

Speaker 1:	00:01	This is the rich dad radio show. The good news in bad news about money here's Robert Kiyosaki.
Speaker 2:	00:07	Hello. Hello hello hello. I can image that radio show is about is about money.
Speaker 3:	00:12	Today I'm very excited about a very special guest possibly one of the more more important futurists of our time today. And we really do need some people that can look into the future and his name is James records. We've interviewed him before and was on the road to ruin the global elite secret plan for the next financial crisis which I read.
Speaker 4:	00:35	Fantastic book that I will drive around Montana with another friend of mine and we're listening to gem on Audible dotcom and it was like I never read the book and you can ask him I've been walking around. I've now listen to the book 14 complete times which means it's 14 hours. I believe times 40. I
Speaker 5:	00:52	can't talk to you anymore because you get your headsets on day and night.
Speaker 3:	00:54	I looked like Mickey Mouse walking and I'm just listening that when I think one of the most important not only financial guys but also Futurists people look into the future. So for those who are listening this is a very important program especially if you want to see what's coming in the future which is today. So I just keep a quick background the reason I'm absolutely thrilled with James is because the definition of intelligence is if you agree with me or intelligent and generous very intelligent because he says things I've been saying for years with no agreement with no agreement. You know stuff like quit your job get your 401k out of there. You know what you're getting. You're trapped in this little box. You're about to get hammered and you know Wall Street doesn't like my message. So anyway I'm very happy to have James here and where my whole education began.
Speaker 3:	01:46	I was flying off a carrier in Vietnam for the U.S. Marine Corps and I was sitting in the ready room and you know the snail mail letter came from my rich dad. And he says hey did you know that President Nixon took the dollar off the gold standard last year and I didn't even know that it was August 5th to 1971. And I said what does that mean. What does that mean. And the reason I'm really appreciative of James books the books like currency wars the death of money. The new case of gold and the road to ruin. But

globally you could plan for the next financial crisis fills in many of the blanks. I could not figure out as I kept asking the question what does it mean that President Nixon took the dollar off the gold stand.

- Speaker 3: 02:27 So with that the one most important guest we have and he is forecasting possibly which I've also said the biggest financial collapse in world history possibly the biggest in history. So be prepared you know to kill for those you think you know tomorrow will be the same as yesterday. I think you're in La-La land. So welcome to the program Jim. Welcome Jim.
- Speaker 6: 02:48 Thank you Robert. Thank you. Great to be with you again. So before was scary though you know what people.
- Speaker 7: 02:53 Tell you I'm kind of a little ray of hope because I think you did that for me because I was on suicide watch listening you know reading road to ruin. And what do you talk to told the story of the one third one third one third how wealth is really preserved no matter what happens in the economy. So what you might starting with that when we get into what you see coming.
- Speaker 6: 03:13 Well thank you Robert. And I think I can give more than a little ray of hope hopefully I can give a very bright you know sunshine ray of hope if you will. We're not helpless. We had choices we make choices and so to me it's all about the choices and understanding history understanding the dynamics. Looking forward and thinking about how to preserve wealth and I was once on a TV program and you know one of the financial networks and got in a debate with the host and I was yelling at me about you know I recommended gold and gold wasn't going up that day you know the way I went has a short attention span to say something on a Tuesday and it's not true. It doesn't happen on Wednesdays and you're an idiot because it didn't happen in 24 hours. Like well give it time.
- Speaker 6: 03:50 But I made the distinction between making money and preserving wealth. I said those are two different things you basically make money on your talent because you work hard or you're an entrepreneur or you get a pizza parlor a car dealer a dry cleaner or your doctor lawyer or you're an author whatever it may be you make money on your talent but then when you have it you have to preserve it. That's a completely different skill. And that's what the third a third third is all about. I'll talk specifically what we mean by that but this came up in a conversation I was in a place called

Palazzo Okolona. Cologne is a private home it's a palace the palazzo in Rome. It's interesting for the ultra rich you know it's completely nondescript from the outside has kind of got like stucco walls if you drove by it's like boring brown all does not catch your idol.

Speaker 6: 04:32 But when you go through the gates and you get side into the courtyard in the galleries and museums and the marble floors and the gold pillars and everything. You've never seen anything like it and it's you know an unimaginably rich environment priceless art et cetera. But the point is this Palazzo has been in the Colona family since the 13th century. We're talking eight hundred years so this isn't you know in the U.S. You people talk about the new money from Silicon Valley or Wall Street. Then there's the old money and by the by all money you know the Rockefellers and the Vanderbilt's and the Astor's and some of those Whitney's and some of that money is maybe 100 150 years old as in the case of the Astor's 200 years old.

Speaker 6: 05:10 But here's a family fortune that's been around for eight hundred years. And think of what you had to survive to do that. It was not just like a down stock market or something like 1987 I mean they had they had plague's they had invasions they the the counter-Reformation of the 16th century the 30 years war in the 17th century the wars of Louis the Fourteenth and the 18th century Napoleon of the 19th century were won World War II of the Holick. I mean think about what you had to survive and the family still wealthy and they still live in this Palazzo. So sitting next to this lady very very wealthy European and I said you know it's one thing to preserve wealth through a business cycle or a couple hundred years. How do you do it for 800 years.

Speaker 6: 05:50 How do people do it. She just looked at me and she very calmly said a third a third and a third and I said OK what does that mean. She said one third gold one third and one third fine art and obviously has some cash for day to day necessities or whatever else she need there's a cancellation. But a third of the third terms of self-preservation and let's just go back to 16:20. You know you're in Bavaria early 17th century during the three years we're in Valentina's two miles away and he's burning down everything in sight. And what you can do you put your gold coins in your pouch you take your art off the wall roll it up stick it in a backpack get on your horse and ride away. And then once he's done burning everything down and the dust settles you come back.

- Speaker 6: 06:31 You should be able to re-establish title to your land. You put your gold coins on the table you put it back on the wall and you're rich. Everyone around everyone around you is wiped out. And I mean just to bring that down south to you. What advice can we get from the 18th century but the 17th century. Think of Cuban-Americans today who were dispossessed by Castro in 1959 1960 all that property was taken are all those people left and came to Miami. A lot of them took the deeds to their houses. You know they might have had gold you know coins stitched in the lining of the clothing actually no good friends of mine about my age came over as nine 10 year old children in 1960 and they had their gold coins say in the lining of the clothes.
- Speaker 6: 07:08 And both of these are copies of the deeds that was ever and I promise you that the State Department in the course of normalizing relations with Cuba is going to seek justice for those people and they may get that land at least will get fair compensation. But in many cases they'll get the land back so that actually works. Now people say well wait a second Jim is the 21st Century of the modern age. No there's no 30 years war going on. Well don't be so sure. I mean we go through history much more periods of collapse turmoil war social breakdown than perhaps we are today perhaps we are too complacent. But you know when I look at the situation in North Korea as much as war it's a natural disaster. Look at talk to people in Puerto Rico you know one of the biggest you know great tragedy in Puerto Rico because of Hurricane Maria.
- Speaker 6: 07:49 And everyone knows that you are assured of gasoline the short of water which is true. But you know what the main shortage was with cash the electricity shut down the banks were shut down and people were going to stores now the shelves were kind of stripped bare but maybe they had something. But the merchants were saying well pay me in cash I can't use your credit card I can't take your debit card I can't process it there's no telecommunications. By the way our friend Warren Buffett you know famous stock investor right now. He has one hundred billion dollars in cash that's how much cash is on the balance sheet of Berkshire Hathaway his holding company. So why is it if everything's good why does Warren Buffett have a hundred billion dollars of cash.
- Speaker 6: 08:24 Well he knows that everything's not good. He knows the system is bubbly and prone to collapse and he's famous for waiting for that to happen and then I can say going out and picking up bargains so it was a place for cash as well. Again

- Speaker 4: 08:35 this assumes records that I would call him right now a futurist. He talks about being a Raven. Raven is a great in mythology is a bird that can see the future and I sent John pictures of our two ravens I set on our driveway. And I never knew that. I just like seeing the future because I was a student of Dr. Buckminster Fuller a Futurist and he was the one that warned me about this time today and what you say and what Fuller says and what we're seeing coming is what Fuller says we're going into one of the biggest transformations in world history not just US history but in the meantime everything might come apart. So that's why as James records his new York Times bestselling author and economist the road to ruin the global elite secret plan for the next financial crisis.
- Speaker 4: 09:20 Please read that book if you want to preserve your wealth is also the book was the new case for gold which my advisers and I studied the death of money which is absolutely eye opening and fantastic and the book I first read was currency wars. So for those of you out there who are saying oh well you know tomorrow's gonna be the same as last year. I think you better wake up and smell some coffee because when we come back we'll be talking about why GM says to have one third one third one third. You're listening to the Rick's dad radio show with Robert Kiyosaki.
- Speaker 8: 09:56 Do you own an LLC or LP are you aware of the new rules. The IRS has mandated new audit rules that require every LLC operating agreement and LP limited partnership agreement be amended. This dramatic requirement has never before been experienced and changes must be made by December 30 first corporate direct owned by rich dad adviser Garrett Sutton can guide you through these new rules. Call. Eight hundred six hundred seventeen sixty. That's eight hundred six hundred 1760 or visit corporate direct dot com contact corporate direct today to stay in IRS compliance.
- Speaker 2: 10:29 Log on to Rich Dad radio dot com while you listen. Now back to Robert Kiyosaki Robert Kiyosaki the president made of the good news and bad news about money.
- Speaker 3: 10:38 You can listen to the rest at a program anytime anywhere on iTunes or Android. And to listen to this program again all of our programs are archived at. Rich Dad I personally believe this is the most important person you can listen to today. And like I said the definition of intelligence is if you agree with me you intelligent and Kim will verify everything John has been saying. I've been saying is coming also. So I

believe we're on the biggest biggest biggest precipice of a massive massive at least a crash and possibly a collapse in the way I define a collapse is three crashes in a row with no recovery. And the reason for it is again is that Nixon took the dollar off the gold standard in 1971 which allowed everybody to print as much money as they wanted. Which is why at least we've been saying the rich don't work for money savers are losers.

Speaker 3: 11:30

And instead of getting out of debt. Learn to use debt because money is now debt after 1971. But also watch out for that 401k philos stocks bonds mutual funds. Yes. So with that. Our guest again is James recommences a York Times bestselling author and economist. His latest book The Road to Ruin and Kimbal verify it. I walk around my house with look like Mickey Mouse listen to this over and over and over and over. I pick up a couple of things that Joe will say and I'll just go into it and then research what he says. So I understood it better. So before we go on Jim would you mind giving everybody before we go into the eve of destruction of the film the happy days version of one third one third one third. What caused you to see the world from this point of view.

Speaker 6: 12:13

Well my financial education library kind of started around the age of nine or 10 at the at the dinner table. But you mentioned being a Marine on an aircraft carrier and getting a letter from your rich dad I had a rich dad also not financially rich but rich in wisdom and love and shared experience and he was a Marine he was in the first Marine Division fought World War II. And in the Pacific and as part of the occupation of China. And so as a nine year old you know we were always little kids was like you know dad tell us we want your combat stories and he never talked about that never talked about that. It was only much later as an adult when I read about a little over an hour in depth that I understood what he went through and how we were we were kids what we know.

Speaker 6: 12:52

But he would talk about other things. And one of the things he always mentioned was he was in the occupation of China. So really the beginning he actually got a cold war medal in addition to there were two medals because he was in 1940 46 in China was the beginning of the Cold War at the time it was still Nationalist Chinese Communists were on the rise but had taken over. Kai shek and the nationalist in charge. My father was in the Marines and they were occupying that place their consent. And he said he told me about the hyper inflation of the national currency now most people are familiar with the Weimer hyperinflation Where

are Germany in 1922 and walking around with wheelbarrows full of cash and so forth. And all these stories are true that my father said we have to have wheelbarrows full of Chinese yuan to go down and get a case of beer for the barracks because that's what I learned about hyperinflation from my father who experienced it firsthand.

- Speaker 6: 13:37 And the other thing my father did he always carried a \$20 silver certificate in his wallet. And I guess I will not nor could he pull out two twenty dollar bills and put him down and put them in he said. This was a sign I would say well so it was difficult to read this will be a new one. And he said What is this that federal reserve note he would slam his hand on the table to say that is not backed by anything and he would make the point that in the day you could take the silver stuff get into a bank and they would give you silver 20s 20 ounces of silver twenty one dollars silver dollars for Imagine getting 20 ounces of pure silver for a \$20 bill. Good
- Speaker 9: 14:08 luck with it you get one ounce if you're lucky.
- Speaker 6: 14:11 But so I learned about hyperinflation. I learned about the gold standard the silver standard and fiat money as a nine or 10 year off of my father and I probably put that you know on the back of my mind and then went through you know college in graduate school and law school and had a long career on Wall Street worked in derivatives and hedge funds and that was all the paper and the leverage and the contracts and I was expert and all that I mean I I invented along with another guy the the sovereign credit default swap market we did the first one and I was a much more general manager in 1994 even before your father disappointed in you. He was the one he did ask me because I went to college and then I went to graduate school got a degree in international economics. Then I went to law school but then I went to graduate law school specializing in taxation. I'm a master of laws of taxation family. I was about 30.
- Speaker 9: 14:55 When are you going to get a job going to school.
- Speaker 6: 14:57 But but eventually did so into banking and banking and hedge funds and all that. And the other thing about I just kind of going back to education for a second Robert I went to graduate school in international economics. I was class of 74. I was the last class that was taught gold as a monetary asset because you actually went off the gold standard in 1971 That's right. But it wasn't the end of the gold standard it was the end of gold convert ability for dollar

holders. True but the gold standard kind of stumbled and bumbled around for a couple of more years the French wanted to return to it. They thought that it was a temporary suspend. And they would devalue the dollar and go back to gold at a new valuation exactly what FDR had done in 1933 the Bank of England did in 1931 but they never got back to it they just you know Friedman came up with this floating currencies and all this stuff and then one by one the world abandoned gold but when I was in grad school it was still a monetary asset.

- Speaker 6: 15:47 You still had to give gold to join the IMF and I studied it and then that's it they just stopped teaching it. So I tell people if you're younger than I am and you know anything about goals you either you're either self-taught or you went to college because the universities just start teaching it. It's not taught anymore. You can't find an American you know under say the age of 60 who thinks that gold is a valuable financial asset or it has a monetary role and I'll give you all the usual arguments barbarous relic was all which by the way I demolish in my book the new case for gold I just get so tired of hearing these arguments.
- Speaker 6: 16:18 Should I just take them one by one and shoot them down and that's what I did in the book just a little bit and I monetary the background task.
- Speaker 4: 16:24 Causes Robert Kiyosaki the mystery radio show. Probably the most important guest of our times. Again I call him the Raven now because a raven can see the future.
- Speaker 3: 16:33 I was a student of Dr. Buckminster Fuller also a futurist. He's saying the same thing that to say that we're on the eve of destruction now. Not tomorrow not next week but now and all for the same reasons what Jim calls the global elites. So we're here right now. His books are the road to ruin. Please get that book and read it. His other book is the new case for goal April 26th. Please get that book. And the death of money. That is a very powerful book and also has for us book currency wars is where I first came across. Why are we on the eve of destruction now.
- Speaker 6: 17:07 Well what I used to analyze is Robert when I say things like this by the way I think you know me well enough I never make a claim without backing it up my God of my job.
- Speaker 4: 17:16 I've never met a man more than you. That's why I walked around with Mickey Mouse ears all the time. Let's



everything you said goes you back it up. And I was kind of guessing in large chunks.

- Speaker 6: 17:25 So I appreciate what you've done and backing it up and the road to ruin has 155 and you don't have to be in there in the back. But they're there if you want them and they're not. And those are not to you know fringe conspiracy web sites whatever its IMF documents Treasury documents United Nations documents etc. so it's all there you can skip it if you want but if you want to go down. It's all there. But I use a couple scientific disciplines to make my forecasts as did Buckminster Fuller and Alvin Toffler and other Futurists. And one of the main ones I use is complexity theory. I use three others at base theory which is a branch of applied mathematics behavioral psychology and history. But the one I'll talk about right now is complexity theory. There's nothing new about complexity theory was invented or discovered in the 1960s and may be relatively new in the history of science but it's been around you know almost 60 years at this point.
- Speaker 6: 18:14 I didn't invent it but I'm one of the pioneers not the only one but one of the pioneers in taking complexity theory and bringing it into capital markets where it is not widely used.
- Speaker 10: 18:22 It's used in earthquake science forest fire management you know cosmology many many other fields but you work with the CIA because they have to use it as it can't depend upon the past. They have to be able to see the future. Is
- Speaker 6: 18:33 that correct correct. I was tapped by the CIA to come in and help them after 9/11 because there was I think is well known. I talk about this in my book the depth of money there was insider trading ahead of 9/11 clearly there was a large group that knew about the attack. In addition to just that the terrorist attackers themselves and the last two trading days before 9/11 in buying put options in when you buy a put option it's a bet that the stock's going to go down. The volume of put options on American Airlines and United Airlines was 286 times the average daily volume in the stock so it's like a guy who orders a tuna sandwich every day for lunch. And then one day he orders 286. So
- Speaker 9: 19:10 you know that's how you get that that's not the normal lunch order. Can
- Speaker 11: 19:13 I just interrupt when you say they Who's they. You said people there in some of the good questions and it's a good question.

Speaker 6:	19:20	It's these are these are terrorist associates so look nobody works in isolation. Because I when I first started being in the south of the CIA I encountered a lot of skepticism they said oh well they would never compromise operational security by trading stocks ahead of the attack I say wait a second.
Speaker 9:	19:35	Nobody is saying that Mohamed Atta stopped off at Charles Schwab on his way to Logan Airport after that happened. But everybody has a mother father sister brother you have a dollar's safe house operate. Exactly
Speaker 6:	19:46	. And people can not there's something about human nature that cannot resist the sure thing. So the attack was known in the social network of the terrorist and that's documented. And I Levick Commission report which I read cover to cover including the know it's on and I said well nobody would do that. And I say to her to answer for that.
Speaker 12:	20:01	Martha Stewart Martha Stewart a legitimate and Martha Stewart made a billion dollars legitimately hard work and she ends up behind bars on \$100000 stock trades on a tip that Sam Waksal right.
Speaker 9:	20:12	I mean give me a break here. Exactly. So what better advise her to do that yeah. So why would you go to jail for undergrad when you're a billionaire. The
Speaker 6:	20:19	answer is because people can't resist the sure thing and that's what leads people to do it then you know a \$5000 option 3 with 10 to 1 leverage you can make \$50000. That's a lot of money to safehouse operator recook. But you know people say well why was it you know two hundred six times that RISELEY virus. That's a big number in the FCC and the FBI never got to the bottom of it or at least they never admitted it. And the 9/11 Commission report and the answer is something which I identified I called the signal amplification. So the terrorist is going to do like a 5000 Charulata or whatever. OK. But but the specialist sees the worst of the markets up. Airlines are up the sectors up. But somebody buying puts. They don't know you're a terrorist but they say you know something I don't so I'll buy some for my own and I'll buy 10000 grand account and some upstairs trader to transfer 15000 discuss the tape I'll buy 50 somebody else's I'll buy a hundred so by the end of the day you know you've traded a million shares.
Speaker 6:	21:07	Ninety eight percent of which are completely legitimate. It's just people piggybacking on the original trade. But the problem is when the S.E.C. investigated they I mean they're

not intelligence analysts and they're not mathematicians they're cops right. And what I do the CIA they say well OK so if that happened which it did if they were going to be another spectacular terrorist attack would there be insider trading. Could you spot it. Could you trace it to the source get a FISA warrant break down the door or stop the attack and save lives. And the answer was we did to your strategic study asking those questions and the answer was yes yes yes yes yes yes.

- Speaker 4: 21:38 That's why I asked James records. I think he's the most important feature of economists. Smart guy. You can listen to it right now his new York Times bestselling author. His book is called the rude road to ruin. He talks about the put option as the choice of terrorists in the death of money and why the U.S. dollar is going to die soon and the economy may all come down all at one time. And we'll find out why that's going to happen. Hopefully it won't happen. Well why we're on the eve of destruction right now. We'll be right back.
- Speaker 13: 22:07 You're listening to the rich dad radio show with Robert Kiyosaki.
- Speaker 1: 22:15 This is the rich dad radio show. The good news and bad news about money. Here's Robert Kiyosaki. Welcome back Robert feels like it's dead radio show. The
- Speaker 4: 22:24 good news and bad news about money. Once again a listen to this program any time anywhere on iTunes or Android and all of our programs are archived at Richtel middle dot com. We are of them so you can listen to this again so you can pick up things you might have missed the first time. But more importantly you can talk to your friends family and business partners and listen to this program especially with Chance records and discuss it because we started the program because the good news the one third one third one third of you miss that got Armitstead radio. Listen for this whole thing because now we're going to go into why this baby is come on down and you're back in 2000. Backset actually in 1999 I started writing a book called rich dad's prophecy and I was calling for the crash to hit on 2016 and it didn't happen.
- Speaker 4: 23:08 I never understood why it didn't happen because the stock market kept going up. And when I read Jim's reference book currency wars number one. Number two the death of money. He's got that book three the new case of gold for gold and the road to ruin his latest books the global elite

secret plan for the next financial crisis. You'll better understand why we're on the eve of destruction right now. So in reading James's book *The Road to Ruin* and the death of money and a new case of Gaul I understand why my forecasts which came from Dr. Buckminster Fuller about the 2016 crash was what Jim calls it.

- Speaker 10: 23:43 It was truncated. I mean the elites or the grunts are the people that control the system just stopped. Just stop the collapse from coming. Is that correct.
- Speaker 14: 23:53 That's correct. In other words it's happened twice already. When was 1998 and the other one was 2008. Now there have been other crashes you know October 19th 1987 stock market fell 22 percent in one day. By the way in today's Dow level Dow Jones 22000 a 22 percent decline would be 4000 Dow points. Not 400 4000 it's down 400 points. It would be every headline in the world one that's four thousand points. That is what happened on October 19th 1987 in percentage terms. 1998 we were hours away from shutting every market in the world. The Wall Street bail out the hedge fund long term capital. In 2008 we were hours if not days away from every bank in the world. Failing that the central banks built that wall street. So both times the collapse that you're talking about that I'm talking about was under way it was happening.
- Speaker 14: 24:40 And but before government truncation government intervention to stop it it would have played out exactly as we've described. Now the problem is the government intervention is not cost free. It comes with a very large cost which is that each crisis gets bigger than the one before because all you do is you lock the system in place. You don't clean out the rock. You don't clean up the balance sheet you don't get rid of the bad paper you let it sit there and then you let it grow and then the next crisis comes as bigger than the one before. The problem is we're now at the point where again 98 you know Wall Street bails out a hedge fund 2008s central banks bail out Wall Street next time who's going to bail out the central bank and engine.
- Speaker 11: 25:16 And yet you know that's the question I'm asking because we talked to some friends of ours and we talked about this coming and they're like oh no no problem the government will just bail us out again. And you're saying that's not going to be the case.
- Speaker 6: 25:25 Right. There's a reason for Ken which is that what does the federal reserve do the last time to bail out what they took

here. They did two things they cut interest rates to zero kept them there for six years and then they increased their balance sheet from 800 billion dollars to 4.5 trillion dollars. Here's the problem. If somehow they had normalized so interest rates were back to two or three percent the balance sheet was back to a hundred billion or even a trillion let's say I said hey nice going I say save the world you normalize your Boushey ready for the next time. But that did not happen. They have not normalized interest rates. They have not normalized the balance sheet. OK interest rates have gone up to 1 percent but you need three or four hundred basis points three or four percent of cuts to get out of a recession.

Speaker 6: 26:01 Well you can't cut three percent if you're only at one percent. Same thing with the balance sheet. OK they started the normalization with just a couple of days ago October 1st but there's still over 4 trillion there. No no we knew it could take years to get down to where they should be. So the point is if the crisis happens tomorrow or even six months from now or next year they don't have the capacity to cut rates and print money the way they did the last time because they used it up and never normalized.

Speaker 4: 26:22 So that's the point. So as I was watching the stock market kept going up. The reason as you say in your book *The Road to Ruin and the death of money* is because the savers had no place else to go because there was no interest rates. They left the banks and went into Wall Street which jacked up the price of stocks. Now

Speaker 10: 26:40 everybody is set up. So it didn't happen because the stock market kept going up. So what happened you talked about there's three things that make well into one are treasuries which are you know U.S. debt gold and then reserve currency like the euro the dollar Swiss francs. But something happened on October 15th 2014 that you said was earth shattering. What happened on that day.

Speaker 14: 27:04 There was a flash crash in Treasury yields now just as U.S. debt now that U.S. Treasuries across the U.S. Treasury notes it was in the in the 10 year you know now that the way it works Robert is yields and prices are inverse of if interest rates are coming down. Prices are going up. So this was not a crash in prices it was a crash in yields. But the point is within literally 30 minutes it dropped about 60 basis points. There's something that's a move that usually takes six months or a year and a volatile market. Sometimes you go two years without seeing those kinds of moves. But this

happened literally in a matter of minutes. And the reason that happened is not because there was some news flash sure everybody changed their mind it was because of automation it was because people said these computerized stop losses this is over because now a little bit automatically when they sell well you sell it goes down or somebody else sells it.

- Speaker 14: 27:50 We keep hearing all these triggers. There are technical names for the same thing that happened in the bond market as happened in the stock market October 1997 which we talked about earlier. There's also another flash crash in May 2008. Six seven eight times 2006 so I'm sorry 2010 but the point is these things keep happening they're scary when they happen. People investigate them they can't get to the bottom of it. The answer is it's all preprogrammed as the like gremlins. But it's exactly like what we talked about earlier.
- Speaker 10: 28:19 The problem been I was watching the bond markets don't really understand it. But why was the bond market much more sex more significant to you than the stock market flash crash.
- Speaker 6: 28:30 Well because of the bond markets a lot larger. It's a lot. And people are surprised to hear that stock market say it was because the U.S. Treasury market is as important as the U.S. Treasury market and countries around the world with trillions of dollars of savings invest their savings in Treasury bonds as do a lot of individual Americans so you shut down the bond market you're talking about shutting down the entire global financial system because that's how important it is. So to see that happen see the Treasury have a special commission. They issued a special report. They described what happened but they couldn't really explain what happened. What we said is this could happen again.
- Speaker 4: 28:59 Right so what you're saying these are the foreshocks luck though you know like I grew up in Hawaii there's always earthquakes. So there were foreshocks that comes of big shocks that come to aftershocks. Right. But what you're saying the foreshocks are now increasing. Is that what you're saying. That's
- Speaker 14: 29:13 right. And you know the stock by the stock market flash crash the bond market flash crash. We had a currency flash crash on January 15th 2015. The euro fell 20 percent against the Swiss franc in twenty minutes. Twenty percent in 2010. These are two major currencies these are

supposed to be money they represent stores of value wise one crashing 20 percent against the other in a week or a month and 20 minutes. So we've seen flash crashes in every major market bond stocks currencies commodities etc. and they're all warnings these are warnings to us saying that this market is unstable these gremlins if you will there are embedded in all this computer code. Nobody can untangle. Nobody can see it coming one day sooner than later it's going to start. And it's not going to stop in a half hour an hour is going to keep going it's going to spread to contagion exactly the way disease spreads. It's going to grow exponentially and it's going to spin out of control in ways that central banks can't stop. So

- Speaker 12: 30:00 my question for investors is are you prepared for that.
- Speaker 4: 30:02 Right. And that's what we're that much dead. I mean not to ride your coat coattail but that's what we've been saying for years and years which is why I wrote that prophecy. What I thought was that the stock market. The question is you know what I you answered for me in the book is Why do people keep doing it.
- Speaker 10: 30:16 Why do the rich have to keep doing this at the expense of all the other people. And you call it parasitic.
- Speaker 14: 30:24 That is correct and you know you go to Wall Street and or the central banks for that matter back in academia and say well how do you measure risk and they'll tell you that we have these what they call value at risk we assume risk is normally distributed. That's the famous bell curve we use. They have all the science right. Well I've studied all I understand it. I understand the math and it's it's junk science meaning it all works internally but it does not describe the real world it's not an actual reflection of risk. It's just a self-contained model a close model. Now here's the point. I use different models and we talked about those. But my point is well what's the matter with these people are they dumb. No they're not dumb. They've got like 160 IQ. I know a lot of them are they.
- Speaker 14: 31:00 Are they stupid or are they. No the point is they actually know this doesn't work but they have no interest in fixing it because they make money out of it. If you had a proper measure of risk you would never do what they're doing. So what they do is they say let's have a flawed measure of risk that allows us to take a lot more leverage make bigger best make more money we personally will get paid bonuses. We'll take our money and go buy you know they're not

passing the stock market they're buying yachts and houses on Nantucket real estate. Every billionaire I know in Greenwich has got gold. I mean they won't talk about it publicly but they're buying physical gold. They're relying on the suckers to you know kind of load up your for one case which started cetera.

- Speaker 14: 31:33 And so the point being whether they actually know what works or not. They know that what they have doesn't work but they stick with it because they personally make money that's parasitic behavior you see I've no problem with with Bill Gates being worth \$50 billion because he created value he created more value than he took out of the system but our bankers on Wall Street they don't create value they destroy value. But they still suck you dry. So they're they're they're not creators they're parasites.
- Speaker 4: 31:58 So Kim and I have been taking evasive action today. We have tons of ball because we've been sort of the same we don't save dollars we save goal we have no stocks we're not in for one case or anything. But also you warned us about banks What is your warning saving money and banks.
- Speaker 14: 32:13 Well the problem with that is to some extent you're kind of you have cash at all me and let's see if you can pile up physical currency with you know how you'll get even if you're totally honest law abiding taxpaying citizens they'll still report you to the treasury on a currency transaction report etc.. People think they can get their cash out of the banks and just try it you know you'll get that. We
- Speaker 9: 32:30 have to get off that power they'll say Come back tomorrow.
- Speaker 14: 32:34 So you end up having some of your cash in the banks but keep it under the insured amount which is \$250,000 per account you can open multiple accounts if you have more than that different banks. But but what I do is you keep enough cash for you know whatever I need you pay your taxes and pay your bills and take a chip or whatever but then I'll put it in whether it's real estate gold silver or other things all the things I talk about I actually do I also I own stocks but they're not publicly traded stocks my own private equity startup companies. Tech companies companies where I know the owner I have a paper contract I'm not relying on some digital you know Depository trust company or whatever so they show for entrepreneurship and stock investing but I invest in private companies because are the ones I know which is one thing you also said was



		something about anything that was digital or crypto and all that stuff.
Speaker 10:	33:18	You want something that's as that woman said in Colona things at last. Correct
Speaker 14:	33:23	. And that's where again if I buy if you buy private equity you actually have. Have a paper kontrol i get on my bicycle and go see the hunter. I don't need electricity or transportation or bank payments just to check my investment right.
Speaker 10:	33:36	And what about fake gold. That's that's the thing I've been talking to people for years. That's real gold and fake gold.
Speaker 14:	33:41	Yeah well I buy. I buy American gold eagles from the U.S. Mint. I have a reputable dealer. So you do have to take precautions. But this way I would not buy a kilogram bar on e-bay.
Speaker 10:	33:53	What about GLT gold ETF.
Speaker 14:	33:56	Why not buy any paper gold gold ETF. Look here's the problem with paper gold. Robert when you most want it when you when the price is screaming it's going up the way I described and you most want your gold you've got to find it. All these paper contracts are being terminated. And they'll send you a check they won't steal your money but they'll send you a check for yesterday's closing price and you'll say wait a second I went to this place I went to Mars. That's why I bought it.
Speaker 10:	34:18	Well say to bet because they don't have the physical gold to back it up which is just kind of what the fractional reserve system is is that they can sell your stuff they don't even.
Speaker 4:	34:27	That's exactly right. And how much leverage as you think on gold I mean if there's one ounce of gold follows easily easily a hundred to one. When
Speaker 14:	34:34	you take what are called unallocated go for contracts them on the Black Market Association banks are the big gold dealers. You know Goldman Sachs and Citibank and a few HSBC and a few others plus the gold futures contracts on this on the COMEX part of the Chicago Mercantile Exchange Plus gold options gold cetera. And you say OK how much physical gold is there to back up all of that paper gold. The answer is is probably lever's 100 to one.

Speaker 10:	35:00	And it's just as declining is the amount of gold that they can leverage off of a real fast disappearing.
Speaker 14:	35:06	Yeah I got back from that. I was in Switzerland recently and I mean you know I guess when I don't talk to the bankers I talked to people who handle physical gold refiners and what they tell me is that customers are taking their gold out of the banks or UBS and Credit Suisse and Deutsche Bank and they're moving it over to Loomis and banks. Now you say housie a ticker you take a gold bar from here and you put it over there. What's the difference. Well the difference is that if it's in the banking system it's part of what's called the floating supply that can be used to leverage manipulate the price of gold. But as you put it in a private vault it's no longer in the floating supply. It's still gold it's your gold. But that cannot be pledged to leased or hypothecated or used to.
Speaker 14:	35:41	To create this gold vertical pyramid. So. So the same amount of gold is there but the floating supply is shrinking. The private supply is growing which means you have more and more paper gold on less and less physical gold. So this inverted pyramid is getting more unstable is going to tip over.
Speaker 4:	35:55	You know could be could be any day which is what you also said that China has now rebalance into real gold right.
Speaker 14:	36:01	Correct they're there on the physical side of it. They officially acknowledge 8300 times but I'm certain they have far more than that based on the Hong Kong export records with export records. Geological Surveys Chinese mining out but there's enough hard information to form an estimate that they actually have significantly more. No one knows the exact amount but you know four to five thousand times versus 2000 or eighteen hundred times that report is a reasonable estimate but totally out idle time for him to question him is beyond me right now I get it what you asked Jim you asked our listeners you know are you prepared.
Speaker 11:	36:33	So what if they're not what I'd like a couple of things that they could do immediately to help be prepared.
Speaker 14:	36:40	I would I would take 10 percent of my vessel assets and put it in gold when I say best of all assets do not include your home equity because you don't bet your house does not include your business equity. So like if you're a car dealer or a dry cleaner. Put that to one side that's your livelihood whatever's left. Once you take your home equity in your business equity out whatever's left those are your

investable assets. Take 10 percent of that physical gold put in a safe place not a bank and that will serve you well.

- Speaker 4: 37:04 Perfect. So Jim I really really really really appreciate your diligence on your professionalism and your filling in the blanks for us. If you could be so bold to ask you to come back again would that be possible.
- Speaker 6: 37:15 I would love to.
- Speaker 4: 37:16 Always a pleasure to be with you and Ken is fantastic because you fill in some of the blanks that I was guessing at. So. Thank you Jim and Jim's all next time. Thank you. Thanks. Thanks so much. So we come back up a glance almost a part of our program which is ask Robert. You're listening to the rich dad radio show with Robert Kiyosaki.
- Speaker 8: 37:36 Do you own an LLC or LP are you aware of the new rules. The IRS has mandated new audit rules that require every LLC operating agreement and LP limited partnership agreement be amended. This dramatic requirement has never before been experienced and changes must be made by December 30 first corporate direct owned by Richard adviser Garrett Sutton can guide you through these new rules. Call 800 600 1760 That's 800 600 1760 or visit corporate direct dot com. Contact corporate direct today to stay in IRS compliance. Financial
- Speaker 1: 38:10 freedom begins with financial education. Now
- Speaker 15: 38:12 back to Robert Kiyosaki and the rich dad radio show what about Robin Hill some of them is that the show is bad news about money. Once again they can listen to this program anytime anywhere on iTunes and enjoy. And all of our programs are archived at which dat radio dot.com so that you can listen to this program again because there was a lot of information on there. Once again thanks to James records his New York Times best selling author. Please get his books read them and study them. The road to ruin the globally secret plan for the next financial crisis. A new case for gold. The death of money and currency wars. His Web site is James Rickards project dot com. James records project dotcom and please you know read the book and what I do is after I read the book I go to audio audible dotcom and I listen to it over and over and over again until I understand it because we are on the eve of destruction. They may think it a Gem's records so I guess the first question for us Robert.

- Speaker 16: 39:05 Well you know Robert one thing one of the questions that we often get we get many many times I'm sure you can hear it is why did the two of you start and found the roadstead company is it is it the reasons that Jim talks about. Exactly
- Speaker 17: 39:16 . Thank you for that question. Because what happened in 1983 when I was studying with Futurist Dr R Buckminster Fuller also Avallone Alvin Toffler who records mentioned but also known as his father was a Marine and that we saw things happening in the real world that La-La land in America does not see so Fuller died in 1983 July 1st and posthumously his book bunch of giants came out and grunge is the same thing as global elites. It's how well ripped off by the richest people in the world. And when I read crunch in 1983 I said I can't sit here and be in rock n roll. I was in a rock n roll business and I said my conscience cannot will not allow me to sit still and I said I got to do something and I sold my company and hello Lillo and I would rather take a leap and then I met Ken and I really I'm not really religious but I think God sent me the perfect person when I was ready to get on with what I'm supposed to do because I believe all of us have a special God given talent and a God given purpose.
- Speaker 17: 40:17 And I said to Kim I don't know what's going to happen but we can't just sit here and do nothing because Fuller talked about around the year 2000 he predicted AI which is artificial intelligence you which is universal income but most importantly the collapse of the current world economic system that's collapsing. Now we're right in the middle of it. But for years it was really tough talking to people about why mutual funds suck why you shouldn't have a 401K how to use debt. Because a U.S. dollar is debt.
- Speaker 17: 40:47 Why savers are losers. You know why most of the people giving of financial advice are crooks charlatans and conmen. It's been hard. So when I came across James workups books currency wars I said Man I get this guy he gets me when I said when I read all of his books he say exactly everything that followers said because what what Rickard's is is a futurist. The raven. And if you ever come to our house we have two ravens sitting in the front of our house and we didn't know that we had a sister because I want to know the future so I can prepare for it. Unfortunately the future is today and the comments come.
- Speaker 18: 41:19 Well I just want to say about this show with James Rickard's and we talk about repetition and I would listen to

the show again and again. He truly is a fire hose of information and there was so much that we covered in just that short period of time because three ten minute sections. Yeah. And you've been studying this one book The Road to Ruin for 14 times more times. Looks like Mickey Mouse walking around the. But you know a lot of what you say to a lot of what he's talking about in terms of how to prepare. We've been doing I remember buying the silver when in 1985 we started buying silver when we were living in La Jolla California and stacking it in our closet and to this day we buy gold we buy silver and we buy it. We have a lot of land so we do our best to be prepared. I personally I hope this never comes to fruition but it's certainly looking like it's a very serious possibility and there's certain things that you can do right now to get yourself prepared.

- Speaker 15: 42:13 And he says in the road to ruin this guy raises his hand and he says exactly the same thing. I would ask this guy raises his hand in a seminar in New York he says well you know I thought I was getting pushback from educated people. Well you know I'm a guy so I have a job you know and I have a 401k and what should I do. That record says What's your job. You know get out now. And the thing I loved about the road to ruin had always talks about freedom. I think as Vonnegut Cat's Cradle something nice nice so very nice.
- Speaker 19: 42:43 All these different people trapped in the same device. And when you look at the cash flow game that's the rat race. All these highly educated people who went to school and all that they drank the Kool-Aid they have job security they're saving money. They have a 401k. They're getting out of debt and listening to other people or mention names. That's the people those are the people wreckers and saying nice nice. So very nice all these different people trapped in the same device that's a shrinking middle class. They're getting hammered right now but they're hanging onto this illusion or belief that they're highly educated.
- Speaker 18: 43:18 And that's the trap then James said you know people have such a short attention span and the silly argument that people give about gold and silver and oh I'm not going to buy silver went down yesterday why should I buy it. Gold went down yesterday and over you know over the year it is not doing very well and is not making a lot of money and not there's not a lot of upside and it's not what we're talking about. I'm talking about.
- Speaker 17: 43:38 I'm thinking that's why I bought my first piece. I was trying to buy my first piece of gold in 72 in Vietnam behind enemy

lines was unsuccessful. But anyway my first piece of gold was less than 100 dollars. I still love that piece of coal today. Fifteen hundred dollars. Meanwhile the dollar has shrunk by Ninety five percent. So all your savings out there wake up you're the biggest losers on planet Earth because those brokers are saying is what the government is doing right now with the elites is they need to destroy the dollar whereas they need to make the value of the dollar come down so far so they can pay off approximately 1.2 quadrillion in global debt. So they're going to destroy the dollar. Well you're still going to the bank. Saving a little pittance there. Look savers are losers.

Speaker 17: 44:20

The moment you can understand that that's what the book says. My book Second Chance was about if you can wake up and smell the coffee there when you see it by saving money. And Richard has lesson number one is the rich don't work for money and use debt to get rich which is why the rich are getting richer. I use a team which is more important than money. This is what the rich dad company was founded for was this time it began in 1983 and that came in 1984. We practice what we preach. So I think you know. I wonder why we formed this company. We don't sell real estate and we don't sell stocks bonds or mutual funds. So I can submit your questions once more to ask Wybert at Rich Dad. Dotcom. Great things James records please get his books. And thank you for listening.