Retirement Lifestyle Advocates

RADIO PROGRAM

Expert Interview Series

Guest Expert: Mr. Rob Kirby

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Dennis Tubbergen:

Welcome back to RLA Radio. I'm your host, Dennis Tubbergen. I have the pleasure today of chatting with first-time guests here on the program, Rob Kirby. Rob is the founder of Kirby Analytics. You can check out his work at kirbyanalytics.com. I have been a big fan of Rob's work and perspective from a distance for a very long time. So it's a real pleasure to have him on the program and share his perspective with you. So, Rob, welcome, and thanks for taking time out to join us today.

Rob Kirby:

Dennis, pleasure to make the acquaintance.

Dennis Tubbergen:

So Rob, you contend that there is a lot more money being created than is being admitted. And we chatted for a bit before we started the interview and I learned a lot from you. So just explain to our listeners, why do you think that, and what's the evidence?

Rob Kirby:

Well, the rationale for saying there's a lot more money than what the mainstream would have us believe, Dennis, it really flows from the work of Dr. Chris Martenson. And Dr. Chris Martenson produced something back in 2009 called The Crash Course. And if you Google Chris Martenson's name and along with Crash Course, you will find links to the audiovisual presentation of The Crash Course. And what The Crash Course shows is the life cycle of fiat money with compound interest, regardless of whose currency it is. So it's highly adaptable and illustrative of the growth cycle of the US dollar as the world's reserve currency.

Rob Kirby:

And what the analogy or the comparison is in The Crash Course, it illustrates the magic of compounding. And to illustrate the magic of compounding, Chris Martenson explains, in his Crash Course, if you start off with a drop of water in the middle of Yankee Stadium, and if you double the amount of water every minute, how many minutes does it take before Yankee Stadium is completely full to the top with water? And it's a very interesting concept. And if you do the math on how long it takes Yankee Stadium to fill up with water, beginning with a drop and doubling the amount every minute, Yankee Stadium becomes completely full in, I believe it's 45 or 50 minutes.

Dennis Tubbergen:

And that's every minute incidentally. Not every second, we're talking every minute.

Rob Kirby:

Yeah, every minute. And the part that really grabbed me about this is that the timescale that he used, it was either 45 or 50 minutes, but the really important thing is that in the last five minutes, the water goes from being up to the ankles of somebody standing on third base to having the whole stadium full. So all the action occurs in the last five minutes.

Rob Kirby:

Well, fiat money with compound interest works on the same principle as the water in the stadium. And you see, we're right now late in the game of fiat money with compound interest, and the amount of fiat money that necessarily has to be created, as dictated by compound interest, we are at basically, I'm going to say metaphorically, we're in the last five minutes now. And the amount of fiat money that is being created is far, far, far in excess of what is admitted. Because I mean, in the last six months or so, we've had the Fed grow their balance sheet by... Look, I mean, where their balance sheet is exactly today is... But let's just say it's probably grown something like $5 trillion in the last six months. That's acknowledged.

Rob Kirby:

I'm just going to say that the analogy that I made with the compound interest and with the water in Yankee Stadium would be much more indicative that, very likely, tens of trillions additional have been created. And the real issue becomes, just as the water in Yankee Stadium, where do you put all the water? Where do you put all the money that is being created? You can't acknowledge to the public that you're creating the amount of money you truly are or you would have an instantaneous hyperinflation and foreigners would instantaneously stop taking the US dollar in trade.

Rob Kirby:

So the money has to be hidden. And lo and behold, America has places where it can hide money, where it can't be seen, where it can be marshaled up to make things appear normal. And one of these hiding places, and probably the foremost of these hiding places, is the Exchange Stabilization Fund. And the Exchange Stabilization Fund, or ESF, as it's often referred to by its initials, is a financial black hole. It's a secret of adjunct of the US Treasury. It was created in 1934 and funded with the proceeds that arose from the confiscation and revaluation of American citizens' gold.

Rob Kirby:

Because in 1934, the Federal Reserve, with the US Treasury that actually confiscated the gold from the American citizenry, they paid everyone $22 an ounce for their gold when they confiscated it. And then six months later, the gold that was confiscated was revalued to $35 an ounce, which created a windfall profit of roughly $3 trillion. Sorry, $3 billion. I want to just keep my billions and trillions straight here.

Dennis Tubbergen:

Same money probably, just different decade.

Rob Kirby:

Yeah, but I mean, the amazing thing about all that, Dennis, is back in 1934, $3 billion was a lot of money. And the $3 billion windfall, that was the money that was used to seed the Exchange Stabilization Fund. And that literally, with the stroke of a pen, made the Exchange Stabilization Fund the most powerful financial entity on the planet, with more resources than the actual visible part of the US Treasury.

Rob Kirby:

And these guys basically have one mandate, and the mandate of the Exchange Stabilization Fund is to basically keep the US dollar as a viable world global reserve currency. So that's what their mission statement is, to perpetuate the dollar as the world's reserve currency. And that's what they've been doing. And they've been engaged in everything from currency manipulation, precious metals manipulation, or I'm going to say price suppression. They act as stand-ins if the US government happens to have a debt auction that isn't very well attended. They can marshal the resources in that fund to make bids for US government debt.

Rob Kirby:

And an interesting corollary to all this is that, I mean, I have a background in financial services, institutional brokerage, and I spent a lot of years as a broker in the bond markets, both the US and Canadian bond markets, and I can tell you that the only sovereign issuer of debt that has never in the world had a failed bond auction is the United States government. And that's a pretty odd thing, if you want to think about it. And the reason, I would have as the reason why the United States has never once had a failed bond auction is because they always have a... Let's just say they've got a homer bid in their back pocket because the Exchange Stabilization Fund and the assets that are hidden in this black box can be marshaled up at any time required to stand-in and basically buy any amount of debt that the US government wishes to issue.

Rob Kirby:

So the amount of money that's being created, it's greater than what is acknowledged because it has to be created or the system completely and utterly implodes on itself. And the real issue for the people that are printing all this money, they know what they're doing, and the real problem is where do you put it? And how do you keep it from showing its face in the real world where it will be recognized for what it is, which would undermine confidence in the dollar? So basically, it's a shell game. Like a magician with three shells on a table and he has to keep you guessing which shells the little ball is under. And at the end of the trick, you find out that it's really not three balls. It's really three cubes and they're under all, they're under all the shells.

Rob Kirby:

Anyway, the money is being printed, the money is being kept from our vision, but it shows itself because there's seepage. And the seepage ends up showing itself in interest rates being intuitively or counter-intuitively at record lows when there's record issuance of debt and historic issuance of debt, and annual deficits that are spiraling up and becoming bigger and bigger on a yearly basis. And despite all this record issuance of debt, interest rates are glued to zero and it looks like they could go lower. And I mean, we see interference in the currency markets. Because with the monetization of debt that the government is issuing, it has the appearance of making the dollar look strong, which overinflates... The most widely viewed measure of the dollar is the DXY or the DXY Index, which basically measures the dollar against another basket of Western currencies, the euro, the British pound, the Canadian dollar has a small participation in that, and I believe the Swiss franc and the Japanese yen.

Rob Kirby:

So those are the fundamental currencies that the dollars measured against in the DXY Index. That's made to look artificially and counter-intuitively strong given the amount of debt that's being issued in America. The amount of money being printed that isn't acknowledged, there is seepage into our equity markets, which is why, despite half of the US economy being in lockdown with the COVID virus that has beset us, with half the economy being in lockdown, we still have record equity prices with the DOW making new highs, NASDAQ making new highs, and S&P making new highs, despite half the economy being in utter lockdown.

Rob Kirby:

And I would also point out that the suppression of precious metals prices, despite physical precious metal being unavailable for immediate delivery, and with waiting times for people wishing to procure physical precious metal, despite those times lengthening, we have seen some of the most vicious attacks on the price of metal in the futures markets, Colmex and LBMA, in the last month in particular. And of all this despite the fact that JP Morgan et al have been convicted of rigging the prices. And when I say rigging, I'm talking about suppressing the prices of precious metal. JP Morgan has been ordered to pay a billion dollar fine for doing just this.

Rob Kirby:

Of course nobody goes to jail for committing this crime. And frankly, it's my personal belief that the virus that we're all experiencing globally was dropped on humanity very likely because of the amount of money that is being created. The monetary masters, in my view, knew that if they did not lockdown the economy in the Western world and throw a lot of people out of work, that we would probably be experiencing a hyperinflation right now. Because the seepage of this additional money that's being created because it has to be created, if it were bleeding into the economy when everybody was employed and earning income, it, in my view, would have tipped off our hyperinflation already, but instead, these people, and they are sinister, sinister people that run our global monetary edifice, they figured if they had half the people unemployed and on the government dole, that they would be able to...

Rob Kirby:

Basically, it gave them an excuse to distribute a whole lot of money they had to print anyway, and the effect of printing and distributing that money wouldn't be as inflationary if everybody was gainfully employed and the money had to be pushed into the economy with full employment.

Rob Kirby:

So it's acting as a sponge. This COVID thing acts as a perfect sponge for monetary abuse when you're printing way more money, because it's soaks up a lot or it acts as a proxy to chew up a whole lot of money that otherwise would have impacted the real economy.

Dennis Tubbergen:

Rob, the clock tells me that we've got to leave it there. I want to pick this conversation up if we could in the next segment.

Rob Kirby:

Sure.

Dennis Tubbergen:

So you are listening today to Retirement Lifestyle Advocates Radio. I'm chatting with Mr. Rob Kirby of Kirby Analytics. His website is kirbyanalytics.com. We'll pick it up and continue with Rob Kirby in the next segment. Stay with us.

Dennis Tubbergen:

You are listening to RLA Radio. I'm your host, Dennis Tubbergen. I'm chatting today and getting the perspective of Mr. Rob Kirby of Kirby Analytics. Rob, I just want to pick it up in this segment where we left it off in the last segment. You've got so much information that I want to get out to the listeners. There have been a number of academic studies that suggest that the fact that there's a lot more money being created than the officials or the central bankers are letting on, it certainly seems to confirm what you're saying. Can you maybe get into that a little?

Rob Kirby:

Yeah. And here, Dennis, I'm going to reference the work of Dr. Mark Skidmore of Michigan State University, who occupies a very prestigious chair in economics at Michigan State with a team of PhD research students. And he's done some prying into the books of the US government over the last three or four years. And his initial findings were published I believe it was two and a half years ago, and this was work he did jointly with Catherine Austin Fitts, who is the former undersecretary of HUD, Housing and Urban Development. And together, Fitts and Skidmore uncovered $21 trillion in missing money from the government books from HUD and the Department of Defense from the years 1998 to 2015. So that covered a 17 year period.

Dennis Tubbergen:

$21 trillion.

Rob Kirby:

Yes.

Dennis Tubbergen:

I remember we talked about it on the program a couple of years ago. That's remarkable.

Rob Kirby:

Yeah. Well, anyway, and that's very well-documented. And let me just say that the response to Skidmore publishing his findings on Catherine Fitts' website, which is solari.com, and people can go there by going to solari.com and searching for missing money, but Skidmore has updated his work and he's begun looking at the time period from 2015 onward. And his most recent work delved into government books, specifically US government social security trust accounts in the year 2019.

Rob Kirby:

And what Dr. Skidmore's work has uncovered in his examination of social security trust accounts is something bizarre. For instance, a single retirement account that's managed by the Social Security Trust Administration, one account with $32 billion in assets, that's $32 billion with a B, had a turnover in one year of $12 trillion. And that's trillion with a T. So $32 billion, allegedly, $32 billion, and this is using government data. This is not something that Dr. Skidmore pulled out of his ear or any other orifice on his body. This is using government data and having it analyzed. You've got $32 billion in assets, with a turnover, and these are retirement assets having a turnover of $12 trillion in a year. Another account with $250 billion, with a B, had a turnover of $44 trillion in a year.

Rob Kirby:

So this smacks of something which isn't management of retirement assets. This, to begin with, smacks of a colossal, in my view anyway, a colossal financial fraud. And my best guess is that this satisfies and speaks directly to the notion that we are entering, or are in now currently, the last five minutes, metaphorically, of the fiat pool filling up, or the fiat money filling up in Yankee Stadium. And this is money that compounding dictates must be created. And it is in fact being created, I would contend.

Rob Kirby:

And this is based on, I'm drawing my own conclusions here, Dennis, understand, I'm drawing my own conclusions from Dr. Skidmore's work. And this guy is above credible. Like this guy is brilliant, and this guy is no holds barred. He's the real McCoy and he knows the stuff. And his work is beyond reproach, and he's using government data and the churn is there. And let's just save this, Dennis, the turnover that's occurring in accounts that are allegedly retirement accounts, this is in congruent with the way retirement assets are managed period. It doesn't occur that way in the real world. So there's something up here that doesn't smell good. And like I say, it reeks of colossal financial fraud, and I would contend what we're seeing here, or what I'm describing really, is a money mill.

Dennis Tubbergen:

So let's, Rob, just stop for a minute, because somebody's listening to this is going to say, "Well, wait a minute, I get this." We've had other guests on the program, Alasdair Mcleod, that contend we're getting close to the end of the fiat money game, to use that term. In your view, what does the end game look like? How does this ultimately play out?

Rob Kirby:

Well, the end game in my view, Dennis, the way it plays out is we will see a breakdown or a total discrediting of the futures markets for precious metal. Because I believe that the precious metals markets are the Achilles heel of this scheme to create endless amounts of money. And the reason why precious metal is the Achilles heel to this is precisely because you cannot print physical metal. It has to be mined from the Earth's crust.

Rob Kirby:

Now, precious metals futures can be created in infinite amounts and are created in infinite amounts on exchanges like the Colmex and the LBMA, the London Bullion Market Association, but when the wait times for physical precious metal stretch out to a point where the paper price of metal or the futures price isn't congruent... Because you see, as wait times for physical metal get longer, the premiums that people have to pay to get physical metal keep growing. And you get to a point where, if the futures price of gold says that gold should be $2,000 an ounce, and let's just say, hypothetically, but if people are paying $3,000 an ounce for gold when the paper price or the futures price says it should be $2000, people will pick up their pail and shovel from the Colmex beach and they'll go home. And at that point, metals prices will become cash and carry.

Rob Kirby:

So the monetary access, the debasement of the money, the creation of this excess amount of money that is being created, because math tells us it has to be created, it's discrediting price discovery and the viability of futures markets as legitimate price discovery mechanisms. And when confidence in those price discovery mechanisms completely fails, it undermines the faith in the US dollar because these are the support structures for the dollar.

Dennis Tubbergen:

Do you see a worldwide currency reset of some type coming, maybe like a Bretton Woods on steroids, or how do you see currency evolving?

Rob Kirby:

I see physical precious metal becoming cash and carry and I see it's price going dramatically higher. And I see the rise of cryptocurrencies, dramatically so, and I believe coming to a theater near you really soon.

Dennis Tubbergen:

Well, we're going to have to leave it there. Our guest today has been Mr. Rob Kirby. His website is kirbyanalytics.com. I would encourage you to check it out. Rob, fascinating interview. Would love to have you back down the road. We appreciate you joining us today.

Rob Kirby:

It would be my pleasure to join you once again.

Dennis Tubbergen:

RLA Radio will return after these words. Stay with us.