



Spreading Liberty
Guest: John Papola
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John Papola is an award-winning producer and director who has worked for Spike TV, Nickelodeon, and MTV. He is president and creative director of Emergent Order, a video production firm based in Austin, Texas. This interview originally appeared on the Peter Schiff Show, with Tom as guest host.

WOODS: All right, I want to talk about what you're doing now. I suppose every time Robert Plant gets on the radio he doesn't want to talk about "Stairway to Heaven," so likewise, we don't have to do the Keynes/Hayek rap thing. I want people to know what you're doing now because when we saw the success of those videos, I think we all realize that there's tremendous potential here in this medium and with the Internet to convey messages in ways that people are likely to understand and click on in the first place. I make a lot of videos, but it's just me sitting at my desk, and I get some views, and it's fine, but you're able to go at this on a whole other level. So tell us about what you've launched just within the past week.

PAPOLA: Well, last week we launched a new show that we call *Econ Pop*, and as our host says at the beginning of the episode, it sifts through the haystack of popular culture to find the needle of economics within, and then stab you with it.

WOODS: (laughs) Okay.

PAPOLA: So think Siskel and Ebert meets *Monty Python*, meets an econ textbook, and the idea really, the idea was actually spawned out of—I had gone to see a movie over the summer called *Elysium*, which was basically Marxism in space, and thought, you know, that movie was particularly political and very heavy-handed, but I thought wouldn't it be great to basically use movies like this, and movies that have good economic ideas, as a jumping off point to explain what are the underlying assumptions here in the world that you're seeing. Because I think for the average viewer they experience movies and pop culture that have political and economic messages, the fundamental ideas that are driving them whether they are good or bad aren't there, and aren't accessible, and so all you see is the filmmakers' vision of the results. And that's what we're trying to accomplish with *Econ Pop*, is actually to dive into pop culture, and

find these stories, find these ideas, and then bring them to life in a way that can help make it accessible, and it's a very simple show. It's hosted by Andrew Heaton, a comedian who's got a great sense of humor and a great wit about economics, which makes him one of the most unique people in this galaxy, and it's going to be released bi-weekly on our YouTube channel on [YouTube.com/econstories](https://www.youtube.com/econstories).

WOODS: Tell us about this first episode that you have here. Most people probably are familiar with the premise of the movie *Dallas Buyer's Club*, but maybe you can explain it, and then what lesson you are trying to draw from it. I suppose it's not terribly subtle in this case.

PAPOLA: No, it's interesting. We're going to be having a number of movies and TV shows that we're going to be reviewing, but given the Oscars and given just how potent and how relevant economically and politically *Dallas Buyer's Club* was, we thought it was a great premiere episode. So for those who haven't seen *Dallas Buyer's Club*, Matthew McConaughey plays a Texan who contracts HIV and ultimately AIDS, and in seeking treatment runs up against the regulatory roadblocks for the Food and Drug Administration pretty much at every turn. It's such an interesting mix of things. You have this main character who is really a fairly unappealing guy, so as a film that's an interesting experience. And you get to watch him grow as a person by interacting—he ultimately interacts a lot with the gay community by virtue of starting a business selling alternative medicine for treatment, which he initially seeks out and discovers for himself. So he really is the true arbitrageur, the true entrepreneur, seeking out resources, seeing an opportunity in the marketplace where he can bring those resources to new people that need them and delivering value for those people. That's what capitalism is. It's about creating value for others. It's why companies have customer service centers. I always find it kind of interesting when you think about public service or public sector, talking about it as if that's the only area of service, but fundamentally capitalism requires that you service your customers and that you provide value to them, or they won't show up.

WOODS: You're preaching to the choir here. I'm always trying to make that point. Starting in elementary school that's the theme you get. You've got the evil robber barons who want to enslave you, and then you have the dispassionate crusaders after justice who are there in the various regulatory agencies. The reality tends to be a teensy weensy bit more complicated, and frankly more interesting than this comic book version.

Well, that's a pretty ham-handed segue, but I want to skip ahead, if I may, having mentioned the comic book thing. I don't know if you're allowed to mention this, because there was a little bit of a shroud of secrecy involving who exactly was behind it, but I think I'm allowed to ask you this. If not, I have just ruined your career. Didn't you guys put out something involving crony capitalism? I will leave it vague so that you can fill in any blanks you want to fill in.

PAPOLA: Oh, yeah, we created and released along with an organization called Generation Opportunity a project called *The Cronies*.

WOODS: Okay, so you are taking credit for that. It was murky for a while. All right, tell us about *The Cronies*.

PAPOLA: *The Cronies* is an attempt to bring 1990s-style cartoon action figure toy lines to the world of actual operation of government in the real world, which is to say it's not when a bill becomes law, the cartoon, it's when a powerful corporation and a lobbyist work together with big government to enrich each other. Our characters include Aerial Striker, for the military-industrial complex, Bank Whore, the profit for the heavily, crony, corrupted financial sector, Captain Corn, representing the bizarre, continued set of subsidies for farm and agro-business, in particular ethanol, which no one thinks is a good idea except for the government, apparently, and Parts and Labor, who brings that cartel aspect of big labor to the table. And they are all led by Big G who's got a mirror for a face because he claims to be us, and so you can see yourself in the face of Big G.

WOODS: Nice. Our producer is telling me right now that he was at CPAC over the weekend, and he says *The Cronies* had a booth that he says was quite funny. Could you just tell us about that?

PAPOLA: That must have been—I personally was not at CPAC, but I am sure our friends at Generation Opportunity who are ultimately the force behind *The Cronies* were making hay with them.

WOODS: Oh, yeah, he said they had a booth manned by big muscle guys wearing GI Joe-type uniforms engaging people in stuff like tugs of war. It was funny. So are you able to give Peter Schiff Show listeners a sneak preview of maybe what your next episode might be so that we'll be in the know and we'll be the cool people?

PAPOLA: Sure, well, if your listeners have ever heard of Public Choice theory, which applies economics to politics. The shorthand for Public Choices is "politics without romance." So none of this public service stuff. It's what happens when self-interested people are handed the reigns of power. What do they do with it? There's a Netflix original series which really brings Public Choice economics to life like nothing else and really reveals what a house of cards the political system turns out to be, and so that's the least subtle hint ever delivered.

WOODS: Well, John, I know this is not immediately relevant to you, but I was really pleased when my co-author, Kevin Gutzman, he and I wrote a book called *Who Killed the Constitution?* And there's a scene in *House of Cards* where the Kevin Spacey character is standing there reading from Kevin's biography of James Madison. Of all the books in the universe he could conceivably have picked up, he picks up Kevin Gutzman's book on James Madison. I know nothing about this show, but I became an instant fan just on that basis alone.

All right, I want to find out: how does John Papola become John Papola? We're talking here about how do we reach out to the general public? How do we take these ideas, and make them appealing, and interesting, and draw people in, but what was it that worked for you? I want to start off with that when we come back.

[commercial break]

WOODS: John, I want you to tell us how it is that you came to these views. You were working for MTV for a time, so in other words you weren't always doing work that is ideologically driven, and yet something apparently got you to say to yourself, I want to spend my creative time promoting these particular ideas. So what was that?

PAPOLA: Well, I think there's a set of things that really happened, and I think they happen for a lot of us. I believe this is very much a shared experience. One was, as you get older you start to pay attention to things, so you know, I got married—I had a son. I bought an apartment. So I had to learn about interest rates and about what it's like to manage a more complex financial life, and suddenly you're paying attention to what's going on out there instead of just your own personal career, or whatever. The second thing is the presidential election was coming up, and I was already starting to—I grew up as pretty much a conservative, and I started to read other things, and living in New York City and being exposed to a diverse group of people was really expanding my horizons and my thinking about a lot of things, and my cousin said, you know, you sound like a libertarian. Are you going to vote for Ron Paul, and I said, "Who is Ron Paul?" And thus began—

WOODS: Ah, there you go.

PAPOLA: Thus began the Googling of Ron Paul back in 2007, and then watching him debate Rudy Giuliani in those early years, and stand up for freedom, and stand up for peace, and tie these things together, and integrate a way into classical liberal philosophy, and so I started to say, well, this man is being ridiculed—seems to make a whole sense to me, and he's talking about some interesting and also some disturbing things, especially about the potential for a giant crisis, and so that brings us to the third event, which was the global financial crisis. The apartment I bought in Hoboken had gone up in value by an amount that didn't make any sense to me, and so I sold it and paid off a bunch of debt, and right at the peak, not enough to be set for life, that's for sure, but enough to at least reset the clock on the debt pile.

WOODS: Wow! Good for you, man! That's good!

PAPOLA: So I'm not living large or anything like that, but I was very much paying attention on a daily basis to the collapse and then paying attention to the aftermath, this bizarre rise of Keynesianism, and the idea that you can spend your way out of a problem that's been driven by malinvestment, and excessive spending, and debt, and that's really what—those sets of things were brewing and led me to create with Russ Roberts, "Fear the Boom and Bust," the first rap video—the first Keynes versus Hayek rap video.

WOODS: Now, once we get people watching these videos, then what do we do after? Of course, a lot of people will just watch them, and that will be the end of it, and not everybody is going to become like you and me and obsessed with this stuff and fascinated and want to read all the time. But still, how do we grab them? Maybe this is what your podcast is for, as a follow-

up to the videos themselves. But what kind of action item can we give them after they have seen this video? Look, did this blow your mind? Are you interested in this? Now, here's your next step.

PAPOLA: Well, I think that we're trying. The Econ Stories site and project is really an effort to try to bootstrap a little more support and a more consistent set of content for people that discover these things, but I think even more broadly we don't really know, right? It's an emergent order. So I've gotten multiple emails from students who have seen the videos in a class and turned around said, I changed my major to economics because I didn't—I saw your video, it got me interested, and then I got hooked because econ's a little bit like a virus—it infects you. Now, I don't know whether they are going to get good economics—

WOODS: Right, but they've at least got the sense of what good economics looks like from you, and that's got to be extremely gratifying to know that you basically changed those people's lives, literally.

PAPOLA: It is the most exciting thing that I have ever experienced, and that's part of why in 2011, even though I had a very exciting career in television, and I have a lot of great friends in the business, and I'm always loath when people rail on the entertainment industry for any particular reason because I just know so many great people in it, but that's why we started Emergent Order as a creative agency that at least in part tries to do more of this kind of work and seek out partners that are interested in delivering great ideas in a way that's more accessible to people.

You've been at this for a long time. One of the best books I've read on the crisis was your book [Meltdown](#). It was so clearly written. It really laid things out, and in fact, I would say for anybody out there who—I know the financial crisis is five years out looking backwards, but there's going to be another one at some point. Tom's book *Meltdown* is one of the best.

WOODS: Well, I appreciate that. The foreword by Ron Paul didn't hurt.

PAPOLA: Yeah, there's a lot of that book's ideas in through "Fear the Boom and Bust" because I read that book before working with Russ to write that. So it just shows you how these things feed on one another when you start to get engaged.

WOODS: Now, John, this is probably not fair to ask you this, and we've only got about a minute and a half, or maybe a minute for you, but what did you think of the *Atlas Shrugged* movies as a creative guy, what was your opinion of them. I know you don't want to hurt people's feelings, probably, but in general, were they a success or not? Artistically and otherwise.

PAPOLA: Well, I will have to make a confession as someone who self-identifies as a classical liberal: I have not seen those movies. I have not read *Atlas Shrugged*.

WOODS: Okay, fair enough. Well, listen, I'm just about out of time, unfortunately, but tell people again how they can get to the videos that you're making.

PAPOLA: Well, the easiest and best way is to go to EconStories.tv. So EconStories.tv, or you can visit the YouTube channel. [YouTube.com/econstories](https://www.youtube.com/econstories).