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Adam's Top Five Unpopular Economic Beliefs

ADAM OZIMEK ON PREDICTION MARKETS, CHINESE CARS, AND ONE BILLION AMERICANS

CARDIFF GARCIA: Hi, I'm Cardiff Garcia, and this is *The New Bazaar*.

Folks, it is summer, which means it's just time to have some fun.

Some fun of a perhaps relaxed and frivolous kind—just some chilled-out splashing, in our case, in the waters of controversy and contrarianism.

That's right.

For that, I have invited Adam Ozimek, chief economist at EIG, the Economic Innovation Group, which, of course, is the proprietor of this here podcast.

He's also what you might call the chief contrarian at EIG, though he doesn't call himself that.

I invited Adam here to share his top five most unpopular beliefs.

These are beliefs that he truly does hold. He believes they are true, but that others will maybe find contentious, perhaps even contemptible.

They are unpopular.

Adam, you ready to do this?

ADAM OZIMEK: Let's do it.

CARDIFF: Here's what I want to do.

I want to just go straight into the first one.

We're going to talk about the fun ways that your brain works later, but I actually just want to start with a bang.

Give us your first strongly held, yet largely unpopular belief.

ADAM: I think prediction markets are going just fine, and they're great, and I'm glad that we have them.

I'm glad that they're legal now.

CARDIFF: Prediction markets.

So these are, for example, Kalshi, which is I think the most popular one for Americans.

Polymarket, which, if I'm not mistaken, Americans can't even use right now. And you're saying that everything's fine with prediction markets.

There's a lot of controversy around these things. We're going to get into that.

But first, why don't you start by telling us what you think are the benefits of prediction markets?

Why is it that they're going great? Why is it so wonderful that they exist?

ADAM: Yeah.

So for a long time, people would set this kind of absurd bar for what a prediction market needs to do to be useful, which is, like, "Can it predict the future perfectly?"

And that's not really what prediction markets are for. It's not a useful bar.

You want them to predict the future on average.

You want them to be good at predicting the future on average — for the probabilities to line up with reality.

And they seem to do that.

But the real value we get from them is this real-time, dollar-weighted, incentive-compatible measure of kind of conventional wisdom.

CARDIFF: Dollar-weighted, incentive-compatible.

Let's put that in English.

The fact that people are betting real money on these events.

So in a prediction market, for example, you can bet on the outcome of, I don't know, a political election. You can bet on the outcome of a sporting event.

You can bet on all kinds of super-niche things too sometimes.

But you're saying that if it's incentive-compatible—

ADAM: Incentive-compatible, yeah.

So you're not just asking a survey. If you ask a survey of, "What do you think is going to happen?" people don't pay a price for BS-ing.

CARDIFF: No stakes.

ADAM: There's no stakes.

With this market, if you want to vote, you have to put your dollars on the line. And so the cost of just BS-ing is high.

Alex Tabarrok calls it a tax on BS, and I think that's right.

CARDIFF: A tax on bullshit. Right?

ADAM: Okay. We can say that on the pod—?

CARDIFF: Yeah, we can say that.

ADAM: I didn't know we could say bullshit. Yeah, it's a tax on bullshit.

CARDIFF: I run the rules here.

ADAM: Okay.

CARDIFF: Speaking of rules, prediction markets are somewhat controversial right now for a bunch of different reasons.

One is that there's a concern that people will be able to manipulate the outcomes of the bets.

So, for example, if you bet that, I don't know, a certain famous person will say certain words on television, that person might know about the bet and then just start saying all those words.

And something like that has, in fact, happened in the past.

Then all the people who bet on that will win the money.

So it's not like a thing where it's behind closed doors — these are the bets, and then the outcomes are totally independent of the bets themselves.

The bets might influence the outcomes of events, and people are worried about that.

Are you worried about that?

ADAM: No.

So there are two kinds of private information.

There's private information that we are specifically trying to get out into the world.

So someone who might personally know a political candidate and know that they're floundering, they're having a meltdown or something, and they're not going to make it.

This gives that person a chance to get that information out into the world.

So it's a way to lure people into telling us what they know about what's going to happen.

And that's useful.

The other kind of private information is like the...

There was a bet about what the temperature would be at some measurement station, and some guy went out there with a blow dryer and heated it up or something.

CARDIFF: (LAUGHS)

ADAM: Or you have the person who is—

CARDIFF: So it manipulated the reading of the temperature.

ADAM: Yeah.

Or you have the person who was working Trump's teleprompter, maybe—

CARDIFF: Sliding in some words.

ADAM: Betting on the number of words.

And those are trivialities. It doesn't matter.

The problem with insider information is if those people profit and then no one wants to participate in the market, and therefore the market dries up and dies or the market becomes thinly traded.

But we're talking about things that don't really matter.

So who cares if they're thinly traded?

Who cares if the market dries up and dies?

Who cares if someone takes some money because they know more than other people do?

Those markets — their social value is not that high.

They're for fun. They're entertainment. And that's fine.

I'm totally fine with that. It's fine that people are betting for entertainment value.

But I don't care that much whether people are sort of jumping ahead of the line or something.

CARDIFF: You would care, presumably, if something like that happened within the context of a non-trivial event, right?

ADAM: It's a fine line.

So you want people to reveal their private information in the sense of, "I know a lot about this person," or "I know a lot about this company," or something.

And you want them to bring that information out so it can be revealed in prices as part of the conventional wisdom.

But you don't really want people breaking the law or cheating or something like that.

CARDIFF: Here's a totally hypothetical example.

Let's say there's an important, I don't know, government report coming out tomorrow on, say, inflation — whatever, pick whatever you want.

And the day before, only some people are privy to what's in that report, and they are mandated by law not to disclose what's in it until a certain time the next day when the public learns about it.

And then those people with that insider information trade on it, and you can see the betting going in one direction on the markets beforehand. It sort of tips the hat.

So those people know beforehand what happened.

What about a situation like that? What do you think about that?

ADAM: It's a good example because it is a situation where we genuinely want the information to remain private. The rules are the rules for a reason there.

But it already can happen without prediction markets. Do you know what I mean?

If you know what the CPI is going to be or you know what the jobs report is going to be, you can bet in the stock market on that.

And so we don't think that the solution to the possibility of insider trading on that information is to ban the trading.

We think that the solution is, well, work really hard to make sure that it's a secret and create institutions that protect secrets that matter.

And I think that generally is the case when it comes to private government data.

We do a pretty good job of keeping that information secret.

CARDIFF: What are some of the other societal benefits of these markets themselves existing?

ADAM: It helps to have an undebatable, objective finger on the pulse of conventional wisdom.

I just find this really useful for resolving discussions. What do people think are the odds of some politician winning right now? And how have those odds changed over time?

The objective, real-time measure also gives you stuff you can use empirically.

So these things are extremely valuable for research.

You can test: as the odds of some politician winning go up or down, what are the impacts on financial markets?

I mean, I've done research on that in the past, and others have as well.

So having these real-time measures makes hard-to-study things easier to study so we can learn about them.

CARDIFF: Before you and I chatted about this, I was doing some reading on them.

It looks like one of the things these markets are struggling with right now is how to design the rules of the outcome of a bet precisely enough so that there's no controversy about who actually won the bet.

So if it's just a sporting event, well, you know which team won at the end of a sporting contest.

If you bet on, let's say, my Knicks to win the NBA title and they win it, then obviously you get the money.

But some events end up being more ambiguous.

And for that, you need a way to resolve who actually won the bet so that you don't end up with a whole bunch of lawsuits and things like that.

What are your thoughts on the ability of these companies like Kalshi and Polymarket to design systems that lower the chances of such controversy ensuing, which would also diminish confidence in the credibility of these markets if they don't get it right?

ADAM: Well, right now I like Kalshi's approach.

They have a team. They have people. They have experts.

I think it was former college debate champions or something like that who help them design the contracts and resolve them.

I think that's probably the most practical approach right now.

But it's interesting that LLMs represent a way to potentially do this at scale and also do it more objectively.

So you could say, "This contract will be decided by this particular model or LLM," or "a jury of 10 LLMs."

And so you're not really dependent on human judgment. It's more objective in some sense, and it's completely scalable.

So I think that's an interesting path for the future.

CARDIFF: In general, if I'm not mistaken, you're pretty okay with the legalization — or at least the existence — of things like not just prediction markets but also sports gambling, other kinds of gambling, things like that.

You don't want this to be criminalized.

You're happy about the fact that, for example, sports gambling has become legal in some places.

You're okay with it, right?

ADAM: Yeah, absolutely.

CARDIFF: What about some of the more pernicious side effects of these markets for at least some part of the population, where people get addicted, they lose a lot of money?

These companies do have an incentive to keep you coming back, even when it's bad for you to keep going. What are your thoughts on that?

ADAM: There's this new prohibitionist spirit that's sort of arisen lately that I really disagree with.

There's a benchmark that I use, which is: whatever the thing you're trying to ban is, is it better or worse than beer?

I think people should be allowed to make mistakes. I think we should live in a society that lets people make mistakes, make decisions. And so that's how I file this.

I think you can do all sorts of empirical studies about what happens to the average person who's been gambling, and maybe they get worse off in some way, but they're making that choice.

And I think if you had an experiment where you got rid of beer and then you brought beer back, surely you'd find some problems as well.

I mean, alcohol is a pretty big problem-causer, but we allow it because we allow people to make mistakes. So that's my benchmark.

And by the way, I don't mean problems in the sense of, like, "Oh, we won't be able to stamp it out and there'll be a black market."

Hold the black market aside.

I think it's valuable to let people be free to do that thing.

Even if you could fully stamp it out — North Korea style — we really don't have any alcohol, and we did it, and there's no black market, I don't think that's a good thing.

I think most people understand that's not a good thing. That's such an abrogation of our freedom.

And I don't think the government should be in the business of preventing people from making these kinds of entertaining mistakes, even if, for some people, the consequences are high.

CARDIFF: Are you a gambling man?

Have you tried some of these markets, placed either a sports bet or, I don't know, a politics bet or anything like that?

ADAM: I placed some politics bets in the past.

I'm not a sports gambler. I don't know anything about sports, as you know.

CARDIFF: (CHUCKLES)

ADAM: So it would be very difficult for me to gamble.

I enjoy the occasional casino gambling trip. I haven't been in a while, but I do find it's fun.

So, yeah, I mean, in spirit I enjoy gambling, but I'm not—

CARDIFF: How did your politics bets go, out of curiosity?

ADAM: It went bad.

It was the 2024 Republican primary, and I did not think Donald Trump was going to be in the primary.

And so my view of it was: if he's not there, it's going to be extremely chaotic. It's going to be lots of up and down. There's no obvious next leading contender.

So you'd have these cycles of winners and losers, like we did in the 2012 and 2016 Republican primaries.

Obviously, he stayed in and he dominated. I lost a little bit of money on all my bets.

I put a bunch of long-tail bets in, and that's part of the fun, but it's also not an unreasonable portfolio strategy.

CARDIFF: You bet on the high-variance strategy, right?

You bet on chaos. You bet on the tails in that election, which would've paid off big by definition because they were low-probability events. But if they had happened, they had really good odds.

That's what you did.

ADAM: Yeah, exactly.

I didn't think any one of them was necessarily going to win, or have strong views about that.

It was more that I did not believe Ron DeSantis was going to dominate the primary in the same way that Trump did.

CARDIFF: My best-ever bet, by the way, so long as we're divulging what we've done, was in the NBA playoffs, this most recent season.

After the Knicks stampeded through your 76ers — if you cared about sports, that would be your team, because you live close to Philadelphia — I put a couple hundred bucks on the Knicks to win it all at +600.

And they won it all.

I was rooting, obviously, because I'm a huge Knicks fan, but also because I got a really nice payout from that. So that was fun.

But here's what I'd say about the legalization part and the regulatory environment in which these markets exist, which we do have to talk about because I think it's an important part of the conversation.

I, for example, get a lot of enjoyment out of sports betting, but I don't have a sports betting problem.

I only bet a few times a year. I usually do it with friends as a social event.

For example, if I'm visiting friends who are college football fans, we'll put like $25 on three or four games. It makes the games that day super fun.

If we lose, that stinks, but it’s not a ton of money. If we win, we buy ourselves a really nice dinner with the winnings.

So I get a lot of enjoyment from it, but I don't do it very often, and I have no problem not doing it. I don’t even think about it most of the time.

I think that's probably the case for most people who use these markets.

But the truth is that there is some segment of the population that really really does struggle with addiction. That has an actual problem. Ends up losing a lot of money, money that they could not afford to lose on these markets.

And I don't think it's enough just to say, "Legalize and forget about it."

I think we have to find ways to learn from other instances where we did something to help offset the more pernicious effects of these markets.

So we can point to smoking cigarettes, for instance, which I think is way down, especially for younger generations, these days.

And I think with some combination of messaging, alternatives, higher taxes in a lot of places, where people used to smoke — for example in New York City, where I live.

Some combination of things that did not make it illegal. You can still get cigarettes wherever you want. You can smoke.

But we've made it harder, we've added friction, and we at least gave some attention to it.

It seems to me like we have to develop an environment where we can at least try to alleviate some of the more terrible effects for the people that end up suffering for them.

ADAM: Yeah, I mean, I totally agree. The approach I would take here, which I don't hear a lot of, is that we should regulate individuals and companies and not ban.

So for example, you can't just go out and start making beer and sell it on the sidewalk. You can't do that. You have to comply with a regulatory regime to make sure the product's safe.

CARDIFF: Get a liquor license or something like that, or a—

ADAM: Right

CARDIFF: Or a brewer's license? I don't know what—

ADAM: A brewer's license.

And you're subject to inspections and stuff. And if you have a problem where you get caught drinking and driving, they take away your license.

So what we do is we regulate the product, and when people have a problem, we restrict their freedoms in some way. And that's the approach I would take with gambling.

I would love to see a kind of federal blacklist of sorts that all sports betting, online gambling sites have to comply with, and that individuals can put themselves on it or a court can put them on it. Or you might even have some objective criteria, like a lifetime loss max or something like that.

However you want to do it, people can end up on this blacklist, especially on their own submitting themselves, and then you can't take yourself off it for five years or something like that.

I think that kind of thing makes more sense. I don't understand why we would take away everyone's freedom when you could just restrict the freedom of the people who seem to be having a problem with it.

On the other side, I would say that the companies should not be able to do things like if someone's good at gambling, they get kicked off the platform. Because I consider that to be a kind of fraud in the sense that when you're advertising to people to come onto your platform, you're telling them, "Hey, you could be a big winner." But if behind the scenes you're kicking out every big winner, there's a dishonesty in that. And I don't think that that's playing by the rules.

So I think that these companies should be regulated in that way too.

CARDIFF: Yeah. There's also an element of societal learning that applies here. So we mentioned earlier that Kalshi's trying to get better at writing clearer contracts, at tightening up the rules—

ADAM: Exactly.

CARDIFF: —so that there's less controversy. And they will get better at that with time. It makes sense that we're still kind of early on and that they're going to make some mistakes. There's going to be stumbles, but that they will get better.

And I think that concept also applies to how we regulate this industry. Just what kinds of regulations make the most sense where we don't restrict people's freedoms, but we do something to make sure that it's not just a Wild West free-for-all and the people who suffer are just left to suffer without giving any thought to it.

ADAM: Yes. And to be clear, I mean, Kalshi is regulated. They are in the US. They're highly regulated. So it's not that we're doing nothing. But I agree. The institutions that we use to govern these need to evolve. People's understanding of them needs to evolve. So give it time. In the meantime, it's going great. I love it.

CARDIFF: All right, excellent. Okay. Unpopular idea number two from the mind of Adam Ozimek.

ADAM: This is that economists should start behaving as if they don't believe the efficient market hypothesis.

CARDIFF: Economists should not believe the efficient market hypothesis. Why?

ADAM: Well, I don't think they do really. So there's different versions of the efficient market hypothesis. There's the weak version, which basically says everything we know is kind of baked into current prices and you can't really use past prices to predict the future.

CARDIFF: Yeah, I think the strong-form efficient market hypothesis is that all information, no matter where it is — public information, private information — it's already priced into the market or into the price of stocks. And the idea there is that therefore nobody can consistently outperform just a passively managed index fund. Nobody can outperform the market itself.

ADAM: And either one I think implies a lot more humility than economists actually have.

So if you talk to an economist about their policy beliefs, talk to someone who really believes that, for example, we should have single-payer healthcare or really believes something I believe, which is housing supply lowers prices.

Ask about their beliefs, especially in more controversial areas, areas of their expertise. And those are not weakly held beliefs. And also those are not beliefs that they would abandon if there was a market that priced those beliefs.

So thinking back to our prediction market discussion, imagine if there was a very liquid, very well-traded somehow market about the economic implications of moving to single-payer healthcare.

And then you talk to economists who are advocates of single-payer and you say, "Hey, look, the market thinks that single-payer healthcare is going to be bad for growth. It's going to be bad for wages," something like that.

Do we think that many would be convinced to abandon their views? And I would say no. And so I think there's this humility that comes from, "Hey, my beliefs don't have to be checked against the market."

So when I look at beliefs that are checked against the market, I think you should be humble there. But I don't think there is actually that humility there. I think we believe strongly in what we believe. We're willing to go against the crowd. We're willing to write papers that defy consensus, that reject consensus.

There is a spirit among economists of a willingness to stand up and say, "No, I don't agree with that. And I believe strongly that I'm right." And I think they should bring that spirit to the market economy.

CARDIFF: To the real world, you mean?

ADAM: To the real world.

CARDIFF: To buying individual stocks. You think economists should try to pick individual stocks. Now we're getting controversial, by the way. So why should economists try to find stocks that they think will outperform, I don't know, a passively managed index fund?

ADAM: So I think that a lot of times economists do have beliefs with market-driven implications. Tyler Cowen will say this all the time.

You think that we're going to get this huge growth from AGI. How do your bets reflect this?

Or you think that AGI's going to crash this industry. How do your bets reflect this?

And so I do think it is a disciplining device to think hard through what you believe and to put your money where your mouth is. That is very helpful. It helps bring clarity as a thinker.

I also think a lot of us think we know stuff, and some of us are right. Some of us do know stuff.

And if you think, for example, that interest rates are too low or that there's going to be some macroeconomic outcome or you think that the economy's headed in this direction, think through what the market implications of that are and put bets there.

CARDIFF: But there is a big difference between this approach being a disciplining measure and forcing you to think clearly and so forth on the one hand, and the likelihood that you're actually going to make money doing this on the other hand, that you're actually going to outperform the market on the other hand. You see what I mean? Those are two very different things.

Yes, it might be good for economists to do this from the standpoint of how they think through different scenarios about the world where they would place probabilistic bets. Does it mean they're going to beat the market?

ADAM: Well, I mean, I also have a high regard for many economists. I think they're smart people. I think they're critical analytical thinkers. And I think that some of them do indeed have very good insights and are good at understanding what will happen in the world.

CARDIFF: But Adam, to beat the market, don't they need insights that others do not have? Economists are not the only ones who are able to think through future generics.

ADAM: There you are with your efficient market hypothesis.

CARDIFF: I'm just asking! Isn't it the case that they need to have ideas, insights, penetrating thoughts that others don't have to beat the market, that non-economists don't have?

And I don't know that there's evidence for that. I'd love to see. I'd love a bunch of economists to do this as an exercise. I want to see a trial of this kind.

ADAM: I mean, there are certainly economists that work in finance and hedge funds. But when we think about macroeconomic forecasts, financial people depend on the macroeconomic forecasts of economists.

When we say, "Where's the economy going?" — which becomes an input into a variety of real business decisions — we ask economists for it.

I used to work at a forecasting company, and sometimes in the world of academics, you get this kind of nihilism or a, "Hey, we don't know anything. Let the market speak. We can't say anything about the future. All you're doing is drawing lines through data."

But being able to draw the right line through the data to make a prediction is what economists do. And real businesses make real decisions based on the lines that economists draw through the data all the time. A lot of the economy runs on that.

And so it's usually kind of upstream. The economists are drawing lines through the data and then someone else makes the decision. But I think sometimes we can draw the line and make the decision.

CARDIFF: Okay. But I think we have enough evidence from the past to show that, number one, a lot of macro forecasters simply disagree with each other.

They draw different lines through the data or they pick different data to reflect what they think is going to happen.

Number two, they certainly have a history of missing the big trend breaks. If you had used the macro forecasts, for example, of, I don't know, IMF economists in 2006 to anticipate what the stock market was going to do over the next three to five years, you would've lost your shirt. It would've been crazy.

ADAM: Yep. Forecasting's hard.

CARDIFF: It's hard. And on top of that, macro forecasting is very different from picking single stocks or single whatever, single entities that are going to outperform.

ADAM: It is a challenge to get from there to there. But what you're arguing for is a kind of epistemic humility. Who am I to think that I can outperform the current market prices?

I'm not saying economists on average will do better. And I'm not saying economists on average will profit from it, but I'm saying that the way they hold their beliefs about their ability to gain sort of intellectual alpha in their areas of expertise suggests that they would have the capacity to gain intellectual alpha anyway.

There's a non-humility in what we do as researchers and academics. The ability to say, "I think I know better." We do it all the time.

CARDIFF: I've known enough of you economists to know that that's definitely true.

Okay. I will say there's a more interesting argument to be made here that it could be societally beneficial for more economists to do this.

For the market to find its appropriate price or for individual stocks to find the price that most closely reflects fundamentals and their capacity for growth and the environment in which the company operates and so forth, it does require some people who do lack that epistemic humility and are actively digging for information, thinking through the world in a different way and so forth.

We can't all just be passive investors.

You actually do need a subset of investors who are trying to outperform. That's where the price discovery comes from in the first place.

So there's a societal benefit to this, and I like that. But that's very different from thinking that if you're an economist, even a really, really smart one, that you can start picking stocks.

ADAM: Well, I'm just saying dial your humility level—

CARDIFF: Dial it down a little bit.

ADAM: Either direction, as long as it's consistent. You know what I mean? Be consistent.

CARDIFF: You are consistent in this case because it is true that, I don't know what your stock holdings look like, but you do own a couple of businesses, or you're a part-owner of a couple of businesses of your own. And that, in a sense, is like trying to outperform the market.

You don't put your money in an S&P 500 ETF. You actually have invested some of your own personal money in businesses.

ADAM: It is very much the same thing. I think economists should be able to look around the world, look around their town. I mean, that's a small market.

I understand being scared away from the stock market because you're up against a million financial analysts, but look around your town.

What do you see that's missing? Who do you know whose human capital could be combined with the idea to make it work?

And I think it's a similar kind of exercise. And business is different than economics, but it's not.

A project is a project in a sense. And a lot of the skills of being good at a generic project translate across a variety of spheres. And if you can put together a good academic project—

You can't do it all. You need partners, and partners are essential. I wouldn't have been able to do the things that I've done in business without picking the right partners.

But again, an academic project involves picking the right partners, picking the right areas, taking a position, doing the work, gathering the evidence, and making decisions.

CARDIFF: Yeah. I'm with you on that.

I would draw a meaningful distinction between the kind of entrepreneurialism that you just described, of starting a business, giving it a shot, betting on yourself, betting your own money, looking for things that are needed or could be wanted in your area.

That's awesome. I hope everybody does that. That's an area where I do want people to dial down the humility. I want them to be proud. I want them to go for it. Even if it looks like a high-risk venture, the world needs more of that. Absolutely.

I would draw a distinction between that and trying to bet on, I don't know, Google stock or whatever, because you think you have an inside track. Or not an inside track, but because you have some specialized knowledge that the rest of the world doesn't have on what it's going to do.

ADAM: That's okay. But then I would say when you go back to your area of expertise, bring the same sort of deference to the consensus spirit and say, "Well, this is what the consensus is. So that is what I think as well." And try to be more consistent.

CARDIFF: All right. So far, we have prediction markets are awesome, and ditch the EMH and freaking go for it.

ADAM: You think people are mad yet?

CARDIFF: I hope so. (CHUCKLES) I hope we're going to get some emails on those two things.

All right. The next one is to let the Chinese cars in.

ADAM: Let the Chinese cars in.

CARDIFF: Explain the background of this one.

ADAM: So China, in recent years, has gone from being a very minor player in the automobile industry to being something like one-third of global production.

They've just skyrocketed, and they are exporting a lot.

So for a long time, China would export about a million cars a year throughout the 2010s. Last month, June of 2026, China exported one million cars.

So they're doing now on a monthly basis what they used to do on an annual basis.

So obviously something has changed.

There's a variety of things that have pushed them to exports, a combination of industrial policy and genuine productivity innovation.

And they're up to 10% of Europe. They're even higher — one out of five cars in Mexico are Chinese now.

And so they want to send their cars out into the world, and they can't do that in the US. We've got the 100% tariff here, and there seems to be a strong bipartisan consensus that we shouldn't let the Chinese import their cars here, and we shouldn't let the Chinese come here and build their factories even.

CARDIFF: Where are they exporting most of these cars to then?

ADAM: All over the world. Europe. Developing countries, other parts of Asia, South America, and Central America.

CARDIFF: And before we get into why it would be a good idea for the US to allow more imports of Chinese cars, we also have to zero in on what you noted at the beginning, which is the genuine technological advancement to the point where now China, on this particular technology — and I think we're mainly talking about electric vehicles, right?

EVs, and batteries?

ADAM: Yeah.

CARDIFF: They're at the forefront, are they not?

ADAM: They appear to be at the forefront. There is so much uncertainty here, and I don't think anyone knows exactly how they're doing it. I don't think the industry—

CARDIFF: How’re they doing it? How they got there?

ADAM: I don't think the industry knows where their advantage comes from. It's not entirely labor costs. Obviously, labor in Mexico is just about as cheap as it is in China at this point. So it's not labor costs.

Industrial policy is not large enough to close the gap, and they're also reducing their industrial policy lately.

And they do these teardowns of the vehicles where they look inside them, and they try to figure out how the heck are they doing this?

And there's a bunch of theories and some things they seem to be doing, but I don't think anybody quite knows yet why they're ahead. And that's part of the reason why it's important to let them in.

CARDIFF: Wait, wait, wait. Let's be more precise here.

When you say ‘they’ do these teardowns of the vehicles, you mean engineers, experts in other countries, are trying to figure out by tearing down these Chinese EVs just how it is that China came up with such advanced technology that makes these better?

ADAM: Yeah.

CARDIFF: I mean, is it crazy to just think that, I don't know, Chinese engineers with a lot of backing and a lot of resources just ended up coming up with a better way of doing this?

We haven't figured out how, maybe, but that doesn't seem weird to me.

It doesn't seem like a crazy theory.

ADAM: They have a huge engineering population. They obviously have a very large market. I mean, they're making 30 million cars a year.

And to the extent that you learn things from scale and scale gives you advantages, I agree there's a variety of reasons why it's not *that* surprising.

But all these things were true for a long time, and China still had not cracked the nut.

Cars are big. They're hard to make. Production is very much a learning-by-doing thing in the automobile industry that has typically made it harder for startups.

You saw this even with Tesla, which obviously is now an important globally dominant firm, but for a long time, they struggled to work out the sort of bugs in their production method.

They were making things intense. Their cars didn't have a great fit. Pieces wouldn't be put together well. There were lots of problems, and people still loved them. But cars are hard to make.

So yes, I agree. It's not like I'm so mysterious that you can't imagine China's doing it in a real sense, but there is quite a bit of surprise about it for people.

CARDIFF: Okay. I should note to everybody, by the way, that the auto industry is a particular fascination of yours.

You've written pieces for EIG, which you can read now, on the history of the American automotive industry.

And you're doing a lot of research now on just what the situation is with Chinese cars and how it affects the rest of the world.

You mentioned that we have massive tariffs on Chinese cars now, and those cars, if those tariffs were taken off, would be way cheaper.

Presumably, a lot of Americans would be buying these cars because they are, in fact, better. They're better than the advanced models in other parts of the world, including in the US.

And at the moment, because of this tariff policy and maybe some other restrictions that I'm not aware of, it's not happening.

And you're saying we should take off the tariffs and let the Chinese cars in.

I can think of some reasons why people might push back on that.

One is straightforward national security, that if you have Chinese cars here, we're constantly worried that because the Chinese state is so intertwined with every industrial sector in China, it will give the Chinese state the ability to, I don't know, control the cars that are here or surveil Americans somehow because of the parts, whatever, something like that. There's a national security reason.

And then another is that it will put a lot of pressure on the US auto industry, and there are worries that it would then hollow out the US auto industry.

So what is your response to those two specific kinds of pushback?

ADAM: Some of those concerns are very real, and I would definitely include a major national security caveat to my position, which is I'm not an expert in how hard it is for China to implement secret technology into the car so that they could steer you off a cliff.

And I think that that's a real concern, especially as we move to self-driving technology.

And so I would defer to people who are actually experts there. If a strong case can be made that this is genuinely not safe, then I think that would suggest continuing not to let them in. There's a prudence to that.

But I don't think we can stop there because they do possess a technological breakthrough, multiple of them it seems.

They are becoming global leaders, and it is going to harm US consumers in the long run if we try to create this island of US auto production.

We're going to end up with even worse deals on cars than we have now. We're just going to keep falling farther behind.

CARDIFF: Because of the absence of competition?

ADAM: Because of the absence of competition. And so I think what we should do is sort of manage their entry into production in the US.

And normally I don't think of forced technology transfer — in the sense of, like, hey, it's very much a Chinese industrial policy thing where they let companies produce there, but they're like, "You need to work with a domestic company because we want to soak up your knowledge and take your knowledge."

CARDIFF: Slow down for a second because you just made a transition into something important. Okay?

ADAM: Yes.

CARDIFF: What you're saying is not just let the Chinese cars in, but find a way, once we have let the Chinese cars in, to learn whatever their process is for making these cars better. Right?

And you used the word “forced technology transfer.”

I should note that this is something that China itself has done with many different technologies from around the world in the past, where an American company or a European company will set up factories in China. And then China, through things like industrial espionage and other kinds of forced technology transfer, will find a way to discover the secrets of how these products are made, take it for themselves, and then Chinese companies will implement those new processes and technologies to make Chinese products, which then they export to compete with the companies from around the world that they had allowed into their factories in the first place.

You're saying some version of that. Is that right?

ADAM: Yeah. And normally, we don't want to do this because it discourages foreign direct investment, which is good. And because the process kind of happens on its own through knowledge transfer, especially through worker-to-worker flows.

When Toyota, Honda, and other producers came here, there were a lot of attempts to directly learn from them, but there was also just a lot of flow in the industry that helped drive innovation.

But I think we need a very conscious effort here. I think it's clear the Chinese would want to come here, so I'm not worried about particularly reducing their FDI here as you might normally be. If you tell someone, "We're going to force you to transfer technology," you've got to worry that's going to scare off investment in your country. And so I'm not as worried about it in this case because they want to be here so badly.

Also, they got to where they are by doing the same thing to our companies. So there's a little bit of fairness there.

CARDIFF: Fair play. Yeah.

ADAM: I also think that just taking the knowledge that they have and making it be distributed across all global auto producers helps move the technological frontier faster.

It helps ensure the industry stays competitive in the long run.

So I think that there are a lot of strong economic reasons to try to get them to transfer their knowledge.

CARDIFF: Does that then require something well beyond let the Chinese cars in, let Americans buy imported Chinese cars?

You're advocating for something closer to let Chinese car companies establish factories in America so that these Chinese cars are made in America.

ADAM: One of the reasons to allow imports first is because imports are how they test the market.

It's always been the case that car companies generally want to produce close to where the customer is. And so you don't really need to, especially in a large market like ours, force the companies, "Hey, you have to build a factory here."

What they want to do is first test the market, find out which models, which kinds of cars sell, make sure they have a good product-market fit, and then they begin building factories over time.

It's what happened with the Japanese.

Now, a lot of people try to claim that that was due to us limiting Japanese imports, but that's not really the case. The Japanese were coming anyway. They were coming long before we restrained their imports.

And by the way, they were followed by the Koreans. The Germans came before them.

There's a long history of companies who find that they can import to the United States, wanting to produce in the United States. That is a fundamental kind of gravity.

And so I do believe that if we let the Chinese import here, it will help them make better decisions about what to build here.

But I am on board with guiding through policy what that looks like in order to make sure that the knowledge transfer happens.

And again, I really want to emphasize, if someone can show me, or show the government, the sort of home-run case that there's a national security issue with the imports, then okay, China just has to come here first, and they can't come through imports. But I'm not sure that's the case.

CARDIFF: Okay. Next idea that you sent me is *One Billion Americans* is absolutely a goal that we should pursue.

ADAM: This was the book Matt Yglesias wrote a while ago and—

CARDIFF: That's the title of the book. *One Billion Americans.*

ADAM: That's the title of the book. I don't think a lot of people agreed with it then. I think even less people agree with it now, but I believe it.

I think that he was making a case very much from a national greatness standpoint.

And so it's easy to say, well, sentiment against immigration has turned over the last few years, especially after the refugee surge and the sense of chaos at the border and the second election of Donald Trump. You can say, "Well, nobody wants this."

But I think that the other side of the coin is that people increasingly seem to be concerned about the US being number one.

We want to be the biggest. We want to be the strongest.

National greatness, being the largest, most economically powerful country in the world, I think, feels important to a lot of Americans for national security reasons.

And this is frankly the only path to it. This is the only path to it.

So there are a lot of reasons to get one billion Americans. We don't have to do it overnight, but if we up our population growth to 1%, 1.5%, we'll get there in under 100 years.

And I think the US being the biggest, richest country in the world is a good thing because I think the United States is great. I think it's great that we are the global hegemon, and I think it'd be great if we could hold onto that.

And we're losing our grip.

CARDIFF: So I want to give some context here, too. Right now, I think there are about 350 million Americans, give or take 10 or 20 million.

I might be slightly off, which means that getting to one billion Americans in the US population would be a little less than three times what we have right now.

And we have a slowing fertility rate, like the rest of the world, or certainly the rest of the developed world has a lower and lower fertility rate, which means that the only chance for us to get to a billion Americans would be to dramatically increase the amount of annual immigration flows.

At the moment, it's going in the other direction.

What were you going to say?

ADAM: I'm going to quibble with the word dramatically. If we're simply patient—

CARDIFF: Oh, sure. I think part of the provocation in that book, though, was to be somewhat impatient about it.

That actually, if we were to do it sooner rather than later.

Rather than waiting 100 years — nobody knows what the world's going to look like in 100 years.

But the idea here, and I think Matt's book sort of laid out the case, is that the traditional problems that people would have with this sort of thing very often relied on just deep inaccuracies.

So, for example, the idea that the country would become unlivable because it would become so dense.

People simply underestimate how much space there is, how much open space there is, in the United States, and how not dense we are compared to, especially some countries in Europe and other parts of the developed world of advanced economies.

We just have a ton of space here. A billion Americans would not be that hard from that standpoint.

Or the idea that it would be a tough resource constraint. Well, we have the ability to get more resources, and we would also be creating more resources as we go. We would be producing more stuff.

ADAM: That's an important part of the argument that I think is underestimated, that the size of the market generates production of the kind that there seems to be bipartisan support for.

So everybody wants us to make more steel. You know what I mean?

We've been subsidizing and tariffing to protect the steel industry for a very long time, increasingly so.

And everyone just seems desperate that we need, for national security reasons, to make more steel. We got to make more steel. We have to make more aluminum.

And I think there's a really great insight from Noah Smith where he shows that the biggest predictor of US steel production over time is US steel use over time.

And if we want to make more cars, for example, to call back the previous one, we can have more people.

And so if you want to help US automakers, population growth will do that.

I did a kind of similar analysis where I showed the biggest predictor of domestic auto production is domestic auto sales. If we're buying, they're making.

And so if you want to grow our industries, our core national strategic industries, population growth — not just labor supply growth, which I think people recognize helps, but population growth. Grow our demand.

Be a country where you want to start new companies because there's more customers every year, and just be a bigger fish.

And I think that's the path to it.

And again, I'm not talking about radical open-the-borders stuff. I'm talking about boosting our population growth up to 1%, 1.5%. Not crazy numbers.

Just turn the dial up and make it skilled. Let in a million more highly skilled workers every year and do it with smart policy.

And I think that that's the way that the US maintains its global hegemony. There's really no other path to it.

CARDIFF: How you do it obviously would matter quite a bit to avoid the kind of backlash that people would have just based on the perception of what it would mean to radically increase immigration, which I think would have wonderful, beneficial effects.

But if people confuse us for a just throw-the-doors-open, open borders, et cetera, anybody from anywhere, that kind of thing, then you are risking a really severe backlash of the kind we've seen.

ADAM: I think if you tried to open the borders, the expected value of the long-run US population goes down because all you're going to do is trigger a massive backlash that's going to make it harder for you to let more immigrants in in the future.

So even if your goal is something like — which is not my goal, I care about average welfare — but even if your goal is something like maximize long-run US population, I do not think open borders is the way to do it. I think that is a badly managed policy.

And we've written at EIG about smart, high-skilled immigration reform. We've got what I think is a pretty good paper, *Exceptional by Design*, where we talk about how you have to do it very carefully. You have to do it in a smart way to make sure you're genuinely letting in the best people possible.

And I would just do that.

I think if we passed that policy and let in the best people and grew the US over time by letting the best people from all over the world come here — the smartest, most educated, high-skilled people — I think the US would keep our number one spot.

And everyone seems to want to keep our number one spot. No one seems to want to be realistic about what it would take to do that.

CARDIFF: Yeah. I also want to say that I was struck by something that one of our colleagues, Kenan Fikri, a senior fellow at EIG, shared with us just this week, which is that right now, I'm guessing from a combination of the aging population, lower fertility rates, and in particular slower immigration growth, the absolute number of people in the US labor force appears to be declining now, and has for roughly the last year in change.

And if that trend continues, and I don't know if it will, but if that trend continues, we really will be in a very different world.

And I don't know exactly what the implications of that are, but it worries me quite a lot about what that would mean from an economic standpoint, from the standpoint of what the economy produces, from the standpoint of what it might mean for growing national debt in the future, the ability to pay that off.

I think that is something that we're going to need to spend some time thinking about. And Matt Yglesias's idea would counteract that.

It would go in the other direction, and that is a direction that I think would be a lot more preferable.

ADAM: I don't see any other path to continuing American hegemony if that's what you want.

If you want us to be the biggest, if you want output of strategically important industries to grow, we need people.

CARDIFF: I would say, by the way, that the argument for national greatness here is not just about being able to say we're number one, we're number one. It's what that would also mean for the rest of the world.

It's the externality of a country like the US being the leading global hegemon into the future versus a country like China, the different political systems, and the influence of those differing political systems on the rest of the world.

The fact that the US, for now at least, still has a very powerful democratic feedback mechanism, that the markets are relatively free, it has a very entrepreneurial culture, that kind of thing, that would retain its prominence, its eminence throughout the world into the future if we can have both more people and a bigger and growing economy over time.

ADAM: Completely agree. I think the world is a better, safer place with the US in the lead.

CARDIFF: And we should acknowledge the many, many, many mistakes that the US has also made. We're acknowledging those. We're not diminishing those.

The US has problems. So does every other country. This is a relative comparison, not an argument that there is perfection here. And there never will be.

ADAM: There is, and this is about my most unpopular belief. Maybe I should diminish that. Maybe I should argue—

CARDIFF: (LAUGHS) All right, last one. And connected to the idea of letting Chinese cars in, your argument is that consumers should spend less money on cars.

I should note, by the way, that you are very well known for this on the internet.

You said a few years ago that it's sort of nuts for an average American household to spend $40,000 or $50,000 on a new car, that that's just a completely absurd overpay.

And you got a lot of pushback. A lot of people were like, "Dude, that's what cars cost. What are you talking about?"

And then you shared your own sort of car-purchasing habits and so forth.

So make the case. Why should consumers spend so much less money on cars specifically?

ADAM: Yeah, people got pretty mad about that. They were not happy with that. And so I'm going to do it again.

CARDIFF: Let's do it. Let's piss people off. (CHUCKLES)

ADAM: I think that consumers fool themselves a lot when it comes to cars. I think there is a tendency to ignore sticker price, or even worse, ignore total cost in the sense of interest plus payments, and just focus on, well, what does it mean on a month-to-month basis? "Well, it's only $50 more. It's only $100 more in car payments."

And they really sort of delude themselves.

Now, if we were a really high-savings country with no sort of consumer credit issues and no complaints that Americans need more savings, it might be kind of a moot point. It's like, "Well, we got plenty of money, so this is how they choose to throw it away."

But I think that people seem very willing to say Americans need more savings and very unwilling to say exactly what Americans probably should spend less money on.

And so I am willing to step up and say cars are the thing. Spend less money on cars.

CARDIFF: Do you have any numbers here? Can you make the case quantitatively that people are spending too much money on cars?

ADAM: Yeah. I mean, too much is like — there's no empirical way to prove too much — but I feel like the numbers speak for themselves.

The average monthly payment is now $777 from the second quarter of 2026. And 20% are paying more than $1,000 a month. To me, those are astronomical numbers, for almost $800 to be the average, and one out of five to be over $1,000.

You can also look at how consumers are doing this. They are stretching out their financing.

In the mid-2000s, the kind of typical loan was five years. And now 70% of new car loans are longer than five years. A third of them are longer than six.

And so they're buying more, they're spending more.

The measures of delinquency are back up to near-recessionary levels or at recessionary levels. So to me, these numbers speak to an issue.

And again, I go back to the US savings rate.

Do we think that the average consumer is saving enough? I think there is a consensus, no, but no real willingness to take another step and say how to get there.

CARDIFF: Right around the time when you first put out this thesis, that people are just spending way too much on cars, and spending $40-something thousand on a car is crazy, I remember visiting a family member of mine. Let's say that, I want to preserve privacy here, but a family member of mine.

She lives in a kind of middle-class condominium complex in Tampa.

And I remember visiting her, and all the cars in the parking lot were Lexuses, a couple of Mercedes, and BMWs.

And I just remember thinking these apartments are fine, but very plain, very standard, not very big, very cheap.

We're thinking there's a disconnect here between the impressiveness of the condominiums, the apartments, and the cars in the parking lot. And I just had to guess there's something going on here, and this has to be something to do with leverage.

It has to be something to do with people being able to borrow money to get the cars.

Now that's pure anecdote, right? Obviously, just that one thing, but it lined up with exactly what you were saying when you said it.

But what you seem to be saying is that actually this is a pretty widespread phenomenon, that people are buying much nicer cars, more expensive cars than they need.

It's not that they shouldn't buy cars. That's not what you're saying.

It is also the case that the price of cars has gone up, but people are buying a Lexus when they should be buying, I don't know, a Hyundai or something like that.

ADAM: Yeah. Or every car comes with a wide range of features. You can get huge swings in the price of cars by getting one fully feature-filled, sometimes like $10,000.

So that's one way to bring the price down. Buying a car instead of a huge SUV is another way to bring the price down. Buying a smaller vehicle.

I do think that there's an economic issue here, which is that, to your story, people buy a car to say something about themselves, to try to make themselves appear more high-income than they might otherwise be, driving around in something that's nicer than they can really afford. So I think there's kind of a social externality going on there.

Now, I'm not calling for any policy on this, to be clear. Just like with gambling, I think people should be free to make mistakes and spend too much money on cars.

But we should be willing to give the advice and to say out loud that there seems to be a mistake being made here in aggregate, and consumers should adjust.

Now, if you're really wealthy, I'm not going to tell you — spend your money on whatever you want. Buy yourself an old classic car for $100,000, whatever.

It's not about no one should buy nice cars. Choose among your luxuries if you can afford them.

But for the typical household, especially ones that don't have high enough savings, this is a path to higher savings. And I think it should be a much more common one.

CARDIFF: Where are you on regulating, if not the purchasing of cars, regulating the lending to people who buy cars?

ADAM: No, still let them do it. I mean, these are expensive, but delinquency rates are not higher than credit card delinquency or something like that.

There's not some huge social issue to be solved there in that sense that we can't even let them borrow to do it.

CARDIFF: This is always a fascinating topic to me in part because it simply doesn't apply to me at all.

I live in New York City. I take the subway everywhere, or I walk. And so I haven't had to buy a car in several decades. It just doesn't apply to me because of where I live.

But you live in a place that does require owning a car. What are your own car-buying habits like?

ADAM: I always try to keep it below $25,000. I think that's a good rule of thumb.

CARDIFF: Twenty-five thousand bucks?

ADAM: Yeah. I think $25,000 is not a crazy amount to spend. People always ask me, "What should I spend?" because I said $40,000 is crazy.

So try to be below $25,000 and try to make it last a long time.

CARDIFF: You buy used?

ADAM: Yeah, I buy used.

CARDIFF: Okay.

ADAM: I bought a used truck, five years old. I think it had 80,000 miles when I bought it. That was what I bought last.

And it came in around $25,000. So I try to live by that rule.

I had a much older truck for a long time. I was driving a 2003, but it kept breaking down.

And it broke down once when I was driving home from DC, right on I-695. That was not fun.

And I was like, okay, I like to live by my values here, but I need something a little bit more reliable.

CARDIFF: Which of these five ideas we've just covered do you think we'll get the most hate mail for?

ADAM: Oh my gosh. The Chinese cars, probably.

CARDIFF: Depends on who we're talking about, which part of our audience. We do have a lot of just regular folks, non-economists, who email us a lot.

We do have economists who sometimes get in touch to correct this and that or the other thing. And I definitely want to hear from them because I'll be curious to know where within the realm of economic thinking these ideas fit.

ADAM: That's always fine. I don't want to hear from people screaming at me that they don't want immigrants here at all. There's going to be a lot of that.

CARDIFF: Oh, all right. Well, the racist douchebags, I don't care what they have to say. I always ignore those things. All right. I get those emails too. That's fine.

I want thoughtful, constructive pushback on this from anybody, from economists, but also just from regular folks who are interested in these ideas, to see where they are.

ADAM: You want pushback on my bad ideas.

CARDIFF: I want people to send us emails that I can forward to you.

Listen, maybe someday we'll do my weirdo ideas too. I have a feeling we'll get some pushback on the prediction markets and on gambling.

ADAM: Oh, I see. I think that's the strongest one. It's also the one where it's in place. It's like the status quo I'm defending in a lot of ways.

And so it's most likely to stay true. I'm not just right there, of course, but I'm also winning.

CARDIFF: (LAUGHS)

ADAM: And so that one I'm least worried about.

The hardest fight, I think, is probably the Chinese cars.

CARDIFF: Do you think there's a danger to contrarian thinking generally?

ADAM: Absolutely. I don't think I'm a contrarian.

CARDIFF: You don't?

ADAM: I don't.

CARDIFF: Okay. I would agree with that, by the way.

We've chosen the contrarian beliefs that you have. It's not like we've given everybody a roster of all your beliefs. We specifically selected the most contrarian ones.

But I'm fascinated by this. I think contrarians are absolutely necessary. They're vital.

I also think that if you get into the habit of always trying to be the contrarian person because it's interesting, it's a problem.

ADAM: We have more than enough contrarianism out there when it comes to economic policy and policy in general. I think contrarianism can be a mental poison.

You can watch people who take a bite of the contrarian apple, and then everyone's mad at them, and then they are getting a lot of Substack subscriptions because everyone's mad at them. And then all of a sudden, that's my brand now. I get people mad at me by being contrarian.

It can be a real mental poison. I try to avoid that. I think of myself as a pretty mainstream economist, pretty standard.

CARDIFF: But sometimes the contrarians end up being right. And they might be wrong 98% of the time, but those 2%, you want somebody voicing that other view out there.

I don't want to flatten everybody into conventional thinking either. You know what I mean?

ADAM: I agree.

CARDIFF: So where you get the balance is the interesting thing to me.

ADAM: Yeah, I totally agree. For example, all of my contrarian ideas are true and important.

CARDIFF: (CHUCKLES) We'll see about that!

What's your single most contrarian non-economics belief?

ADAM: I am a materialist kind of person, very materialist, very skeptical, but I have a fascination with weird stuff, paranormal stuff, UAPs.

I think that the UAPs are probably my most controversial belief.

CARDIFF: Unidentified, what is it?

ADAM: Aerial phenomena. It's what we call UFOs now. We don't use that word anymore. That's politically incorrect now.

CARDIFF: It is? UFO is politically incorrect?

ADAM: Well, it's how we make the issue try to seem more serious.

CARDIFF: That's weird. All right. I didn't know. I was always a little confused about what the difference was between the two.

Okay. So you think they're out there and that they remain unexplained, but that some of the phenomena are real.

Aliens?

ADAM: No. So I don't think we have any sort of compelling proof that tells us what is out there, but I think we do at this point have compelling proof that something anomalous has been observed.

CARDIFF: So all these pilots who see something and they can't explain it.

We have some of these sort of grainy — I guess not so grainy — videos too, but we can't tell exactly what the thing is out there.

There's been more of these in the last few years. There have now been documentaries. You've had serious politicians come out and say, "Yeah, actually there might be something there."

It's something like that, right? That's what you're talking about, but not aliens. You're saying it's something. We have not identified it yet.

ADAM: There's a weird issue where we have a ton of super-weak evidence, and that doesn't amount to all that much, but we have a little bit inside of that of extremely strong evidence.

And part of the problem is that the people who are really focused on this issue don't seem to grasp what constitutes good evidence to the normal skeptical scientific community.

So they'll be like, "We've got amazing new evidence. Here's a guy who claims he saw something."

CARDIFF: What's an example of good evidence, though?

ADAM: Good evidence is multi-sensor observations.

So what I mean by that is one of the famous UAP videos that was released in 2017 through *The New York Times* is called the Gimbal incident.

And basically, you have an infrared camera observing very anomalous behavior. You've got visual observation through the camera. You've got infrared observation through the camera.

In addition to that, it was observed on the pilot's radar tapes.

And so that's multi-sensor because you can always have a glitch in equipment, or you can always have something that's like, "Well, we observed it. We couldn't identify what it was. Turns out it was a balloon," or something like that, or a weather balloon.

But if you document anomalous behavior in the sense of it's moving in a way that things shouldn't move, if you document that and you document it on multiple sensors, that's extremely compelling evidence.

Now, the challenge is that the government never wants to release radar tape evidence. And so what we have is multiple pilots who say, "I saw the radar tapes."

So you have the pilots who were in the plane, and then you have the pilots back at base who were able to review the radar tape after the incidents.

So to me, this constitutes strong evidence. We can see the video footage. We have multiple people who say, "I saw the radar tapes." They don't say, "I saw something in the sky," which could be anything. They saw radar tapes.

And so I think that's high-quality evidence. And we have a couple of incidents like that. And the congressmen tell us that there's much more like that, but they just aren't showing it yet.

So I find that to be compelling evidence of some sort of anomalous behavior.

There's no proof at all that that's aliens or anything like that. It could simply be some sort of anomalous natural event we don't understand yet.

I don't think we fully understand ball lightning yet, for example, but it's something that we used to think was fake, but now scientists believe is real.

CARDIFF: I don't even know what that is.

ADAM: It's like there'll be a floating orb through the air. It's crackling like lightning.

It's been observed by sailors for a long time, pilots for a long time. People used to think it was just truly one of those fake stories.

CARDIFF: Zeus?

ADAM: Truly one of those fake stories.

But now scientists have been able to kind of recreate it in labs. And so they think that it's real.

And so I don't think there's strong evidence at all for aliens. Now, there's a lot of weak evidence for it, but I do think there is strong evidence for anomalous behavior.

And I just wish that the sort of community involved in bringing this evidence forward understood we need to see more of that.

And we don't need to hear a line of 20 people who say they saw a ship one day. That's not helpful anymore.

CARDIFF: All right. Well, prediction markets are going great. Let the Chinese cars in. Economists should ditch the EMH. One Billion Americans is correct. Consumers should spend less money on cars. And we've been invaded.

You heard it here first.

Adam, thanks, man.

ADAM: Thanks, Cardiff.