

- Speaker 1: This is the Rich Dad Radio Show, the good news and bad news about money. Here's Robert Kiyosaki.
- Robert Kiyosaki: Good morning. Good morning. Good morning. It's Robert Kiyosaki, Rich Dad Radio Show, and my sweetheart, Kim here.
- Kim Kiyosaki: Hello. Hello. Welcome to the show.
- Robert Kiyosaki: Yes. And today we have a very, very special guest. I mean, he's a long time friend, I mean, a long time friend. His name is Richard Duncan, and years and years ago, I was in a Borders Bookstore, when there was a Borders, and I was walking past a stack of books, and all of a sudden, this book went, "Psst, psst, pick me up, pick me up," and it was a book called The Dollar Crisis by this guy, Richard Duncan. And my definition of intelligence is, if you agree with me, you're intelligent. And so, I read this book, The Dollar Crisis, and Richard is a very intelligent man, but he's also classically trained economist, Vanderbilt, Babson, and all this stuff. He's worked for some of the biggest institutions in the world, and the reason I say it was intelligent because what I had been saying and what Richard was saying was the same thing.
- Robert Kiyosaki: But, way back when, years and years ago, what we were saying made no sense to anybody, nobody else. I said the savers were losers, your house is not an asset, the dollar was screwed, and all this stuff. Are you crazy? Because back then everybody believed in saving money, and everybody was honest and all this, and here's this guy, Richard Duncan, again, a classically trained economist, saying in this book, The Dollar Crisis, saying exactly the same thing I was saying. So, that's why Richard has been an old friend, not that he is an old man, but we've been friends for years because it's nice to find somebody who is classically trained as Richard is.
- Kim Kiyosaki: And Richard was also, when we got the book, The Dollar Crisis, we were doing a program with a group of our good friends, and Richard was generous enough to come in by phone, and we had a ton of questions because this was high level information, high level economics. And he was generous enough to come by phone and answer our questions and talk about the book and talk about the whole what's happening in the world. And now he's got a new book.
- Robert Kiyosaki: Wait one second. Another book called The Corruption Of Capitalism. Now, for all of you listening to this Rich Dad Radio Show, if you think capitalism is honest, I'm not against capitalism. I'm against corruption. And when he wrote The Corruption Of Capitalism, again, definition of intelligence, we both agree, so we're both intelligent under that one. So, he's been a long friend when saying the same thing for years, but this is the frightening part. What we've been saying is coming true. That's the thing that's the worst of all because I wish that Richard and I were wrong, but what we've been saying is now coming true. And now you can pitch his new book, Kim.

- Kim Kiyosaki: Okay. So, the new book, The Money Revolution, How to Finance the Next American Revolution. I want to know how to do that because I want to know what the revolution is and where we're going with it. So, Richard, welcome to the show. Wonderful to have you with us from Thailand.
- Richard Duncan: Robert, Kim, thank you so much for having me back. It's great to see you, and it's been just wonderful knowing you for the past, well, 15, 16 years.
- Robert Kiyosaki: It's been a long time, my friend. It's been a long time.
- Kim Kiyosaki: Yeah, we've done some good traveling together too and good-
- Richard Duncan: We have traveled the world.
- Kim Kiyosaki: ... speaking events. Yes, we have.
- Robert Kiyosaki: So, Richard, would you mind giving us a quick, thumbnail sketch overview. Like I said, Kim and I didn't go to ... We didn't study. I studied Marx in school, but I didn't study economics. I did a little bit, but you're classically trained, and you've worked for the biggest funds in the world. Could you give the audience a little bit of your background, how you got to be, to do what you do, what you write?
- Richard Duncan: Okay. Well, as you mentioned, I went to Vanderbilt, and when I graduated, I was so lucky in that I ended up getting to backpack around the world for a year, and I saw Asia, and I understood Asia was booming economically. This was early 1984. So, I realized, go east, young man. And after I finished business school, two years later, I did move back to Hong Kong, and I moved to Hong Kong and found a job.
- Robert Kiyosaki: What business school did you go to?
- Richard Duncan: I went to Babson College, outside of Boston.
- Robert Kiyosaki: Great school. Great school.
- Richard Duncan: And so, I've spent most of my career working in Asia and working for stock broking companies, fund management companies. I spent a couple of years at the World Bank in Washington, but one of the big advantages of being in Asia, I did work in Hong Kong, Singapore, Thailand, Indonesia, Malaysia, and India. And so, these were all different economies with different economic cycles going on. And so, it gave me a chance to see a lot of different economic cycles all at once. And the thing that I realized, first of all, that, because of globalization, trade with China, and low wage countries, this was going to be extremely deflationary for the United States. All the manufacturing jobs were going to move out of the country, which would be very bad for the American middle class, but I also saw, from what was happening in Asia, that their economic booms were driven by

their trade surpluses and by the credit explosion that those trade surpluses permitted. As the trade surplus money went into their banks, their banks were able to lend many times more than that, creating great credit booms that eventually turned into great credit bubbles that eventually all blew up in 1997. And then, all the pieces came together, and it's become pretty clear that the same thing was going to happen in the U.S.

Robert Kiyosaki: Well, what Richard is talking about here is, let's say Japan or China or Taiwan, when they produce a widget, they sell it to the U.S., and that meant a job left America. It went overseas, but they sell us the widget we used to produce, but that money, the U.S. dollar, then goes into their economy. And if you understand the banking system, which is why Richard's so qualified to speak of it ... So, let's say a U.S. dollar enters a Japanese bank or a China bank or Hong Kong bank, that dollar booms. They have to lend it out again. Right, Richard?

Richard Duncan: That's right. The money goes into their banks, and those banks are able to lend it out-

Robert Kiyosaki: 10 times.

Richard Duncan: ... not just once, but multiple times.

Robert Kiyosaki: Yeah.

Richard Duncan: That created extraordinary credit bubbles, Japan being the greatest example of all.

Robert Kiyosaki: Right. Wait. So, I met Richard. There was the Thai [inaudible 00:07:01] crisis. Japan crisis was '94, something like that. I forget when it was now, but we could see these bubbles blowing up all over the world because they're selling us Sonys or Toyotas or whatever they sell us. The dollar, the U.S. dollar, was going into their system, but it was blowing their system into these huge booms. So, when I first met Richard, I said, "How can Japan's, what, the Imperial gardens be worth more than America?" or something like that. You know what I mean? It was so distorted because of the fractional reserve banking system, and not two people understood what we're talking about. Is that simply it, I mean, Richard, a dollar expands when it goes back into their banking system?

Richard Duncan: That's right, through fractional reserve banking, exactly as you said, and all of these Asian countries, normally, under normal circumstances, laissez-faire, all of the money going into these countries would've pushed up the value of their currency. As their exporters change their dollars into yen, for instance, that should have pushed up the yen, but they didn't want their currencies to appreciate because that would've killed their export-led growth. So, their central banks created trillions of dollars and bought all of those dollars with this newly-created money of theirs. And once the central banks bought those

dollars, their central banks invested them in U.S. government bonds or Fannie Mae bonds or corporate bonds or stocks. And all of that paper money that these other central banks were creating, trillions of dollars, came back into the U.S. and blew the U.S. into a big bubble, and that bubble blew up in 2008.

Robert Kiyosaki: Didn't they buy Rockefeller Center and Pebble Beach-

Kim Kiyosaki: Yep.

Robert Kiyosaki: ... and all this stuff. And in Hawaii, they were buying all of our hotels and all this stuff. So, suddenly, the Chinese, Japanese, Thai, Vietnamese, they're owning America, and I'm watching all this stuff. Meanwhile, this is in the '80s and '90s, and I'm yapping around. People say, "You don't know what you're talking about because you're not a classically trained economist." And here's now my friend, a classically trained economist, and he worked for the big fund guys, and he lives in Asia, and he's saying the same thing we're saying, but this is the last plug I'll give. When I read Richard's books, he says the same problems that affect America will fire back into China, Japan, and all that. And what Richard said was that, when the yen or the yuan, the renminbi, get too expensive, that's what they're afraid of. If their currency gets too expensive, they lose jobs too. So, what Richard predicted, and correct me if I'm wrong, that China would have the same problem because the lower price, lower wage countries would then take jobs away from the Chinese, something like that. Is that correct, Richard?

Richard Duncan: Well, China's beginning to experience that now. The more jobs are going into countries like Vietnam and Bangladesh.

Robert Kiyosaki: Pakistan.

Richard Duncan: And so, China's wages have gone up, and that's making China less competitive, but, nevertheless, China has benefited so phenomenally from their trade surplus with the U.S. over the years, that they've been able to take that trade surplus money and invest it, not only in Chinese infrastructure, but in things like 5G and hypersonic missiles. So, they have 5G and hypersonic missiles and we don't because they've been investing so aggressively in these new technologies.

Kim Kiyosaki: So-

Robert Kiyosaki: And not only that. I travel the world. I see Chinese guys all ... I was in Cameroon and Africa. Man, they were dropping in ... And I forget. They're trenching all over the place, dropping in these fiber optic cables all across Africa. I'm going, "Holy mackerel." And what America is doing, we're sending troops. They're sending engineers to foreign countries.

Kim Kiyosaki: So-

Richard Duncan: So, does China ... [inaudible 00:10:56] to displace the United States as the number one global superpower.

Kim Kiyosaki: And so, Richard, since 2008, when all this blew up, what's the impact today? What's happening today as a result of all of that?

Richard Duncan: Well, so in 2008, when this bubble did blow up, I expected that it would blow up. It did blow up, but I expected, when it blew up, that there would be a depression. But what we saw instead was the U.S. government borrowed trillions and trillions and trillions of dollars and pumped it into the economy. And the Fed created \$3.6 trillion during the first three rounds of quantitative easing and bought those government bonds, financing that government debt. If the Fed had not bought those bonds, if the Fed hadn't created all that money, the government couldn't have borrowed so much money without pushing interest rates to an extremely high level. All of that government borrowing would've pushed interest rates up, and the very high interest rates would've crushed the economy and done even more harm than the government spending did good supporting the economy.

Robert Kiyosaki: Well, Richard, Richard-

Richard Duncan: [crosstalk 00:12:04]-

Robert Kiyosaki: Wait, are you talking around 2008 now, or ...

Richard Duncan: 2008, right.

Robert Kiyosaki: Yeah.

Richard Duncan: And so, this combination of trillions of dollars of government borrowing and spending and trillions of dollars of money creation by the Fed to finance the government spending, they reflat the bubble. The bubble didn't implode. It just got bigger.

Robert Kiyosaki: Thank you, Jesus.

Richard Duncan: And then, it's been an exact replay of that again in 2020 and 2021. For instance, in the last two years, 2020 and '21, because of COVID, the economy started to collapse again, and in those two years, the government has borrowed \$6.3 trillion, increasing government debt by 27% in two years. And the Fed has created \$4.6 trillion to finance that government debt. In other words, by creating this money, the governments finance 73% of all the money that the government has borrowed, the Fed has. And so, that's allowed the government to borrow \$6.3 trillion, and interest rates didn't go up. They went down. Interest rates are still extremely low. So, this has created a big boom in asset prices. Stock markets went to record highs. Property prices went to record highs. All

kinds of wild asset classes went to record highs. So, they kept the economy from collapsing again in the same way this time, as they did in 2008.

**Robert Kiyosaki:** So, the reason that ... Richard Duncan is our friend in 2008, when the subprime market collapsed. All of these guys were flipping houses and all that. They got hammered. They got hammered. Now, the good news was, because we knew Richard, he says, "Hey, they're going to do it again." So, while everybody was losing money and housing prices were dropping, Ken McElroy, Kim, and I borrowed \$300 million because they're giving away money again. They're saying, "Hey, please borrow this money." So, Ken, Kim, and I borrowed \$300 million in 2008, and we bought, leveraged up. We bought so much real estate. As all these losers and flippers and real estate agents were crying the blues, we were getting rich. And then, on September 17th, 2019, the repo market blew up. And I went, "Here we go again," because what happened just before 2008? The repo market blew up there again. So, that's why I'm saying to everybody, "Richard Duncan is a guy you want to listen to." And he's got his new book out here, this book, *The Money Revolution*. I can't wait to read it. But Richard also has a service called Macro Watch. So, rather than listening to Jim Kramer on CNBC, I listen to Richard Duncan and understand what's going on in the global money supply because this next crash is going to be even bigger. And that's what Richard is going to be talking about. Am I correct, Richard?

**Richard Duncan:** Well, we're at a turning point now, it looks like, because the monetary policy is moving from being ultra loose to becoming-

**Robert Kiyosaki:** Ultra tight.

**Richard Duncan:** ... potentially ultra tight.

**Kim Kiyosaki:** So, Richard, the consequence of this \$6.3 trillion that they made up and the asset bubbles all over in the stock market, the property market, what is the consequence of all this? Where is this leading us?

**Richard Duncan:** Well, it depends on what the government does next because, sadly, all of the credit that's been created in recent decades, the economy has become addicted to credit growth. If credit doesn't grow by at least 2% a year, adjusted for inflation, the U.S. goes into recession. So, we have become addicted to credit growth, and the amount of total credit in the country is so large now that only government borrowing can make it continue to grow. The private sector just doesn't have enough income to service enough debt to make credit keep growing. So, we've really reached the point where the future depends on how much the government borrows and how much money the Fed creates to finance that borrowing. So, that's the bad news. The good news is there's really no limit as to how much they can borrow and how much money the Fed can print, except if it results in high rates of inflation.

- Richard Duncan: Now, the reason that they got away with this in 2008 is because globalization was so disinflationary. They were able to spend trillions and print trillions. And the highest rate of inflation after 2008 was 3.9%. That's because of globalization. The problem that we're seeing this time is that globalization is partially broken down because of COVID. We've got these global supply chain bottlenecks, and so we're seeing, last month, the inflation rate was up to 7.1%. And in my view, that's not so much because the government is spending so much and because the Fed is printing so much. That has something to do with it, but it's largely because globalization has partially broken down. We can't get goods the way that we used to because factories around the world are being shut down because their workforce is infected with COVID. Now, hopefully this will be temporary. Hopefully, globalization, won't-
- Robert Kiyosaki: Transitory.
- Richard Duncan: ... break down.
- Robert Kiyosaki: Transitory, transitory.
- Richard Duncan: Transitory.
- Kim Kiyosaki: Transitory word.
- Richard Duncan: Transitory. And I do believe that, but who knows. I do think that, assuming that COVID is going to go away, then we should return to what we experienced before, where we have trade with extremely low wage countries like Bangladesh, where people make \$5 a day. And that should, once again, put a lot of downward pressure on inflation, but it may not go that way. For instance, China has a zero COVID policy. If Omicron starts spreading around China, it would be possible for China to shut down all its major cities, and I mean shut down tight, so that there are no exports leaving China. In that case, that would be extremely inflationary. That would be a big breakdown in globalization, at least for a while. That could cause inflation to spike much higher than what we've seen so far. I mean, hopefully, that won't happen, but that's certainly one possibility.
- Robert Kiyosaki: Okay. So, we need to take a break. I just want to summarize all this. When I hear people coming up to me, "Oh, the price of real estate going up," and they're jumping in to buy real estate right now, I don't say anything, and the reason is, is that people are just getting into the hype. All this credit is actually debt, credit and debt, pumping into this economy, trying to prevent this crash. And if inflation keeps going, I get richer. I am extremely happy. And I think Biden ... I'm not Republican or Democrat. He intentionally wants inflation. That's why he shut down the XL pipeline. That's why he stopped drilling, to get oil prices up. When oil prices go up, you have all these truckers in Ottawa, screaming they can't get food to the table and all this, prices of food go up.

**Robert Kiyosaki:** Inflation keeps going up, regardless of what's going on, just because the policies of the Biden administration shutting down the XL pipeline, stopping drilling of oil. So, the price of oil goes up. I watch all this. And meanwhile, these people are jumping out and buying real estate like there's no tomorrow, and I can't even talk to them. Nobody even asks me what I think. So, that's why this show is so important right now, because we're on a turning point, and that's why this book here, *The Money Revolution*, but I haven't read it, but I am excited-

**Kim Kiyosaki:** And I have read it.

**Robert Kiyosaki:** ... about reading it. But please understand, ladies and gentlemen, inflation makes the rich extremely rich. The middle class will pay higher taxes, and the poor will get poorer because they're the ones who can't afford that \$25 Wagyu steak that my friends are selling. So, that's why it's one of the biggest critical turning points, and that's why, I don't know how many years ago, when I walked past Richard's book in *Borders*, and it said a dollar crisis, if you understand what's going on, the problem is the U.S. dollar because, in 1944, it stopped being money. It stopped. It just became the reserve currency of the world. And in '71, Nixon took the dollar off the gold standard. And so, when Kim and I wrote *Rich Dad Poor Dad*, 25 years ago today, we said savers are losers. Your house is not an asset. I agree 100% with Richard. We're being set up right now, one of the biggest changes in world history. And so, "Oh, I bought a property. What do you think?" I can't even talk to them because this, to me, is 2007 all over again. And then, the repo market collapsed. 2008, the market collapsed. And back in 2008, this guy named Bernanke, I believe it was, could print money.

**Robert Kiyosaki:** And this is where we are today, and this is why Richard's new book, *The Money Revolution* ... And I'm going to let you plug your service, *Macro Watch*. You've got to wake up, ladies and gentlemen, because otherwise you're just this stupid little hog, just driving to slaughter. That's where we are today. So, that's why I'm not pessimistic. I'm just being realistic. When we come back, we're talking more to Richard Duncan. His new book is called *The Money Revolution*. He sits in Thailand on the border of the next invasion from China. I think it's kind of funny, firstly, but, anyway, this is not a time to be thinking ... This is not a time to be complacent. That what ... So, when we come back, the last section with Richard Duncan.

**Speaker 5:** Out here in Phoenix, the cost of rent has gone up 28%. Thanks to record inflation, almost every living expense has gone up, and inflation can erode your personal wealth too. That's why I think investing in assets that offer protection from inflation is critical. There's an overlooked asset that some experts say is a good store of wealth today. When volatility raged in 2020, its prices outpaced 10 other major asset classes, according to Citi. This investment isn't gold or some type of stock or bond. I'm talking about blue chip art. In fact, blue chip art prices outpaced S&P 500 by 164% from 1995 to 2021. And thanks to Masterworks, you can invest in million dollar art. To add this asset to your

portfolio, visit [masterworks.io/richdad](https://masterworks.io/richdad) for priority access. That's [masterworks.io/richdad](https://masterworks.io/richdad), and see important disclosures at [masterworks.io/disclaimer](https://masterworks.io/disclaimer).

- Robert Kiyosaki: Welcome back. Robert Kiyosaki, the Rich Dad Radio Show, the good news and bad news about money. You can listen to the Rich Dad radio program anytime, anywhere on iTunes, Android, and YouTube, as long as we don't get deplatformed. You can listen to a repeat of this program at [richdad.com](https://richdad.com), [richdadradio.com](https://richdadradio.com). We archive this because repetition is how we learn. So, we listen to this program. Listen to it again. You'll learn twice as much, but more important, if you have friends, family, and a business associate, listen to this program together and discuss because, when you discuss ... I know in school discussing is called cheating, but, anyway, when you discuss, you'll learn twice as much. So, like yesterday, as Richard Duncan has been a friend-
- Kim Kiyosaki: Let me just add to about repetition because this is the type of show where there's a lot of information Richard just put out in this first section. And I find the beauty of the videos is I can stop it, I can rewind it. I can stop it, I can rewind it because you hear it once, you get maybe 5%, but you hear it again and again, and it's a whole nother learning, so ...
- Robert Kiyosaki: Repeat, repeat, repeat-
- Kim Kiyosaki: Yep. Yep. [crosstalk 00:24:15].
- Robert Kiyosaki: ... repeat. So, anyway, I'm going to repeat again that I came across this book, I don't know how many years ago, The Dollar Crisis, in Borders bookstores, a tiny book. Then, it was the other book called The Corruption of Capitalism, and now, his granddaddy of them all, The Money Revolution. And Rich's going to have a offering for a subscription service from Macro Watch.
- Robert Kiyosaki: The thing that's great about Richard, he's an American, classically trained economist. He worked for the biggest hedge funds and the IMF, but he lives in Thailand, so he can see the world from outside, looking back into America. So, America is one of the ... We're at, not just America, one of the biggest turning points in world history. And there was ... I think it was Rockefeller, one of those guys, said, is, "When shoe shine boys are giving you tax ..." I mean, "stock tips, time to get out."
- Robert Kiyosaki: And I was in Safeway the other night, and these people were coming up to me. "I did what you said. I did what you said. I bought a rental property. I bought a rental property." And I came back home, and I said to Kim, "Time to sell," because it is so dangerous, but you can't talk somebody out of it because they drank the Kool-Aid. So, that's why I'm really honored to have a dear, dear friend, Richard Duncan, been friends for years. He helped Kim and I time the last turn back in 2008. We made fortunes because, while everybody was selling, we were

buying, and that time has come again. And so, that's why please listen to what Richard Duncan has to say. And before we go on, Richard, what is your subscription service to Macro Watch? Because that's the most important thing somebody can invest in today.

Richard Duncan: Well, thank you. Macro Watch is a video newsletter. Every couple of weeks, I upload a new video, talking about something important happening in the global economy and how that's likely to impact asset prices, stocks, bonds, commodities, currencies. And so, I hope your listeners will check it out. They can visit my website at [richardduncaneconomics.com](http://richardduncaneconomics.com). That's [richardduncaneconomics.com](http://richardduncaneconomics.com). And if they'd like to subscribe, hit the subscribe button, and for a 50% subscription discount, then put the coupon code, RICH, R-I-C-H, and they can subscribe at a 50% discount. They'll get one new video every couple of weeks, and they'll have immediate access to the 75 hours of videos in the Macro Watch archives, explaining basically everything important that's happened in the last eight years since Macro Watch started.

Robert Kiyosaki: Okay, so 50-

Richard Duncan: I hope they'll check that out.

Robert Kiyosaki: 50% off of ... What's the gross price?

Richard Duncan: 50% off \$500 a year, so it's-

Robert Kiyosaki: So, 250 bucks.

Richard Duncan: ... \$250.

Robert Kiyosaki: Okay. That's probably the best investment you can make at this time because I agree a hundred percent with Richard. We've seen this coming. I don't know which way it's going to go, but we have a lot of really desperate, stupid people writing the show right now.

Kim Kiyosaki: And Richard, you're talking about what's coming up and with Macro Watch and all of this. So, one of the things you're talking about is this quantitative easing, where they print, print, print, print, print money. Now, there looks to be a shift to monetary tightening, which doesn't necessarily mean ... They're not going to stop printing money. They're still printing but at a lesser rate. Is that what's happening? What's going on with all of that?

Richard Duncan: Yeah. So, this is why the stock market had such a bad month in January. Up until a few months ago, the Fed was still creating \$120 billion every month. And then, in November, they said they would start tapering that, reducing that by \$15 billion a month. But the very next month, in December, they said they're going to double that and reduce it by \$30 billion a month. And that meant that it's

going to come to a complete stop early ... The money printing is going to end totally, early next month. And then, on January-

Kim Kiyosaki: Totally end, no more printing next month.

Richard Duncan: No more printing. And then, the real blow came because, in early January, they started letting it be known that they were planning to do the opposite. Instead of printing a lot of money through quantitative easing, they're going to start destroying a lot of money through quantitative tightening. Now, when they print money, that pushes asset prices up. When they destroy money, that tends to make asset prices fall, and then the stock market-

Kim Kiyosaki: How do they destroy money?

Richard Duncan: Well, they destroy money because, when they print money, they buy bonds with that money. And normally, when the bonds mature, they just roll them over and buy a similar kind of bond. But they destroy money by essentially selling those bonds. What happens is the bonds mature, and the Fed doesn't roll them over. Someone else has to buy the bond. So, the Fed gets its money back, and when the Fed gets money back, that money just evaporates. The Fed doesn't need to keep any money because it can make all the money it wants anytime it wants to. So, it's a bit complicated to explain in just a few sentences, but the bottom line is it's the opposite of quantitative easing. Quantitative tightening destroys money, and that tends to make stock prices fall. And we're about to get a heavy dose of quantitative tightening coming into effect within the next couple of months.

Robert Kiyosaki: And that's going to make-

Richard Duncan: And we're going to get interest rate hikes.

Robert Kiyosaki: And it's going to make it harder and harder for mom and pop to go buy that house or spec they're going to flip.

Kim Kiyosaki: And isn't that going to drive inflation through the roof?

Richard Duncan: Well, they think the opposite when they ... Instead of printing money ... That's the thing that normally causes inflation. It stimulates the economy, it creates growth. But when they destroy the money, that tends to make asset prices fall, like stocks and property. So, people are less rich, so they spend less money, and if they spend less money, then prices tend to fall. So, that's why they're doing this. They're worried now that the inflation rate has moved up to 7%, and they're taking steps to bring it back down. But what they may find is this could cause a significant stock market crash. And already last month, the S&P fell almost 10% and NASDAQ fell 15% between the 4th and the 27th last month. And some of the high flying stocks got hit a whole lot harder than that.

Robert Kiyosaki: Look at Meta or, what, Facebook, whatever else they call it now. They tanked.

Richard Duncan: It lost 26% in a day, destroying \$230 billion of American wealth.

Robert Kiyosaki: There goes your 401(k), sweethearts.

Kim Kiyosaki: Mm-hmm (affirmative).

Robert Kiyosaki: And that's why I spoke out against 401(k)s and stupid stock market stuff forever. And then, all you guys were going ... You're planning on renting your property. People won't be able to afford the rents. That's what it means.

Kim Kiyosaki: And so, Richard, in this whole equation of raising interest rates and tightening and all of ... Are they even talking about the supply chain mess. I mean-

Robert Kiyosaki: Yes.

Kim Kiyosaki: ... isn't that a big factor?

Richard Duncan: That is a very big factor, but there's not really much they can do about that too quickly, but they have, just within, in fact, on Friday, Congress passed a bill that, among other things, is allocating \$50 billion to building semiconductors in the United States, semiconductor factories. Now, that's not going to fix the supply chain overnight-

Robert Kiyosaki: That's a long time.

Richard Duncan: ... but it's going to mean, a couple of years from now, we're going to have a whole lot more semiconductor capacity in the U.S., which will bring prices back down again. So, that's one thing that they have done. That's a big ... That's a very positive step. That's exactly what they need to do. So, I'm happy to see that. \$50 billion for American semiconductor factories is a big step in the right direction for [crosstalk 00:32:00]-

Robert Kiyosaki: If I could say something, years ago, Taiwan Semiconductor moved to Arizona. So, that's why Arizona ... When Kim and I moved from the communist republic of Oregon to Arizona, one reason was because Taiwan Semiconductors moved to the desert of Arizona, and so we've been set up here. That's why it's called Silicon Desert. So, if you've got to move where the industries are moving to, and if I hadn't read Rich's book way back when, The Dollar Crisis, he was talking about how manufacturing had to come back to the states, and that's what's happening right now. Intel just announced a huge development in Ohio, was going to be a boom for Ohio. So, that's how you make money. You've got to pay attention. Don't listen to your stupid real estate agent who tells you that, "Oh, the price of real estate always goes up," because it doesn't. So, Richard, again, I want to ... What is your book, The Money Revolution, about?

- Kim Kiyosaki: And how do you finance the next American revolution? I want to know.
- Richard Duncan: So, the book, it is a big book, 500 pages, and it has three big parts. The first two parts are history, and the third part is a recommendation drawing on lessons from the history. Part one is a unique history of the Federal Reserve, the Fed, since it was created in 1913. If you read this, you'll understand exactly how the Fed operates. It's told from a unique point of view that I think your readers and listeners will find very useful. The second part is a history of credit and credit growth and how that has changed the American economy over the last 50 years.
- Robert Kiyosaki: Richard, Richard, people don't use the word credit very often. Could you-
- Kim Kiyosaki: Yeah.
- Robert Kiyosaki: The relationship between credit and debt.
- Richard Duncan: Well, so total credit is equal to total debt because one person's loan is another person's debt, right? So, the two have to equal each other, so one way of thinking about this, the easiest way to think about it, is all the debt in the country, government debt, household sector debt, corporate debt, financial sector debt, all the debt. It first went to \$1 trillion in 1964, when I was four years old. Now, it's \$90 trillion. From \$1 trillion to \$90 trillion during my lifetime, and this credit explosion, which would not have been possible if we had remained on a gold system where dollars were backed by gold, but this explosion of credit has transformed the world.
- Robert Kiyosaki: Wait, wait, Richard. Richard, hang on, hang on. You're speaking like an economist again. Credit is what the Fed and the Treasury allow people to get to the big banks, like Wells Fargo and all of that. And that credit then allows people, the banks to send out debt, so the corporations and individuals come in, and they take credit, and they turn it into debt, but it's the same thing. So, by creating credit, debt could explode. Am I correct on that, or am I incorrect?
- Richard Duncan: No, I think you put that exactly right. Credit creation-
- Robert Kiyosaki: Yeah. So, "credit" is not a word that people use.
- Richard Duncan: ... means debt creation.
- Robert Kiyosaki: Yeah, "credit" is not a word people use. They use credit card, but they think about debt or household debt. So, that's what I'm saying. Rich Dad is not ... We don't teach economists. We teach everyday mom and pop, who is trying to speculate on their 401(k) or their house.
- Richard Duncan: So, the reason I tend to use "credit" is because I say this system that we have now is not capitalism. It's credit-ism.

Robert Kiyosaki: Yes.

Richard Duncan: Credit-ism sounds better than debt-ism. I tried that.

Kim Kiyosaki: Debt-ism.

Richard Duncan: Credit-ism works better.

Robert Kiyosaki: Yeah, well-

Richard Duncan: Capitalism to credit-ism because-

Robert Kiyosaki: Now, what Richard-

Richard Duncan: ... credit growth drives economic growth now. We're dependent on it.

Robert Kiyosaki: Yeah, what Richard is saying is the way America grew was because we produced products. Now, we don't produce products. They create credit or debt. Am I correct on that one?

Richard Duncan: That's right. Instead of our economy being driven by investment and savings, as it used to be, it's now driven by credit creation and consumption, and more credit creation and consumption. And that's been great. The problem is, it requires credit growth to survive. If credit contracts, we have a depression, and that has made us dependent now on government borrowing and government spending to keep us out of depression.

Kim Kiyosaki: So, Richard, I know we're just about out of time, but can you give us a quick, quick summary of what the solution is?

Richard Duncan: Well, so since we must have-

Kim Kiyosaki: Need a solution.

Richard Duncan: ... credit growth-

Robert Kiyosaki: Punt. Punt on first down.

Richard Duncan: Since we must have credit growth, we're reliant on government borrowing and spending. So, the solution is how to finance the next American century, is, since we've seen over the last dozen years, it is possible for the government to borrow trillions of dollars and to finance this through money creation. We should not waste this money that the government's going to borrow. We should invest it in new industries and new technologies on a multi-trillion dollar scale over the next 10 years. And if we do, that will induce such a technological revolution. It will turbocharge economic growth. It'll make everyone enormously

wealthy, but, more importantly, it would create such technological miracles and breakthroughs that we really would have a shot at curing all the diseases and extending life expectancy and developing limitless, clean energy. So, one thing that's really important is, people say that's never going to happen. The government won't do that.

Kim Kiyosaki: Because you're saying the government has to do this.

Robert Kiyosaki: Because that's called-

Richard Duncan: Well, I'm saying the government has-

Robert Kiyosaki: ... socialism and communism, Richard.

Richard Duncan: I'm saying the government has to fund it, but the best thing would be-

Robert Kiyosaki: That's called socialism and communism, Richard.

Richard Duncan: ... for the ... No, the government can fund it, but then they can allocate the money to the private sector, through joint venture companies, so that the private sector actually manages these projects. And the government is now starting to do this. Just on Friday, the House passed a \$350 billion act called the America Competes Act that is exactly that. \$350 billion for new investments in new industries and new technologies. And the Senate has also passed a similar bill. So, this is not pie in the sky. This is something that's beginning to happen now. And we need this desperately, not only to keep the economy growing, but because we're about to be overtaken by China.

Richard Duncan: In the year 2000, the U.S. invested eight times more than China, but, in 2019, China overtook the U.S. in investment. And if current trends continue, by the end of this decade, China is going to invest 40% more than the United States. And if they do, we are going to be a second rate, has been, vulnerable power, long before the middle of the century. We don't have to let that happen. We can invest. We can make our economy boom. We can create new technologies, and we can develop artificial intelligence before China does. And we can lock in ... Book's called How to Finance the Next American Century. This is how to finance it. We can do this. We can easily afford to invest on a multi-trillion dollar scale over the next decade.

Robert Kiyosaki: So-

Richard Duncan: And if we do, the first American century won't be the last.

Robert Kiyosaki: So, Richard, I'm going to play devil's advocate with you right now because this is where you and I go back and forth on it. Do you remember there was a company called Solyndra that Obama financed?

Richard Duncan: Yes. And how much did it lose?

Kim Kiyosaki: Everything.

Richard Duncan: \$10 million? There's something called smartphones, and everything in those smartphones all came from government investments.

Robert Kiyosaki: Richard, I understand that.

Richard Duncan: [crosstalk 00:39:50].

Robert Kiyosaki: Richard, I understand that. Please hear me.

Richard Duncan: Trillion dollar industry, multi-trillion dollar industry-

Robert Kiyosaki: Richard, please hear me.

Richard Duncan: ... of government investment.

Robert Kiyosaki: Richard, this is where you and I always differ. I agree with you, but every time the government gives money to somebody, somebody steals it anyway. And then, that's the problem we have right now. So, anyway, I agree with you on all this stuff here, but I don't see the solution of ... That's called socialism, and it's called central banking. All that stuff's the same thing. They keep trying it. That's my problem. So, I'd rather have them subscribe to your newsletter and not be stupid. That might be the best way to do it right now because I don't think the governments are going to give any of our listeners a couple of billion dollars to start a ... What do you call it? A chip factory. That's all I'm saying here. So, it's nice. It's nice pie in the sky stuff. It works in theory. I haven't seen it work in real life so far, except for the military defense contractors, like Boeing and Lockheed and those guys. They get government funding to build weapons. And that's what America is strong at. So, ladies and gentlemen, I want to thank Richard Duncan for being part of our show. We don't make any recommendations what to buy, sell, or do. We just ask you to stay awake, pay attention, and make your own decisions on your financial decisions.

Kim Kiyosaki: And check out Richard Duncan, economics.com, check out Macro Watch, and check out the new book-

Robert Kiyosaki: The Money Revolution.

Kim Kiyosaki: ... The Money Revolution.

Robert Kiyosaki: But really his ... I think his best book was called The Corruption of Capitalism because that's really what happens. We're not capitalist anymore. So, Richard, thank you very much. Keep up the good work.

Richard Duncan: Thank you guys.

Kim Kiyosaki: Thank you.

Richard Duncan: Thank you so much-

Kim Kiyosaki: Thank you, Richard.

Richard Duncan: ... for having me back on the show.

Kim Kiyosaki: Thank you.

Robert Kiyosaki: All right. Thank you. So, when we come back, we'll have a final wrap up with everybody. We'll be right back. Thanks, Richard.

Robert Kiyosaki: Welcome back. Robert Kiyosaki, of the Rich Dad Radio Show, the good news and bad news about money. Once again, listen to the Rich Dad Radio Show, anytime, anywhere on iTunes, Android, or YouTube, and also all of our programs are archived at [richdadradio.com](http://richdadradio.com). We archive it because we're an education show. We make no recommendations. We don't say buy this or do that or sell this. But the most important thing is listen to this program again with friends, family, and business associate, and discuss this program because it's a very important program. So, my dear friend, Richard Duncan, like I said, read his book years ago, called *The Dollar Crisis*, before there was a crisis, and now we're in a crisis. So, please listen to what he said. Any comments to that, Kim?

Kim Kiyosaki: Yes. Well, as we ended with his solution, and his solution has been wanting the government to spend money in the right places to build the infrastructure and to build the economy. So, the one thing I want to say, I want to say, is that the reason we have people on our show is to have different points of view. Now, obviously, Richard has more confidence in our government than we do, but I would love to have his solution come to fruition. I just don't have that confidence in the government that they will know what to do. And how would they know where to invest money because they're not business people. So, that's my concern. How would they know where a good opportunity lies versus a bad one?

Sara: To-

Kim Kiyosaki: That's my concern.

Sara: To your point, Kim, he doesn't even live in the United States. Now, that was nothing but love. That was nothing but love for Richard.

- Robert Kiyosaki: And one more thing. Richard is an optimist. I think I'm a pessimist, and everything the government touches turns to corruption. Why not just give Fauci all the money, and he can fix-
- Kim Kiyosaki: We already did.
- Robert Kiyosaki: ... the economy? You know what I mean?
- Kim Kiyosaki: We already did.
- Robert Kiyosaki: I mean, do you know who runs the economy? Not even an elected ... Trump is an elected official. Fauci isn't. Most of these criminals are not elected officials. They're professional bureaucrats who stuff their fricking pockets with our tax dollars. You cannot fire Fauci. You cannot hold him accountable. I'm not against him. I'm just against government bureaucracy, and Rich is very optimistic about it. I'm not. So, that's why the Rich Dad company is, as my friends in Mexico say, "[foreign language 00:00:12]?" What are you going to do about it? What can the little guy do? And I would rather get smart. I would rather be smarter than the average guy.
- Robert Kiyosaki: I don't listen to real estate brokers. Not that they're bad people, but they only make money if you buy something from them. So, if you're going to buy ... I mean, I don't know how many people, "Oh, I took your advice. I bought a house. I'm going to make some money." I said, "At the top of the fricking market?"
- Robert Kiyosaki: And what about all these guys in these 401(k)s? 401(k)s came into existence in 1974. It was called ERISA, and I've been speaking out against 401(k)s because ... I'm going to get censored with this one. But 401(k)s are like a condom. It gives you a false sense of security while you're being screwed. Do you know what I mean? And if this market crashes, when they raise these interest rates, if they do, your 401(k) turns to 201(k). Just as you get ready to retire, all you old guys like me, hear what I'm saying. If they raise interest rates because they're going to stop inflation, your 401(k) may be toast. I'm not saying it's going to happen. Or, if you're a millennial and you got mom and dad who are living in la-la land with their two 401(k)s, you might be in serious trouble.
- Robert Kiyosaki: So, that's what the Rich Dad Radio Show is about. That's what we do. What we do is get educated. The little guy can do something. I know, we should all start an Intel factory like Richard recommends and get the government to fund us, but we can't. And our country is run by bureaucrats like the FBI, Comey, and all those guys. They got caught lying through their teeth. I can't believe we listen to these bureaucrats. And when Richard says we're going to give the money to them, I have a problem with that. Now, he's entitled to his point of view. I'd rather not trust them. That's where I'm at. So, I like gold, silver, Bitcoin, crypto. I want to do what the little guy can do. Any calm words on that, Kim?

- Kim Kiyosaki: Yeah. Well, and again, I just want to plug, I do want to plug Richard's Macro Watch because it's a great, great resource. There's a ton of information in it. You go to [richardduncaneconomics.com](http://richardduncaneconomics.com). He's got a special 50% discount coupon if you put in R-I-C-H. So, again, we're about education. We're going to give you different points of view. And I don't know where we're going with all of this, but it's going to be a hell of a ride. It already is.
- Robert Kiyosaki: So, Miss Sarah, I mean, this is the best part of this job. You get to listen to all these characters.
- Sara: Well, this is definitely an episode I'm going to have to rewatch a million times because he, like you mentioned-
- Robert Kiyosaki: He knows so much.
- Sara: I mean, look at my notes, and that is just words. I'm reading, and I'm like, this doesn't make any sense. So, I always appreciate his perspective though and his positive outlook because it is doom and gloom from my perspective. So, it's nice to have his positive outlook, but, and I'm going to include the offer in the show notes. So-
- Robert Kiyosaki: Good. That's good.
- Sara: ... all of you, if you missed the offer for-
- Kim Kiyosaki: Macro Watch.
- Sara: ... Macro Watch, check the show notes.
- Robert Kiyosaki: And the thing that's great about Richard, he puts his information into charts, and I like pictures. So he's fantastic. And don't take my advice or anybody else. Listen to what other people say. Then, make your own decisions up. So that's what we stand for at Rich Dad here. Okay? So, thank you, listeners of the Rich Dad Radio program.
- Kim Kiyosaki: Thank you very much.
- Robert Kiyosaki: And take care.