



Retirement *Lifestyle* Advocates

RADIO PROGRAM

Expert Interview Series

Guest Expert: Jim Rogers
Author & Investor

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Dennis Tubbergen:

Welcome back to RLA Radio. I'm your host, Dennis Tubbergen. I have the extreme privilege of talking today with author and investor Mr. Jim Rogers. Jim is a returning guest, having graced us with his presence on the program here a couple of years ago. And Jim, welcome back to the program.

Jim Rogers:

Oh, Dennis. I'm delighted to be here. Where are you?

Dennis Tubbergen:

I am located in West Michigan.

Jim Rogers:

You're still there? Okay.

Dennis Tubbergen:

I'm in West Michigan, and as we're recording this, it is 10:00 AM in Singapore and 10:00 PM in Grand Rapids, Michigan.

Jim Rogers:

Well, it is 10:00 AM in Singapore. Yes. I guess you have to go to the disco soon, so let's get on with it.

Dennis Tubbergen:

Here we go. Well, Jim, just give the listeners, if you would please, your analysis, your take on the real health of the world economy.

Jim Rogers:

Well, everything collapsed in 2008, as you know. And then after that, governments around the world led by Washington printed and borrowed staggering amounts of money. Nearly everybody did it, and it has benefited. I mean Dennis, if you give me a couple of billion dollars, you and I'll have a very, very good time. I know how to have a good time with a lot of money. And so does everybody else, and that's what's been going on.

I don't think ever in world history has so much money been printed or borrowed or spent, and so things are great. Look out the window. Everybody's having a good time. It's the longest in American history without a big problem, but I'm beginning to see potential signs of problems. I'm not selling short or anything, but it's not going to last forever. At least it never has.

Dennis Tubbergen:

So, Jim, what would your opinion as to what this endgame ultimately looks like? You've got the US government spending on a deficit basis of about \$2 trillion a year. The Fed has said they're going to hold tight, but what's the endgame here? I mean, this can't continue, so what does it look like when it ends?

Jim Rogers:

But Dennis, I'm afraid that not many people other than you and me and maybe a few others have calculators or can add and subtract. I don't see any human way possible for the US to pay its debts or even calm its debts someday because the numbers are just so staggering. And I don't know if anybody when Washington can add, I know they're not very smart, but I don't know if they can add, and I don't see an endgame.

I see an endgame of the next time we have an economic problem; it's going to be the worst in my lifetime. 2008 was bad because of so much debt, but Dennis since 2009, the debt everywhere, even China has a lot of debt now. So, all I can see is the next time we have a problem, it's got to be horrible. I don't see any way out of that.

Dennis Tubbergen:

But Jim, does this look like a hyperinflationary situation to you, or do you think cooler heads prevail and we end up with a deflationary environment similar to maybe like the 1930s? If I'm not putting words in your mouth?

Jim Rogers:

Well, you ask a very good question, and I'm not quite sure. The easy way for them would be to print a lot of money and try to inflate our way out of the problem. That seems easy. That sounds easy, to them. They're simple people. Obviously, that is not the soundest way, but I would suspect that's what they will try first. Eventually that may lead to a collapse, a deflationary collapse, as you put it. But I think that they will try the easy way first. Dennis, I don't like any of this. I'm just telling you how I see the facts.

Dennis Tubbergen:

Yeah. Well, and I know the listeners and I all appreciate your opinion. Let me ask you this, Jim, just from a little different angle here. The de-dollarization movement around the globe seems to be intensifying, particularly with the BRICS countries. Now that Saudi Arabia and you've got United Arab Emirates and Iran, all part of BRICS. To what extent do you

think the dollar is now threatened as the dominant reserve currency around the world?

Jim Rogers:

Well, again, I don't like saying, but it seems to me that Washington is accelerating that move. If Washington gets angry at you, they cut you off from using the international currency. I mean, the international medium of exchange, Dennis, is supposed to be neutral. Anybody can use it for anything. But in Washington, they don't play that game anymore or they don't play by those rules. Now if they get angry at you, they cut you off.

Well, needless to say, even our friends are starting to say, "Wait a minute, they could do that to us too. We better start looking for a competitor." And so, most of the world is now looking for something to compete with the US dollar and use instead of the dollar. And Washington is accelerating it. As I said, they're not very smart people.

Dennis Tubbergen:

Yeah, I agree. I'm chatting today with Mr. Jim Rogers, he's an author and investor. Jim, as you move ahead here, we've seen the metals markets really react to this or to something anyway. Do you think that that's the safe haven that investors should be looking at as this de-dollarization trend and this currency creation trend continues?

Jim Rogers:

Well, I have silver, I have gold and have had it for years. If they go down, I hope I'm smart enough to buy more. Yet, for hundreds of years people have resorted to silver and gold, precious metals when things are bad. I suspect they will again. I don't see anything else that the whole world accepts and understands besides silver and gold. If you know something, by all... I mean maybe wheat, but wheat's a little complicated for people like you and me, simple people or whatever term you use. So, I suspect, to repeat, I'm going to buy more silver and gold if I get it right.

Dennis Tubbergen:

Do you have a forecast for both silver and gold moving ahead, Jim?

Jim Rogers:

Well, I'm going to buy them because I think they're going up. And normally when things get bad, Dennis, as you know, sometimes things get out of control or absurd things happen. I can remember when silver was \$50 an ounce. That was 40 years ago, \$50 an ounce when things got so bad. So, if

they get bad again, I'm sure silver will certainly make new highs. Gold is already making new highs. No, I mean all of us peasants, I'm an old peasant and all of us peasants know we better get some more gold and silver if the world's collapsing.

Dennis Tubbergen:

So, what does Jim Rogers think about Bitcoin and perhaps other cryptocurrencies?

Jim Rogers:

Well, I know people who've been trading them and making money. Several cryptocurrencies have already disappeared and gone to zero, as you know. But as trading vehicles go to it, if you're a good trader and some people are. The optimists say they're going to be the new currency, I don't see that that's going to happen because I mean, nearly all governments are working on crypto money now. Everybody wants to have money on the computer. Governments love it. It's cheaper, it's more efficient, and they know everything about you.

They'll call you up one day and say, "Dennis, you've been drinking too much coffee this month. Cut down on your coffee." They will love to know everything you do. I don't like it, but they love it. So it's coming. No question that computer money is coming, but whether it's going to, I don't see when Washington says, "Okay guys, this is money now", but if you want to use that money, you can use that money. I don't see Washington bureaucrats and politicians accepting and encouraging competition like that. They want control. They want regulation and they have guns. I don't have any guns to stop them.

Dennis Tubbergen:

So, you're of the opinion then the governments will be successful in rolling out a central bank issued digital currency? And if I'm not putting words in your mouth again, what do you think the timeframe might be?

Jim Rogers:

Well, China's already there. If you go to China, you can't buy ice cream. You have to buy ice cream with your crypto money, with your computer money. Can't take a taxi in China. So, they're ahead of it. They're already there. So, I suspect it's going to happen to everybody for the reasons I said before. They love it.

Dennis Tubbergen:

So, Jim, what's your forecast, in the time we have left in this segment, what's your forecast for stocks moving ahead?

Jim Rogers:

Well, stocks have been having a very good time since 2009. I am not selling short yet because I see excesses developing. I see problems starting to develop, but they're not so excessive yet that it says, "Hey, you got to get out of this. This is now crazy." So I would suspect that the bull market is not over. It will probably be over in a few weeks or months, but I'm not selling short yet.

Dennis Tubbergen:

If you look at what has happened to US government bonds over the last couple of years since the Federal Reserve has been increasing interest rates top to bottom, more than 50% on a thirty-year US Treasury bond, what's your forecast for US Treasury's moving ahead?

Jim Rogers:

Well, as I'm old enough to remember in my lifetime, when Treasury bills yielded 21%. That's not a typo, 21% for US government Treasury bills. So, I know that interest rates will go much higher before this is all over because the money printing, this time around, has been so staggering everywhere. The borrowing and spending have been so staggering everywhere that interest rates before this is over are going to be much higher.

Dennis Tubbergen:

Well, I'm chatting today with Mr. Jim Rogers. He is an author and an investor. The good news is I'm going to have Jim back for another segment. So, stay with us.

Welcome back to RLA Radio. I'm your host, Dennis Tubbergen. Joining me on today's program is returning guest Mr. Jim Rogers. Jim is an author and an investor. He was on the program a couple of years ago and he joins me today from his offices in Singapore. And Jim, let's just go back to what you mentioned in the first segment. You suggested that you are starting to see some potential problems developing that would indicate that maybe some trouble does lie ahead. Could you maybe give us a couple of examples as to what you're seeing?

Jim Rogers:

Well, you're starting to see new investors come in. They call up their friends and they say, "I've discovered this thing called the stock market. It's fun and you can make money and it's easy. It's easy to make money in the stock market."

I mean, you've seen this rodeo before. I've seen this rodeo before. This happens towards the end. Everybody gets excited and exuberant, and they go down to the restaurant or the bar and they hear these hot stories and they get excited and they jump in and it ends badly before it's over.

And then that generation says, "I'm never going to invest again. They're liars and cheaters. It's rigged. It's a hopeless game. Stay away." And then a few years later, some others come back, their kids come back, the new generation say the same things. And I'm hearing those stories already.

Dennis Tubbergen:

So, Jim, if I'm hearing you correctly, you're suggesting that stocks likely are going to go lower at some point, maybe not immediately, but at some point, in the near future. You expect interest rates to go higher. That's bad news for bonds. What is Jim Rogers' favorite asset class at this point?

Jim Rogers:

Oh, I guess my favorite eventually, I hope will be selling short, but I'm not doing that yet. I guess right now, probably agricultural commodities are good. Those are still cheap. I mean, Dennis, for the last several years, nobody wants to be a farmer. Everybody wants to go to Wall Street. I've seen this movie before too, but we got to have food. We got to have clothes. And agriculture has not been a great boom for a good while yet. So, I would say agricultural commodities, maybe silver. I own silver and silver's down 50% or so from its all-time high. So maybe silver, agriculture, things that are depressed.

Dennis Tubbergen:

So, Jim, if agricultural commodities are bullish, do you see farmland also following suit, and would you be bullish on farmland?

Jim Rogers:

Well, farmland is and has been and is a good investment unless you get over leveraged or something. So no, of course. But Dennis, I urge you not to buy farmland if you don't know what to do with it. If you don't know how to be a farmer, you're probably going to lose a lot of money. And you'll say, "I saw

Jim Rogers say farmland is a good investment and that went broke." So you better know what you're doing if you buy farmland. And there are certainly good farmland bargains around the world, Canada, Australia, US. There are places where farmland is cheap. Russia, you could buy farmland in Russia very cheap now. I'm not. There's a war, but there is cheap farmland in the world.

Dennis Tubbergen:

So how do you read commercial real estate? All the refinancing that's got to take place here in the next nine to 12 months at much higher interest rates, commercial real estate's already suffering, hurting. More downside here, in your opinion? Or where does it go?

Jim Rogers:

Well, Dennis, it sounds like you've seen this movie before too. You know there's gigantic debt in that sector and you know that many things have to be renewed in the next few months, years. It has always led to problems. If you have the combination of higher interest rates, excess capacity and slowing economies, slowing consumption, that is not a pretty picture, never has been.

Dennis Tubbergen:

Jim, how do you read inflation, particularly as it relates to the US economy? Very much a consumer spending dependent economy. I think the last numbers I saw were between 1.3 and 1.4 trillion on credit card debt. Consumers really seem to be pinched at this point. Have they reached a breaking point that it's really going to be the catalyst for the next leg down here in the US economy?

Jim Rogers:

Dennis, it always has. As I said, I've seen this movie before and maybe somebody's going to tell you, "Oh, it's different this time." Well, as you know, Dennis, when people tell you it's different this time, run as fast as you can. But it is not different. Everything you just described has always led to problems. And I don't see anything that is different this time. The names are different, the places are different. But no, this has always led to problems. You and I can see the same things. Look out the window. It's all developing the way gigantic problems have developed in the past.

Dennis Tubbergen:

Jim, do you see residential real estate following stocks down when the downturn does start?

Jim Rogers:

Well, yes it will. But if you have bought your home or your residence well, paid the proper price in a good location, you're not going to get destroyed. Some speculators will get destroyed, of course, but if you've done a proper job of buying your home and paying it without a huge debt, you're probably going to be okay. Your neighbors are going to suffer. Prices will suffer, but you don't have to get wiped out.

Dennis Tubbergen:

So, Jim, what do you make of the most recent GDP report we saw here where the US economy, I think GDP growth was cut to like 1.6%. Is that the beginning of this downturn or is it too early to tell?

Jim Rogers:

Well, it's always too early to tell until it happens. As you know, I hope you have enough experience. But those are the early signs that usually develop when we're going into a slowdown. I mean, it works that way historically. Something small happens over there that we don't pay too much attention to, and then something over there might happen and people will really not pay a lot of attention. But nine months later, it's on the evening news and everybody knows there a big problem. It develops slowly and small in small ways and places where we don't pay attention. But eventually everybody knows.

Dennis Tubbergen:

Jim, I've had other guests here on the program that have forecasted what lies ahead here at some point will rival what we saw in the 1930s. What would you say to such an analogy?

Jim Rogers:

Well, I've already said it's going to be the worst economic problem in my lifetime, and I think I'm older than you Dennis. So, it'd be the worst in your lifetime too. Whether it's a 1930s or not, I don't know. It is going to be bad enough that people don't care. It's going to be plenty bad. Whether it's the 1930s or whatever, the 1890s, people won't care. They'll just know it's really bad and this is not fun.

Dennis Tubbergen:

So are you thinking we're going to see unemployment levels, real unemployment, not necessarily the reported unemployment. That's another show in and of itself, but do you think we're going to see reported

unemployment, or excuse me, real unemployment back up in the 20% range?

Jim Rogers:

I don't know. I know that when things start going bad, Washington's going to panic and do everything they can to help us to "help us." That's their version of help us. And it's going to be very bad. As I said before, last time around Treasury bills yielded 21%. Unemployment was high, people were going bankrupt. So, whatever the comparisons, they're not going to be fun. And most of us are not going to care whether it's like X year or Y year, we just know it's bad.

Dennis Tubbergen:

But Jim, I have time for one more question. If somebody's listening to this and they're really concerned, their goal is to have a retirement, they've been working their whole life to try to save, what advice would you give them to prepare for what you believe lies ahead?

Jim Rogers:

Well, we've mentioned silver and gold. I own some silver and gold. That may or may not be an answer, but the best answer Dennis is just put your money where you yourself understand what you're doing. Don't listen to some guy down at the bar on Saturday. Don't listen to a hot TV show or internet show. Just stay with what you know. Everybody listening to this knows a lot about something, whether it's cars or fashion or something. If you stay with what you know, you'll be okay. Maybe you won't make a lot of money, but you certainly won't get destroyed. Stay with what you know. Don't listen to hot tips. Do not listen to hot tips. Just stay with you at your own area of expertise and you will come out okay.

You might even make money. I mean, in the 1930s, there were people who made fortunes, who knew what they were doing. Even in their twenties in the big collapse, in the early twenties, they were people got really rich. Those were people who knew what was happening, understood what was happening, and participated because they understood. Be one of those people.

Dennis Tubbergen:

Well, that is terrific advice, and on that, we're going to have to leave it there. My guest today has been Mr. Jim Rogers, author and investor. Jim, thank you for being so gracious with your time once again and joining us

here on RLA Radio. Love to have you back down the road and appreciate you being here.

Jim Rogers:

It's always fun, Dennis. I look forward to another time. Thank you.

Dennis Tubbergen:

We will return after these words.