making a movie, and we wanted to tell a story-- we couldn't just present a bunch of numbers to an audience. That wouldn't have done anything. So we had to make the story come to life to some extent, and give it shape, and give it character.

ADDISON WIGGIN:

05:01:26:00

It's interesting, too, that as we were putting the film together in September, 2007, as we were preparing to submit the film to Sundance-- the film began as a forecast of what we expected these deficits to cause-- what havoc we expected them to reek. And in September of 2007, we had 90 minutes, and we were trying to put together a final edit. But at the time, it was still a forecast of what we expected to come.

05:01:56:00

And as we were going into the editing bay day after day, mid-September, we saw the headlines in the financial press were already screaming what we were forecasting. It was happening around us. And we had to throw out the film, and re-cut it-- after having, put together a complete story. We had to throw it out, and start again with only, what, two weeks left before our (LAUGHS) deadline for Sundance.

CHRISTINE O'MALLEY:

05:02:25:00

And then that continued all the way on through-- I mean, there are headlines-- yeah.

ADDISON WIGGIN:

05:02:29:00

Right, the story kept moving, and we kept chasing it all the way through. And then finally, in August of 2008, we had a couple of weeks left before the premiere. We finally said, "We've got to stop telling the story. We have to pick an end date." And--

CHRISTINE O'MALLEY:

05:02:42:00

Right.

PATRICK CREADON:

05:02:43:00

You know, we ended up making four versions of the film. The first version played in January of 2008 at Sundance. The second version was at the Maryland film festival a couple months later. And then we had a screening at Silver Docs, in Washington, DC-- Chevy Chase, Maryland, actually. And then the final version was in August of 2008. That was the theatrical release of the film. Sundance is such a huge supporter of independent

films, but especially documentaries, and we were really thrilled that this film was accepted to have it's premiere there.

05:03:24:00

There were 950 films submitted that year for American documentaries, and they only chose 16 of them, and this was one of them. One of the things that Sundance does so well, is that they not only look for films that are good films, they look for films that are gonna resonate six months, or a year later, because that's when most films finally make it to market. And the head of the Sundance film festival, a guy named Jeff Gilmore saw this story, and saw what we were tryin' to do, and knew that this was going to be the story of 2008, and that's why he wanted it to be world premiered at Sundance.

CHRISTINE O'MALLEY:

05:04:08:00

And that was when Bob and Dave came to Sundance, and saw the packed theater, and--

PATRICK CREADON:

05:04:17:00

Standing ovations.

CHRISTINE O'MALLEY:

05:04:17:00

--and standing ovations, and how the Q and A's were fantastic. People wanted to know--

ADDISON WIGGIN:

05:04:24:00

Right. The audiences were genuinely engaged, and they wanted to hold us much longer than the time we had allotted for the Q and A's.

CHRISTINE O'MALLEY:

05:04:29:00

--yeah. It was a great beginning for the release of the film.

PATRICK CREADON:

05:04:38:00

I also think that Dave Walker left Sundance, and he realized that if this film gets out there, it's really gonna help him and others tell the story-- which it most certainly has.

CHRISTINE O'MALLEY:

05:04:53:00

Well, if you think about how much it takes for them to go on this-- for each Fiscal Wake Up-Tour. There's a lot of effort and travel, and time that goes into each one of those events, and having the film available, allows them to carry the message, and get it out there to many more schools, and communities, and different organizations.

PATRICK CREADON:

05:05:17:00 That film--

ADDISON WIGGIN:

05:05:17:00 Right. And back to Sundance, a little bit-- to their credit, the theme for the films this year-- they were looking for films that were telling stories in a more in-depth fashion than what was happening in the cable news networks, and on the nightly new channels, where it's information that's actually-- changing the culture, changing society-- but not being reported on the news, because of the formats that they engage in. And that was the theme, that film and documentary film makers-- because of their interest in the human stories that are involved, are much more effective in delving into these subjects. And presenting them in an easy-to-understand, and entertaining way.

CHRISTINE O'MALLEY:

05:06:04:00 Well, and independent film-- documentaries specifically-- is one of the last ways that you can really get as unbiased, or as fair a look at something. It's not like doing something for a network, or for a studio.

ADDISON WIGGIN:

05:06:22:00 Or for advertisers.

CHRISTINE O'MALLEY:

05:06:22:00 Right.

PATRICK CREADON:

05:06:26:00 It is also worth pointing out, a lot of documentary film makers have their own angle, and their own agenda, and that's fine. It's a free country, and you can tell whatever story you want to tell. We definitely-- our goal was to tell this film-- to take it right down the middle. We didn't want to lean toward one party or another-- because we wanted it to be analytical. We wanted it to be fact based.

05:07:02:00 And in a way, that's a reflection of Dave. It all kinda does go back to Dave Walker, in a sense. He's an American hero. He loves his country very much. He is honored, and he feels very privileged to do the work that he does. And we could not have told-- we couldn't have made a movie that he was in, and make it really biased, and partisan. He wouldn't have been a part of

that. And so the film went a different route.

CHRISTINE O'MALLEY:

05:07:34:00

And I think that one of our other objectives, was to have this start a discussion. If it had come for only one particular angle, or if we were voicing one opinion, that's kind of polarizing. And that doesn't begin a conversation. Hopefully by laying everything out like this-- and we've seen that happen. After the film, people want to come up, and continue the conversation and find out more about this topic. And, I think that's--

ADDISON WIGGIN:

05:08:04:00

Well, it's interesting, too, because we had wanted to inject the conversation into the national debate as the campaign was going on in 2008. We did succeed, more or less, in raising these issues. But after the election, now that we have a new president coming in, we recognize that this is an opportunity for the new administration to make this one of their legacy issues. And, we've been invited to speak with them, and be involved in the discussion moving forward-- that even though we have this big, sort of economic juggernaut that we have to deal with, when we come out on the other side, we need to have a fiscally responsible government that is managing the money well-- and also managing the budget properly.

PATRICK CREADON:

05:08:52:00

Yeah. And think about that graphic that Harry Zeeve made with his two hands. Our film does not advocate a small government or a big government. It simply advocates that we should be paying for the government that we choose to have.

ADDISON WIGGIN:

05:09:06:00

Although, we do have our preferences.

PATRICK CREADON:

05:09:08:00

Yeah, everyone has their own preference, but the truth is, if you don't pay for the government that you're asking for-- then you're gonna pass those costs along to your kids and your grand-kids, which is what this part of the film is all about, here. Were kinda getting near the end here, and a couple things I just wanted to say before the film ends, is that we definitely want to thank the Peter G. Peterson Foundation, who took this film under it's wings, and helped get

this film out to a lot of people. They were a big help. They have a terrific team there of people that we've worked closely with. And it was really a pleasure to get to know all of them and to work with them.

05:09:54:00

And we also would definitely like to thank Theodore James, who is an Associate Producer on this film, and he's a key member of our team-- Christine and my team. And he knows this film better than anybody, 'cause he made it. He (LAUGHS) looked at about a thousand pieces of video tape. I can go on and on, but he was a key member of our team, and very, very important to the work we did.

05:10:22:00

And I think we mentioned Kate Incontrera but I wanted to say again, Kate works with Addison. She co-wrote the book that's based on this film. There's actually a book you can get called *I.O.U.S.A.*, and it revisits the themes in the film, and there are excerpts from all of the interviews--

ADDISON WIGGIN:

05:10:40:00

Yeah, and in fact we published the complete--

PATRICK CREADON:

05:10:43:00

--all the transcripts, right.

ADDISON WIGGIN:

05:10:46:00

--transcripts of all of the interviews we did, even those that didn't make it into the film.

PATRICK CREADON:

05:10:48:00

Yeah, Kate is terrific, and a damn good cook, too, by the way. And also Sarah Gibson brought the project to Christine and me, and she was terrific, and very, very smart, and a really good producer. This here is interesting. Some people who have seen our film wish that we had gone into more detail with the solutions. Instead, what we did is sort of a quick montage-- demand budget controls, major reform, and-- in taxes, social security, Medicare, health care. We a quick overview of what the solutions need to be.

05:11:37:00

But the reason we didn't go into great detail was that not everyone who's in our film agrees on what those solutions are. And, we thought that it would have been unethical to have a long list

of solutions at the end of the film that certain people who appear in the film didn't necessarily agree with. So this was the best we could do. Yeah, by the way, when in doubt, when you need a laugh, always go to Steven Colbert.

CHRISTINE O'MALLEY:

05:12:00:00 I love Walker Taxes Ranger.

PATRICK CREADON:

05:12:02:00 Yeah, Walker Taxes Ranger.

CHRISTINE O'MALLEY:

05:12:03:00 So funny.

PATRICK CREADON:

05:12:04:00 He's terrific. It was funny, while we were making the film-- we had already started making the film, and then in the months that followed, Dave was featured on 60 Minutes, and he was featured on Steven Colbert. And we realized that Dave's story is really starting to hit.

CHRISTINE O'MALLEY:

05:12:23:00 Well that's when you know you've hit main stream media, if you get booked on Colbert.

PATRICK CREADON:

05:12:26:00 Yeah.

CHRISTINE O'MALLEY:

05:12:27:00 I mean--

PATRICK CREADON:

05:12:28:00 Yeah.

CHRISTINE O'MALLEY:

05:12:29:00 You've-- you've arrived.

PATRICK CREADON:

05:12:30:00 Right. Once Steven Colbert does a little dance, as he runs over to do your interview, then you know you've made it. (LAUGHTER) Here it comes. (LAUGHTER)

ADDISON WIGGIN:

05:12:51:00 The typical response to everything we do. (LAUGHTER)

PATRICK CREADON:

05:12:53:00 Right.

ADDISON WIGGIN:

05:12:53:00 That what?

PATRICK CREADON:

05:12:54:00 That's gotta be a very fitting way to end film, too, which is, "What? I didn't understand any of that."

CHRISTINE O'MALLEY:

05:12:59:00 Not-- you just watched it.

PATRICK CREADON:

05:13:02:00 So--

CHRISTINE O'MALLEY:

05:13:01:00 That looks so scary.

ADDISON WIGGIN:

05:13:02:00 So here's our forecast--

PATRICK CREADON:

05:13:04:00 Here's our forecast, which--

ADDISON WIGGIN:

05:13:04:00 --for ten trillion by January.

PATRICK CREADON:

05:13:05:00 We were actually gonna say that the debt was gonna be 10 trillion by inauguration day. And a couple said, "Well, it may not be there yet, so we don't wanna put that number down there and be wrong." Well, the truth is-- it's \$10.56 trillion today. If you ever want to follow that yourself, you can Google "Debt to the Penny". You'll get a site at the Treasury Department. They keep track of that, and it's updated every day. I also want to point--

ADDISON WIGGIN:

05:13:40:00 Actually, we--

PATRICK CREADON:

05:13:40:00 --somethin' else real quickly, that the Debt to GDP today is 73.5%. At the end of the Bush administration, I think it was at 68%, we showed in that graphic. So obviously that's continued to go up. It's 73.5%. It's obviously gonna go up a great deal in the next few years. What were you gonna say, Addison?

ADDISON WIGGIN:

05:14:04:00 Well, just that as we've been showing the film to different audiences around the country, and even as we did an international release in Toronto and Montreal, the audiences now-- and we're not even fully through the release of the film-- they're already looking at that penny graphic, with the 10 trillion on it, and going, "Wait a minute. It's-- "

PATRICK CREADON:

05:14:30:00 "it's worse than that, isn't it?" (LAUGHTER)

ADDISON WIGGIN:

05:14:31:00 They're already in it-- and we were--

CHRISTINE O'MALLEY:

05:14:33:00 Does this count the bailout?

ADDISON WIGGIN:

05:14:34:00

--conscious of that while we were putting it in there. We didn't want to overstate it because we wanted people to understand, and to actually take what we were saying seriously, without putting it in that gloom and doom box and dismissing it. We wanted people to understand that this is a real challenge we face. And now you know, things have gone off the track so much more than we expected, that the structural imbalances that we talk about in the film are one issue.

05:15:05:00

The impact of the bailouts and the response to the financial crisis are an entirely different issue that will have to be dealt with. We're gonna have to take all the structural imbalances, match 'em up to the response of the financial crisis, and it just makes the challenge of running a fiscally-sound government, and a sound currency that much greater. And we still feel like the film is very important in helping people understand the challenges ahead but they just got a lot more challenging.

CHRISTINE O'MALLEY:

05:15:43:00

Sounds like a sequel. (LAUGHTER)

PATRICK CREADON:

05:15:46:00

Also want to thank Josh Gordon, from the Concord Coalition, and Sarah Williams from the Peterson Foundation, who helped us a great deal with sorting out all the different graphics, and all the data. Brian Oakes would have lost his mind if he and I had to do that alone. So he was a huge help. And also, thanks to Elizabeth Wilner, who's been a great partner throughout. She's also at the Peterson Foundation, and she's been terrific. It was a huge team, and obviously a lot of names in the credits, but--

CHRISTINE O'MALLEY:

05:16:19:00

Incredible.

PATRICK CREADON:

05:16:19:00

--it was a very tough film to make, an extremely tough film to make, but we're glad we did it.

* * *END OF AUDIO* * *

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