



Retirement *Lifestyle* Advocates

RADIO PROGRAM

Expert Interview Series

Guest Expert: Jim Rogers
Author, International Investor

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Retirement Lifestyle Advocates
961 Four Mile Road, NW
Grand Rapids, MI 49544

Phone: (866) 921-3613

Email: info@plplanners.com

Website: www.RetirementLifestyleAdvocates.com

Dennis Tubbergen:

Welcome back to RLA Radio. I'm your host, Dennis Tubbergen. Joining me today on the program is international investor and author, Mr. Jim Rogers. Jim, welcome back to the program. A pleasure to see you again.

Jim Rogers:

I'm delighted to be here, Dennis.

Dennis Tubbergen:

Jim, I would like your take on the massive currency creation that's going on by all the major central banks around the world. How much longer can this go on?

Jim Rogers:

Dennis, that's very perceptive and very worrisome to me. It has never happened in recorded history to this extent. The head of the Bank of Japan goes to work every morning and in his words says, prints unlimited, unlimited amounts of money. The US has never printed... So I mean everywhere, everywhere in the world, it's happening. It's going to end very badly. It will end, I assure you, and when it ends, it's going to end very, very badly. Dennis, I will tell you, you and I are Americans. Well, it's a good time to be an old American, because we don't have to pay for all of this. But being a young American, young America is going to inherit some huge problems.

Dennis Tubbergen:

Jim, what would you say about Jerome Powell stating that inflation is transitory, it's just a result of the economy reopening? Do you buy that?

Jim Rogers:

Dennis, I have been around a long time and I have learned not to pay attention to these guys. All they care about is keeping their jobs. They don't care about you or me or kids, they care about keeping their jobs, and he thinks that's the way to keep his job and he will say some absurd things. You go back and read some of the central bankers, not just in America but everywhere, and you cannot believe the things that come out of their mouths. But they think that's what they have to say.

Dennis Tubbergen:

Where do you see inflation going? I mean, here in the United States, they'll admit to a 5% inflation rate. John Williams says it's closer to 13%. What's your take and what's the end game?

Jim Rogers:

Dennis, I was going to say, yeah, 5% is what the government says, but the government always lies about it. Anybody who goes shopping knows that prices are going up more than the government says, and they always do. Governments, especially the US government, have reasons to lie about these things. I would suspect, I know, that there will be dips that at times it will look better. Certainly they'll say it's better. But over the next few years, it can only go higher, because they have printed staggering amounts of money all over the world. And of course, shortages are beginning to develop in some parts of the world economy. It's a good time... Well, go ahead.

Dennis Tubbergen:

No, I was just going to say, Jim, that a lot of our listeners are aspiring to a comfortable stress-free retirement. Many are already retired. When you say this is going to end ugly, I know they would like to know exactly what you think, given your reputation. What does ugly look like?

Jim Rogers:

Well, you may remember bear markets in the past. You may remember 2008 or some of the previous ones. In bear markets, everything goes down a lot, or nearly everything. Many stocks will go down 50, 60, 80% in a bear market. Property will collapse. I mean, it's not fun when we have bear markets, and Dennis, we've had bear markets for centuries, millennia, and we're going to have more. And I know that a lot of people are going to lose a lot of money. I hope that your listeners know enough and learn enough to protect themselves. I hope I protect myself.

Jim Rogers:

It's a lot of people going to lose a lot of money. This is going to be the worst bear market in my lifetime, Dennis. And I say that because in 2008, we had a horrible time because of too much debt. Dennis, since 2008, the debt everywhere has skyrocketed by gigantic amounts. No country in the world has ever been as indebted as we in the US are. This has never happened. So the next bear market is going to be horrendous.

Dennis Tubbergen:

Jim, there are those analysts that say the coming bear market is going to make 1929 into the thirties, into the Great Depression look tame. Do you think we're looking at something along those lines?

Jim Rogers:

Well, I know it's going to be the worst in my lifetime. I wasn't around in 1929.

Dennis Tubbergen:

I wasn't insinuating you were, for the record.

Jim Rogers:

I know, and I understand. I understand. I'm just quickly explaining it. But it's certainly going to be the worst in my lifetime, and we've had some bad ones in my lifetime, 2008, well you know the rest of them. No, a lot of people are going to lose a lot of money. The debt is staggering, not just at the government level, at the state government level, company level, individual level. I hope that all of your listeners, if they have debt, that they're doing their best to cut back. If they have debt, I hope it is fixed rate debt, because if you have floating rate debt, you're going to suffer badly going forward. And I hope that you have investments that will protect you.

Dennis Tubbergen:

Jim, when you talk about people losing a lot of money, let's focus on stocks, because using one of the most often used stock market valuation indicators, market cap to GDP, stocks are like 30-plus percent more overvalued than prior to the tech stock bust. Why have stocks gotten so overvalued? Is that just attributable to Fed policy or what's your opinion?

Jim Rogers:

Well, it's mainly Fed policy, because so much staggering amounts of money have been invested. But Dennis, throughout history when you have a bull market that lasts for a while, it gathers momentum. This bull market's been going on, what, 12 years or something in the US, which is the longest in American history. All the signs develop. New investors come in, they tell their friends, this is easy, this is fun. They all jump in and out of fabulous new stocks. SPACs come along. SPACs have been around for hundreds of years and they always show up again at the end of a bull market, near the end of a bull market. All of these things have happened. It's not the first time I've seen this movie, Dennis. And when it happens, people get very enthusiastic and then excitement breeds excitement. And then it comes to an end.

Dennis Tubbergen:

If you're just joining us, my guest today is international investor and author, Mr. Jim Rogers. Many of our longtime listeners probably recall that Jim was kind enough to join us a few years ago, and he was nice enough to take some time out of his morning in Singapore to catch up with us. Jim, is there anything that's not in a bubble? I mean, stocks are in a bubble. Walk through some asset classes that may not be.

Jim Rogers:

Not all stocks are in a bubble, but some. Amazon goes up every day, Tencent, Samsung, some stocks, but others still, the reason I'm not selling yet is because I still see some stocks have not joined the party. Bonds are definitely in a bubble. Bonds have never been this expensive in the history of the world, all over the world. Property in many places, if you go to Korea or New Zealand or in the US many places, property is definitely in a bubble because of so much money printing and low interest rates.

Jim Rogers:

The only thing I see, Dennis, that's still cheap are commodities. Silver's down 50% from its all-time high. Sugar's down 70% from its all-time high. Oil is down 50% from its all-time high. These are not bubble numbers, so that's it. And as you know, if we have inflation, that means prices go higher. Well, a way to protect yourself is to own commodities. If the price of bread goes up and you own wheat, you're okay. You might even make money to protect yourself.

Dennis Tubbergen:

Jim, I know our listeners, given your reputation as an investor, would love to know what else you're investing in. You mentioned you own stocks yet. What's your take on, say, gold and silver?

Jim Rogers:

Well, I own both. I'm not buying either at the moment. When I buy again, I will probably buy silver. Silver is cheaper than gold on a historic basis, but if gold goes down a lot, I'll buy more gold too. I expect both of them to do extremely well before this is over, but I am not buying now. I have no idea how long the correction will last. I'm not a very good market timer. But I will definitely buy more before this is over, because in the end they're both going to go up a great deal.

Dennis Tubbergen:

Jim, I'm curious to what your perspective would be. In a crash situation, when a bubble unwinds, cash is a good asset to have. In an inflationary environment, cash is obviously not a good asset to have. How do you balance that?

Jim Rogers:

Well, as I say, if there's inflation and you own the things that are going up in price, not only do you protect yourself, you make money. There are people who've come out of every bear market in world history very well off. Not everybody, most people lose. But you know, people came out of the 1930s rich. So if you protect yourself, if you listen to RLA Radio and you know what's going on, you might protect yourself. You might even make a lot of money. I said agriculture is very cheap. I have been buying a agricultural ETF recently, because I expect agriculture prices to go up a whole lot. And that means if the price of your shirt goes up, you're going to make money on cotton.

Dennis Tubbergen:

So in your opinion, if you have someone that's managing money in an IRA or a 401(k), are exchange-traded funds the best way to get exposure to commodities?

Jim Rogers:

Well, for most people. Many studies have shown not just commodities but for every asset that index investing is the most successful. Index investing outperforms nearly all professional and amateur investors. So for most people, yes. And I love index investing, because it's easy and I'm lazy.

Dennis Tubbergen:

When it comes to owning gold and silver, do you use ETFs or do you like the physical stuff?

Jim Rogers:

I have it in my closet. The politicians and academics say forget gold and silver, but Dennis, I'm an old peasant, and all of us old peasants know that when things go bad, we want a little gold over there in the closet. We want a little silver under the bed. I have both, but I have a lot of physical.

Dennis Tubbergen:

Well, my guest today is international investor and author, Mr. Jim Rogers. Jim has agreed to join us for one more segment and he will do that when RLA Radio returns. Stay with us.

Dennis Tubbergen:

Welcome back to RLA Radio. I'm your host, Dennis Tubbergen. I have the distinct pleasure of chatting today on the program with international investor and author, Mr. Jim Rogers. Jim, we were talking a bit about ways to protect yourself from inflation and the coming crash. I would love to get your take on cryptocurrencies.

Jim Rogers:

Well, I have never bought nor sold any cryptocurrency, Dennis. Of course, I wish I had. I wish I'd bought Bitcoin at \$1. It's now \$31,000. Of course, I wish I'd bought IBM in 1914 also. I've missed a lot of great investments in my life. My view is that, well, first of all, all money is going to be on the computer soon. All governments, including the US, are working on crypto money. In China you cannot buy ice cream with money. You cannot take a taxi. They're way ahead of us as far as crypto money is concerned, and everybody's going to do it.

Jim Rogers:

But as far as cryptocurrencies, independent ones, when the money is on the computer, I cannot imagine that the US is going to say, okay, this is your money now. You must use it on the computer. I cannot imagine the US is going to say, but if you want to use that other money, you can. It's not the way governments work. They don't want to lose their monopoly. They don't want to lose their control. So I would suspect that if cryptocurrencies become successful as currencies, which the advocates say they will, governments will react and control them or tax them or regulate them or make them illegal. You know how governments work.

Dennis Tubbergen:

Jim, when you start talking about central bank digital currencies, that's really become a very hot topic. Janet Yellen mentioned that that should be a priority of the Fed. Jerome Powell said they're looking very closely at it. That seems to be a government's dream, because you can see every transaction, you can impose negative interest rates. Do you think central bank digital currencies actually become a reality, and if they do, how long do you think it'll take?

Jim Rogers:

Dennis, they love it. They can know everything you do. They will call you up one day and say, "Dennis, you have been drinking too much coffee this month. Stop." They don't have to print it, they don't have to transport it, they don't have to secure with the same kind of security. It's much cheaper

for them, and they have total control. Now I don't like that, but they love it. Oh my gosh, you know how the people that work for the government think.

Jim Rogers:

But how long will it take? I don't know. As I say, it's already here in China. It's not 100% in China, but it's already happening. It's very simple to do. The risk, of course, that when the internet goes down, nobody has any money. Or if the electricity goes down, nobody has any money. But the governments, they don't particularly care about you and me. They care about their control and their power and their jobs.

Dennis Tubbergen:

Jim, I've read that some of the digital currency trials in China haven't gone as well as the officials there have hoped. Is there any truth to that, since you're there?

Jim Rogers:

Well, I'm in Singapore, I'm not in China and haven't been for a year or so, because it's hard to travel. But I'm sure there've been mistakes and problems. I mean, that's the way the world works. Nobody is perfect, that I know of anyway, except Washington, DC. I'm sure they've had problems, and I'm sure all the governments will have problems as they develop crypto money. But Dennis, I don't like saying it, but I'm sure it's coming.

Dennis Tubbergen:

Jim, when the government implements that, do you think they would implement it alongside cash and just let people get used to the convenience of a digital currency and then phase out cash, or given the extreme conditions in which we now find ourselves worldwide, do you think it might be more abrupt than that?

Jim Rogers:

No, I suspect that they will have a side-by-side for a while, because I hope that they're careful and let the problems emerge. But eventually no, they want to have everything on the computer. Now of course, that does present problems, because not everybody has a computer and not everybody has electricity in the world, so it's not that simple. But no, I'm sure that they would be side-by-side at least at first. In China, it is side-by-side. You can still use some money. It's hard to use money in China, but you can still use it in some places.

Dennis Tubbergen:

Do you ever think, Jim, when you study history, when fiat currencies have failed, often people only trust gold and silver as money again. I've interviewed a number of people here on the program that feel that we will eventually get back to a gold and silver-based money system, even if it's digital currency backed by gold or silver. Do you envision that that could be a possibility?

Jim Rogers:

Well, Dennis, anything can be a possibility, especially in crisis. Of course it can be. I do know that for thousands of years people have relied on gold and silver in emergencies. And when things get really bad, we're all going to look for something. History would indicate that gold and silver will have a place in that kind of world. I know that we're going to have more crises in the future. Janet Yellen said, "No, no, no. We've got everything under control. No more bear markets, no more economic problems." Well, if you believe her, and she's got some Ivy league degrees, fine, but I know history shows, though, problems are coming again, and I have some gold and silver in case. If you have something else, Dennis, let me know. But I do know that gold and silver have always come through disasters.

Dennis Tubbergen:

Do you have a target upside for gold or silver, Jim?

Jim Rogers:

No, I'm not that smart. I mean, there are people who will give you numbers, but I'm not smart enough to do that, Dennis.

Dennis Tubbergen:

Well, I have the pleasure of chatting today with international investor and author, Mr. Jim Rogers. Jim, I'd like to go back and revisit a couple of things we talked about in the first segment if I could. You mentioned that you feel that obviously we're in a bubble here with bonds, for sure. Some stocks may not yet have reached their full potential. Could you expand on that? Are there any sectors in the stock markets that you like at this point?

Jim Rogers:

Well, anything that's been beaten down by disaster, travel, tourism, airlines, entertainment, hotels, restaurants. Yeah, there are things that I'm looking for. I bought a Russian shipping company recently, a Chinese wine company recently. All disasters lead to opportunities, so I'm looking with the things that have been beaten. I know, Dennis, we're not going to take the boat to

London in the future. We're all going to fly again. So I'm looking for opportunities and things that I know will resume.

Dennis Tubbergen:

Talk a bit about commodities. We talked a bit about gold and silver and agricultural commodities. Your favorites among commodities and those that maybe you don't like as much?

Jim Rogers:

Well, I said silver instead of gold going forward. I said agriculture. Agriculture has been a disaster for many years. The average age of farmers in America is 58. In Japan, it's 66. Agriculture has been horrible, Dennis. Highest rate of suicide in the UK, it's in agriculture. So most agricultural commodities are probably a good place to be. I bet nobody you know from college became a farmer. They all went to radio or Wall Street or something like that. But that's going to change in the future, because the farmers are going to make a lot of money. There are ETFs on the New York Stock Exchange make it easy to do now. But if you're really good at it, buy sugar futures. I'm not doing it just because I'm lazy, but I do own RJA. It's the Rogers Commodity Index on the New York Stock Exchange. It's very easy to buy and sell, at least for me.

Dennis Tubbergen:

Digging into agriculture, Jim, do you see a return to family farming, or do you think that the corporate farm is here to stay?

Jim Rogers:

Well, it depends on where. In the US, obviously, corporate farming has got a great future, just because that's where the money and the expertise is. But in many parts of the world, family farms are going to have a great revival, because that's all that's left at the moment. If you and I dropped into Siberia, I doubt if we would be good corporate farmers, but the Russians have a long history of wonderful agriculture and it's coming back. It's coming back strong as we speak. But in many parts of the world, South America, Africa, many places.

Dennis Tubbergen:

Jim, are there certain parts of the world in which you're looking to invest as opposed to other parts? Do you have any geographic favorites?

Jim Rogers:

Well, the US market is making all-time highs. I prefer to look at a place that's depressed. Japan is down 35% from its all-time high. Russia is hated. There are markets that are still not so exuberant and where there's still more opportunity. I learned to buy low and sell high, so I look what things are low. Doesn't mean I get it right, Dennis. Oh my gosh, I make many mistakes, but at least I'd rather start looking at places where things are depressed, not where they're exuberant.

Dennis Tubbergen:

Well, my guest today has been international investor and author, Mr. Jim Rogers. Jim, thank you for being so gracious with your time and coming on the program again. I know my listeners are going to enjoy this conversation, and thank you for joining us. I'd love to have you back down the road.

Jim Rogers:

Well, Dennis, you got to teach us all, because I hope RLA Radio will save us, because a lot of people including me might lose their money. So keep it up.

Dennis Tubbergen:

Well, you have gone a long way to helping the listeners do that, so thank you for joining us.

Jim Rogers:

Keep it up. Thank you, Dennis. Bye-bye.

Dennis Tubbergen:

All right, take care. Bye-bye now.