

Prepare for Upcoming Economic Crisis

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#Glenn

Welcome back. Today we're joined by Jim Rogers, one of the world's most famous and influential investors. Thank you very much for taking the time. If we look at the world today, in terms of its direction and the economy, what are the main developments you're currently watching?

#Jim Rogers

Well, Glenn, the world's been having a wonderful time for ten or fifteen years. It's the longest stretch in American history, anyway—the longest we've gone without a problem. So that would indicate to me that a problem is coming. Maybe not today, but soon, because we've never had such good times for so long. Now, Washington will say, "Don't worry, it's going to last forever." I worry when Washington says something like that.

#Glenn

And in terms of the wider shift—the economic shift from the West to the East—this is something people have been talking about for the past twenty years. But now you really see it starting to manifest in real geoeconomic changes across Asia. You see more efforts, especially by the Chinese, to assert technological leadership, to set up their own transportation routes, their own financial instruments. How do you see this impacting our economies in the, I guess, political West?

#Jim Rogers

Well, the world has been going through dramatic changes for hundreds of years. Yes, China is the new big country in the world, the new great economy. I don't know that there's anything we can do about it. China is one of the few countries in world history that's had recurring periods of greatness. Rome was great once. Egypt was great once. Britain was great once. China's been on top three or four times, and it looks like they're rising again. I mean, we can fight it, or we can accept it and join

in. I prefer to join in if I can figure out how. I'm not somebody who says, "Oh my gosh, they're rising, that's bad." I'd prefer to say, "They're rising—let's join in."

#Glenn

Of course, you even relocated to Singapore to take advantage of and take part in the rise of Asia. So I guess you're living what you preach, which is good. But what do you see as the main problems back in the West—that is, in the United States and Europe? Because, well, a lot of countries now are running up huge levels of debt—not just in the West, of course; we also see Japan. But at what point do you think this becomes unmanageable?

#Jim Rogers

Well, I'm not sure at what point, but I know it will become unmanageable. It always has throughout history. I can add, I can subtract—I know the numbers, and the numbers are staggering. The debt in the U.S. is unbelievable. But if you look around, so is Japan, and so are many other countries. Now, everybody says, "It's okay, don't worry," but it cannot be okay, because the debt numbers are so unbelievably high and getting worse every day that somebody's going to have to pay the price. We always have. Washington says, "Don't worry, it's different." When Washington says, "Don't worry," I really worry.

#Glenn

Yeah, there's always this assumption that the present order will always be here, that it's permanent. It's an interesting aspect of human nature. But how do you see government overreactions and mismanagement playing into some of the economic problems we're having?

#Jim Rogers

Well, what will happen eventually is that when the crises start hitting everybody, many people will start printing a lot of money. Currencies will become destabilized, or maybe even worthless, because I don't know what else governments can do. They don't know what to do. All they know is to print money. Now, printing money is not good, but that's all they know. So we're going to have a lot of money printing, which leads to currency instability and eventually more inflation.

#Glenn

Well, of all the currencies people are looking at, the U.S. dollar is obviously the most interesting one, given that it's been the world's reserve and trade currency for so long. How do you assess the future of the U.S. dollar?

#Jim Rogers

Well, I own a lot of U.S. dollars. I mean, it's the largest debtor in world history, so you might ask, why do you own them? I own them because people look for a safe haven. Many people around the world think the U.S. dollar is a safe haven. It's not, but people think it is. So I own a lot of U.S. dollars. If I'm right, at some point, as the crisis comes, the U.S. dollar will go up a lot. I just hope I'll be smart enough to sell it. I don't know where I'll put the money, but I hope I'll be smart enough to sell the U.S. dollar if it goes up a lot.

#Glenn

Well, you mentioned there's not much the government can do besides printing money and debasing the currency. But under the Trump administration now, there's a massive desire to reindustrialize, and the main tool appears to be tariffs. Of course, tariffs have been used for this purpose before, but maybe they're being used a bit more—well, with less care—today. It seems they're being used both to punish countries and to encourage domestic production. Overall, how do you see the possibility of the U.S. reindustrializing? And, you know, are the tariffs helpful so far?

#Jim Rogers

I certainly see more tariffs coming because politicians think it's easy. They think it's an easy way to get more money and that it doesn't hurt their own constituents. They think. They think. Tariffs, of course, are not good in the end because they increase costs for many people and cause problems. But politicians will try it, certainly in the U.S. It will lead to more problems. It just means that when the economic problems come, they'll be worse than ever. Then you should be worried. If you're not worried, I'll tell you—I'm worried.

#Glenn

Well, we've always had economic ups and downs, but a unique development now in human history is demographic decline. People just aren't having babies the way they used to. How do you see demographics playing out in the global geoeconomic outlook over the next few decades?

#Jim Rogers

Well, everybody needs babies. I mean, you look at a country like Japan—the population has been declining for 15 years, and it looks like it's going to get worse. Now, we all need babies, and Japan is a very good example of a country that's going to suffer a lot. Even though we're not having enough babies in the U.S., we still have a lot of immigration—legal and illegal. So the U.S. at least is not going to have the demographic problem that some other countries will have.

#Glenn

And, well, in terms of the possibility of rescuing the U.S. economy, many people—especially Elon Musk—argue that given the massive U.S. debt, the main way to get faster economic growth and outpace the rising debt is through AI and automation. How do you see the future of AI and automation? Because, you know, now they're talking about bubbles—well, not child bubbles, but there seem to be some big bubbles in terms of the investments that have been made. Are you optimistic or pessimistic here?

#Jim Rogers

Well, we've had bubbles for thousands of years. I hope I live long enough to see many more bubbles. You know, whenever something new comes along, people get excited, and eventually it turns into a bubble. I mean, this is what always happens. People will say, "It's different now. Don't worry, it's different." Be careful when you hear them say it's different this time. Yes, we will have another bubble. As I said, I hope I live long enough to see many bubbles. It's always happened. The world has been having bubbles for many, many decades. It will happen again. It is happening again. It's not a bubble yet, but it's turning into one.

#Glenn

How do you think we can best understand the economic hardship we're entering now? Would you compare it to the global financial crisis of 2008 and 2009, or would you go back to the 1920s? Do you see any useful way to make sense of what's happening at the moment?

#Jim Rogers

Well, to repeat, when something new comes along, more and more people hear about it. It brings change, and many start saying, "See, it's different. It's different now." And they believe it's different now—and it is, at least for the moment. But that always turns into hysteria. And when people get hysterical, you'd better sell, you'd better run. I'm just telling you what has always happened. We're human beings. We've always reacted the same way, and we will again.

#Glenn

Another key development right now is gold prices really taking off, climbing well past \$4,000 an ounce. How do you explain this? Do you see a ceiling for gold, or do you think it's going to keep moving along this trajectory?

#Jim Rogers

Well, I own some gold. I own gold and silver, and I have for many, many decades. I hope I'm smart enough not to sell my gold, not to sell my silver. I hope that my children have my gold and silver

someday. Whether we like it or not, gold and silver have been refuges for hundreds, even thousands of years. Remember Jesus Christ? He was sold for thirty pieces of silver because silver was what was valuable in that area in those days. So gold and silver have been around forever. Politicians often say, "Forget gold, forget gold—it's not worth anything." Let them talk. As long as I've been alive, and for hundreds of years before that, gold and silver have retained their value. I own both, and I hope my children own my gold and silver someday. Everybody should have some gold in the closet, some silver under the bed.

#Glenn

Of the two metals, which are you more optimistic about—gold or silver?

#Jim Rogers

Well, I guess, on a historical basis, silver is cheaper than gold right now, but I own them both. If I'm attentive and one is down, I hope I'm smart enough to buy more. I don't have a preference—it just depends on the price.

#Glenn

If you look at the overall economic situation, the stock market seems to have gone up, but there are deepening problems in the real economy. How do you see these contradictions? Do you think the problems in the real economy will eventually catch up with the stock market?

#Jim Rogers

Well, they always have. Yes, yes. It's not the first time we've had a divergence between the stock market and the real economy. It's happened often—it's happening again. There's a lot of loose, easy money around. It's very easy to get all the money you want these days. Many governments—every government, nearly every government—have printed a lot of money. So it's wonderful for the people who know how to play it, and as long as it lasts, everybody will have fun. But it will come to an end. It always has, and it will again.

#Glenn

Well, in this part of the world—Europe—how are you assessing the European market? Do you buy anything, invest on the continent, or do you have a more pessimistic outlook?

#Jim Rogers

I don't have any investments in Europe right now. It's just that nearly everything in the world has been going up for a long time. Since 2008, most economies and most markets have been doing very

well. It's great—but I've read enough and have enough experience to know that when everybody's doing well, that's the time to start asking questions.

#Glenn

Well, there seem to be others thinking along the same lines as you. A lot of the tech billionaires—from Zuckerberg to Bezos and others—are selling off some stocks and piling up cash. What should people do if we're heading toward an economic crisis, if not a meltdown? What's a good strategy to preserve your wealth and, ideally, make some money as well?

#Jim Rogers

Well, the only strategy is to stay with what you know. Don't listen to somebody on the internet or somebody on television. Stay with what you know and put your money into what you know, not what other people say. Stay with what you know. Then, when things go right or things go wrong, you'll know what to do because you know what you're doing. I certainly don't want anybody to listen to me or anybody else. The only way to get through when things start getting tricky is to be sure you know what you're doing.

#Glenn

But returning to Europe, what do you see as the main challenges for Europe in the years to come?

#Jim Rogers

Well, I mean, Europe is building up a lot of debt. Europe has demographic problems. Now, Europe's been there for a long, long time, and I'm sure it will continue to be there. But there are serious demographic problems in parts of Europe, and they're not getting better—they're getting worse. You know, look around: there aren't many babies in many parts of Europe. That ultimately leads to problems. Don't worry, Europe will always be there, but it will change a lot, especially demographically, because there are lots of immigrants now and not so many local babies.

#Glenn

Well, in the most recent U.S. National Security Strategy, which only came out a few days ago, the U. S. government cautioned about Europe's civilizational decline—or even erasure—partly because of what you mentioned: the economic problems and demographic decline. They also added an inability of the culture to reproduce itself. Do you see the United States essentially adjusting to Europe's economic decline and setting new priorities? Or how do you assess the U.S. relationship with Europe?

#Jim Rogers

Well, the U.S. will continue to try to adjust. Most countries have to adjust when big changes take place. The U.S. has been the largest economy in the world, so it still has an important place. But the U.S. has built up huge debt. We're having more debt, but so are many countries in Europe. So the world is facing a huge debt problem in many places. This has always ended badly, and I presume it will end badly again. It always has—certainly in Europe, America, and Japan, the places that are building up the debt.

#Glenn

Well, in the 1990s, when we looked toward Eastern Europe, the economies weren't very impressive, and Russia especially seemed like it was just going to go from weak to weaker. But over the past few years, according to the World Bank, Russia has moved up to the fourth-largest economy in the world in terms of purchasing power parity. We see strength in energy and agriculture, and a fairly high degree of technological sovereignty. At the same time, they're in a massive conflict, obviously, with the West. How do you assess the Russian economy? Are you optimistic? Because I know you used to be pessimistic for decades, and then you flipped a bit on it about 15 or 20 years ago. So how do you see Russia today?

#Jim Rogers

Well, at times in my life I've had investments in Russia. I don't right now. But Russia's been there a long time. They have gigantic natural resources—oil, minerals, metals, agriculture. They have a lot of stuff. I mean, it's a gigantic landmass. They don't have that many people compared to the landmass. But Russia's always been there. You read the Russian novels—you know, at times the Russians were the richest people around. They will be again. But you also read history, and you know they've had many problems. They will again. But don't worry, there will always be a Russia.

#Glenn

Well, for the past 300 years, the Russians—ever since Peter the Great—have always looked toward Europe for economic development and modernization. But over the past few years, they've shifted to what they call "Greater Eurasia," meaning they're looking east for economic partnerships, primarily with China. How do you see that relationship—the Chinese-Russian relationship? Because it seems to be at the core of building, I guess, an alternative economic infrastructure.

#Jim Rogers

Well, I mean, the Russians can read. They know what's going on, just like I do. My children speak Mandarin—speak Chinese—because of what's happening in the world. The Russians see that too. China has an organic population; Russia has lots of natural resources. They can work together, and they will in many ways. Often, when you have a rising power and a dominant power, they've clashed. Not always—they don't have to—but still, the Russians know what's going on. The Chinese

know what's going on. Many of us do, and it's happening again. Maybe it's not the same countries, maybe it's different ones, but it doesn't matter. When you have rising prosperity somewhere, other people notice and try to join in. It's happening again, especially in Asia.

#Glenn

Well, one country that's tried to join in on this rise of Asia is India. They are rising, but if you look back 30 years, there was more parity between the Indians and the Chinese. Of course, there are ambitions in India now to catch up with China, but do you think the Chinese economic development model has been exhausted, or what kind of economic future do you see for India?

#Jim Rogers

Well, India has a huge population with lots of educated, talented people, and it's on the rise again. For the first time in my life—I mean, I've often invested in India—but for the first time, I think the people in Delhi understand that prosperity is good. They always said it, but Nehru and Gandhi didn't like rich people; India didn't like rich people. But now, in my judgment, the people in India understand that success is good, prosperity is good, and there's going to be more. So India is going to be even more exciting in the future.

#Glenn

Well, when we look at the economic rivalry between East and West, one of the main areas of competition seems to be Africa. There's a lot of concern, especially in Europe, that the Russians and the Chinese—particularly the Chinese—are moving into Africa in a big way, becoming major trading partners. What do you see for Africa? Because historically it was seen as a poverty-stricken, weak continent, but now many of the fastest-growing economies are in Africa. It's almost the only continent in the world with a real population boom. How do you see the future of Africa?

#Jim Rogers

Well, you've just said it. Africans are still seeing population growth—not like before. I mean, people don't have eight or ten children anymore, but they still have four or five. So you've got population growth in Africa, a big population, lots of natural resources. Africa is on the rise again. In my view, China is still going to be the next great country in the world, but China and Africa will trade a lot with each other, and both will benefit. Both will prosper.

#Glenn

Do you have any predictions about U.S. economic policy going forward, or where its priorities will be? Will it try to strengthen its control in the Western Hemisphere, or will it confront China? Or do you think it will seek an economic partnership with China?

#Jim Rogers

Yeah. Any country that's been on top, or is on top, tries to adjust when new big countries are rising. That's happening to the U.S. There are many countries rising now. The U.S. has been on top, but it also has the largest debt in the history of the world. We, the U.S., are trying to adjust. I'm afraid that politicians usually make mistakes throughout history. Whoever the country is, politicians start making mistakes, and things get worse for them. History would indicate that that will happen to the U.S. too. As other countries rise, and as U.S. debt gets higher and higher, it will lead to problems—and probably the people in the capital will make mistakes. I'm just telling you what has always happened throughout history, and it will probably happen again. I don't particularly like saying that because I'm an American, but it's a good time to be an old American. Young Americans are going to have many, many problems. It's good to be old.

#Glenn

Well, you often warn that a massive bear market is coming our way. Do you have any sense of timing, or how do you see the economic situation starting to unravel? Should we expect a banking crisis, or a currency crisis? Beyond the rising debts, what would you keep your eyes on?

#Jim Rogers

You said it. We've had crises throughout history, all over the world. It's not like it's something that only happens at a certain time or in a certain country.

#Jim Rogers

We've had many. The world has had many, many, many of them.

#Jim Rogers

Economic problems and crises have happened throughout history. People get excited, they get carried away, things get overdone, and that leads to a problem. Some people say, "Let's get out of here," and that will happen again. Listen, I don't like saying any of this, but I know what happens in the world. We're all human beings. We've always been human beings, and human beings react the same way. They start making mistakes, the mistakes get worse, and then you have a huge collapse. Whether it's economic—well, it's usually an economic collapse that comes first.

And, as you know, economic collapses often lead to shooting wars. You don't have to shoot at each other, but people often do. Because when things start going wrong, the politicians blame the foreigners. They say, "Ah, it's those evil foreigners who are the problem." And that will happen

again. That sometimes leads to shooting wars, because everybody likes to blame the foreigners. It's easy to blame foreigners—different language, different food, different clothes. Everybody blames the foreigners when things go wrong. I'm just talking to you about human beings.

#Glenn

Well, yeah, in Europe we do have a shooting war, of course—a proxy war against the Russians. One of the things being discussed in the EU, as you know, is their desire not just to freeze Russian assets but to actually take them. That is, to find a legal way of, well, stealing the assets so we can use them to shore up our own economies or give them to the Ukrainians. This is unprecedented, I guess. How do you assess the possible consequences of such a decision?

#Jim Rogers

I mean, politicians throughout history have tried to figure out ways to steal other people's assets, and it's happening again. Everybody wants free money, you know, and it's easy to blame the foreigners. It's easy to take the foreigners' assets. Yes, it's happening again. Is it right? No, it's not right. But it's always happened. And now everybody says, "Let's take the assets away from the Russians." It's not good, but it's happening, and it will continue.

#Glenn

My last question is, how do you predict the Indians or the Chinese will react to such a measure from the Europeans? I know the Americans aren't jumping on board with this. If anything, I think the Trump administration has warned the Europeans that it's probably not a good idea. But how do you think Asia and the rest of the world would respond to these decisions by the Europeans?

#Jim Rogers

Well, the Chinese and the Indians, and anyone with any historical knowledge, will realize that this has happened before. They know it's not right, but it will happen. Everybody will try to get their share, their part. Everybody's greedy. Everybody wants to be rich. Everybody wants free money. I repeat, is it justice? No. But it has happened throughout history, and it will happen again, because everybody wants a free lunch. Everybody wants free money. And they'll say, "This is free money," and they'll say it's justice, it's justifiable for many reasons. And everybody will try to grab some.

#Glenn

So you don't expect this could, I guess, unravel the financial system in Europe—well, kill off all the trust?

#Jim Rogers

Well, throughout history, when things start going wrong, people start grabbing assets. It makes some people angry. And when they start getting angry at others, it usually leads to conflict—whether it's trade wars, which are never good but often happen, or shooting wars, which are even worse.

#Jim Rogers

Yes, we're human beings.

#Jim Rogers

Look at how human beings react, and always have. I don't like saying it, but I know that when we start having economic problems again, it doesn't matter where you are—people will blame the foreigners. People will say, "Ah, those evil people. Those evil people caused the problem." And they'll try to get more assets. Everybody will want free money, and they'll blame other people, and it will make things worse. I wish I could tell you that we've all gotten smarter and that we'll understand. We haven't gotten smarter, and we're still very greedy—all of us.

#Glenn

Well, thank you for your perspective. It's a bit pessimistic about human nature and its impact on the economy, but there's a certain historical continuity one can't deny, of course.

#Jim Rogers

I just know human nature. I hope you do too. I hope we all do. We have to live with it.

#Glenn

Well, thanks again for taking the time, though.

#Jim Rogers

It's my pleasure. I hope we can do it again sometime.