Catherine Interviews Jim Norman
The US Plays the Oil Card
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Catherine: So with that, let me turn to our guest this evening. Jim Norman has been on the *Solari Report* more than any other guest after Franklin Sanders, who co-hosts the *Precious Metals Market Report*. I find his work in the energy world to be one of the most important contributions I can introduce you to understand what's going on in the world, and particularly what drives how the financial markets and the commodities markets are trading and how that relates to the currency wars, and how that relates to geopolitics.

Jim is a veteran business journalist. He has written for *Business Week*; he was a senior editor at Forbes. He retired in 2007 and is currently a contributing writer for *McGraw-Hill Platt's Oilgram News*, where he was working before he retired. He's written a book, *The Oil Card*, which I absolutely insist is a must read. I'm trying, as are numerous other people, to persuade Jim to write sort of an update to *The Oil Card*, but it's still a very timely book. I can't recommend it to you strongly enough. It's easy reading and you'll finish it and you'll say, oh, why didn't I read that long ago, I have a much better understanding of my world.

I said in the last several *Solari Reports*, I talked about this question of American Renaissance; is it fact of fiction? And at the heart of that question is what's going on domestically in the oil and gas industry and what's going on globally as is it driven and controlled by the U.S. Given how much is going on that is impacted by energy and oil and gas, I asked Jim if he would come back this week to join on the *Solari Report*. So, Jim, are you with us?

Jim Norman: Yes. Thanks for inviting me back again.

Catherine: Let's start, Jim, with something that you and were talking about this afternoon - the relationship in the price of natural gas and oil. So let's start there and look at what's been going on domestically and how that relates to what you call *The Oil Card*.

Jim Norman: Yes, one of the great economic anomalies of all time, we're witnessing it right now in the oil and gas markets, where oil – crude oil is trading at – say it's $125 for Brent crude, but natural gas is trading at less than $2.00 a thousand-cubic feet. Now it only takes about 6,000-cubic feet of gas to equal the BTU or the heating equivalent value of a barrel of oil. So what that means is that oil is trading at more ten times the BTU value of natural gas. It's never been this far…

Catherine: So the BTU equivalent of natural gas this afternoon was $11.65, so it's the equivalent of oil being $11.65 per barrel?

Jim Norman: Correct. Correct. In fact, oil is trading at $125 a barrel, so go figure. The markets are so completely out of whack. That's really why I set about to write this book because even back in 2007 when I started working at it, the oil prices just completely out of rack with reality; the fundamental actual physical supply and demand volumes. And so the point of the book was to how you could manipulate oil upwards, or downwards, for geopolitical purposes if you had some goal in mind.

And as a paradigm for that, we looked at how the U.S. allies actually did successfully move the price oil down in the 1980s and kept it down for like a decade, significantly out of whack, to bankrupt the Russians and take away their ability to earn hard currency.

Catherine: Yes, and it worked.

Jim Norman: It was a bloodless victory in The Cold War, and even the Russians later came along and analyzed it and said, you know what really screwed us? It was that damn oil price. That's what did it. So then the book goes back and it kind of flips that idea on its head and says, well, if prices are running up now for no good reason, are we doing this in reverse to somebody else, i.e. the Chinese, who are big oil importers, and pay for crude with an undervalued currency, and after shipping halfway around the world.

So looking at that as part of a much broader landscape of economic warfare possibilities that you would envision against a country like China, for instance, driving up iron ore prices or bauxite prices, both of which have gone through the ceiling and remain extremely high. There's a whole bunch of ways – if you got deep enough pockets like the U.S. and its allies do, where you can actually affect global markets in seemingly fungible commodities, like oil, raw materials, all kinds of stuff.

Keep them out of whack for a long time, and drive up the other guy's costs to the point where he really doesn't make any money. That's the situation in china. That's the basic problem with Chinese industry. It doesn't make any money when you deduct the subsidies they get, and the subsidies energy costs that they have. And the amount of bad loans in their banks made through industry, you realize that Chinese industry really hasn't made any money forever. It's not a game that can go on forever this way. Of course there is a lot of games going on right now that can't go on forever.

Catherine: But they've gone on for an awful long time.

Jim Norman: Yes, and it's not going to end soon. I think that this could go on for decades, that's what we saw with the Russians, with the Soviets, that was a game that was in play for decades, really, before it finally had an effect. But then things just come a tipping point at one point where something cracks, and, boom, it's gone almost over night.

Catherine: Well, if you look at what happened in Russia, you basically bring down the Soviet Union. And if you look at what's called the rape of Russia, where we went in to do the privatizations after the collapse, you basically have U.S. and European interests getting ownership and control of a huge amount of their oil industry. So first you bust them, and then you literally buy them cheap.

Jim Norman: We picked up the pieces and it was done mainly through Russian fronts. And you could argue, I think, that Yukos may have been an example of that, which had close ties to the Rothschilds and so forth. Yukos is an interesting case study because Exxon Mobile, this week, announced a big deal to invest 500 billion dollars in Russia through Rosnef, which is the state oil major there, which ended up with most of Yukos's assets.

To me, it was always interesting that the United States stood back and let Yucos be ripped apart by the Kremlin in 2003 and 2004. But, actually, it would have been a key part of the whole effort to get the oil price up because Yukos was ramping up its production; it was going to put a lot more oil on the market. They wanted to sell it directly into China by its own pipeline, and so I think they had to be taken off the boards.

Because in 2003, people forget this, the Russians and the Saudis got together, had a series of meetings and actually signed a secret – they now said they signed it, but they didn't say in the contest of an accord to stabilize the oil markets, they called it. In fact, what they did was allocate the oil world around markets, and ever since then Russian oil exports have bumped along at exactly half the level of Saudi exports. Saudi would sell about ten million a day; the Russians sell about five-billon a day; they are also a day abroad.

Both could be doing a lot more. The Saudis could probably be 13-15 million barrels a day. The Russians could be double of what they're producing if they really wanted to. Maybe not overnight, but they've got certainly the capacity to do it. In order to keep oil prices high, you've got to restrict the supply. And this kind of brings it back to this natural gas/oil thing.

Basically what we kind of lay out in the book is how you basically – if you want to run oil prices up, you just encourage the cartelistas to do their thing, tighten the market, just snug it up enough so there's not a lot of crude sloshing around, and then you throw money at the paper markets, as the NYMEX, at the ICE, at the over-the-counter markets. The paper barrel market, which is just a financial world, and that's really where the price is set and where there's been a phenomenal unbelievable influx of long demand of buying paper barrels.

The mystery is where all the demand has come from, and that's what we kind of look at in a book is the how – if you are a nation state like the United States as a seller, you can actually marshal large volumes of funds to go in and assault the market to get this snowball rolling. Once you do, it tends to attract and in vast amounts of other managed money pension funds. Everybody is piled into the market.

And what the government has done through the CFTC rules and other trading and securities regulations, they basically open the floodgates and removed all restrictions for hot money, managed money, other kind of non-industry players to come into the commodities markets and just blow these prices sky-high. The government could put the kibosh on this in a heartbeat if they wanted to just impose the kind of limits that used to be in place for people who are trading these commodities.

Instead, we've basically facilitated this runaway price phenomenon on the upside in oil. The question that I wonder about is are we doing exactly the opposite for gas? If you look at the pattern of futures trading in gas contracts, natural gas, not gasoline, you see whereas all of the managed money buying on oil is on the long side, on the gas side, it's all short interest. It's predominately short selling of paper gas contracts on the New York Mercantile Exchange and particularly on the IntercontinentalExchange.

Catherine: It's driving the price down. We're at a lower than we've been in ten years; the inflation that has been going on is enormous. If you look back and got the real inflation numbers, it's an enormous drop in the real price.

Jim Norman: Oh yes. Yes. I mean natural gas is almost just a give away price. Not that your home heating bill goes down because by the time they run it through all the pipes and the city gate and the ConEd meter, it still feels just as bad as before. But for the guy producing gas at the wellhead, it's quite punitive. And particularly for an industrial user of gas, this is nirvana.

In the United States, energy costs are – one way or another, energy costs ends up being, I think, about 40 or 50 percent of the cost of manufacturing in the United States. It's huge. It's the single biggest component. Labor is maybe 5 or 10 percent of the total – all-in cost on most manufacturing, particularly heavy industry businesses. It's energy. Energy is what does it.

And natural gas is the energy source for most American industry, not to mention petrochemicals, for which it's a feedstock and a fuel. That's a big business. It's a huge business, and one of which the United States has always had a dominate position.

Catherine: I had somebody down in Texas say to me yesterday, he said gas is $2.00 here; it's $7.00 in Europe, it's $15 in Asia, and what we're talking about for U.S. manufacturing. It's an incredible competitive advantage.

Jim Norman: Yes, it is, which I think that's the real reason why you're seeing manufacturing and heavy industry actually moving back into the United States from abroad. It's not because our labor rates are cheaper, although they're getting relatively lower too, but it's the energy cost, that's the real driver. And transportation costs as well, that's another factor. Transportation fuels are very expensive, but one of the virtues the United States has is it has an internal road and rail system.

So you can move stuff around inside this country much cheaper than you can make it abroad, ship it all the way over here. So the United States has got a lot of a lot of inherent things going for it, which I think fit in your American renaissance thesis. I think it's quite true. The United States – I mean you might not see double-digit growth, but things are nearly as bad here as they are in a lot of other places in the world, which are struggling to – I mean China has to grow at 10 percent, or else they get an compounding unemployment and social unrest problem there.

They can't do that. They've cut their growth figures down to 8 percent; they'll be lucky do that. And most of that is basically fudging the numbers anyways with stuff that shouldn't be in there.

Catherine: Well, let's go back a second to *The Oil Card* because one of the things we know is that the U.S. has been the beneficiary of controlling the reserve currency globally. And that reserve currency is completely tied to our control globally of the oil markets and the need to transact the oil exchanges in dollars. So there's a relationship between a currency being a reserve currency and controlling the trade in oil.

If I look at the military budget, one of the things I'm focused on is, okay, what's the military budget that ensures we can continue to control that trade. So you see the squabble with Iran, and it comes down to can Iran use the Swiss system and can the boat sail through the straits. So it comes down to some very concrete flows.

Jim Norman: As people talk about this, the bottom line there is no other currency that has any kind of chance of replacing the dollar as the world's reserve currency. There's just not enough liquidity in anything else. There aren't enough other dollars, and then they have the currency floating around to make it work. And from there, the same thing goes for oil pricing.

It makes – I mean you could set up onesie/twosie situations where you ever barter deals where you can pay for oil with something besides dollars, but it would be such a marginal trade that it wouldn't even be worth considering; it would only be a desperate act. So basically oil is going to remain priced in dollars, and we're going to keep pushing the dollar down so the oil price is going to keep moving up, which we like.

And, again, because it puts pressure on the Chinese – the Chinese will ultimately have to raise the value of the currency to buy that oil, and that closes their ability to export cheap goods to the rest of the world. So it's tied into what you mentioned. There's this global currency war going on, and ratchet it up another couple of notches, this week a bunch more countries, Brazil, cutting their interest rates, trying to get their currency down so they can export more stuff. Everybody – it's a race to the bottom, globally.

Catherine: That's one of the reasons that you saw all this distraction related to the summit in Latin America - to avoid real coverage of what was going on, the tensions over the currency issues are high– and the export/import trade issues are getting very tense.

Jim Norman: Well, yes. I think that – and the way it tends to manifest itself is I think in all these other kind of bizarre instances of unrest, if look at China right now. I mean they're actually going through a tremendous power struggle here with the – Ouster, this guy in Chongqing, who is buddies with the head of the state security apparatus, there was rumblings of coo stuff going on. There were worries that the military might take sides in this thing. The murder story lurking in the background there is – I mean…

Catherine: You know it's really funny because China has always done a great job of keeping the really perverted stuff behind the scenes. And I can't imagine everybody in China just – because it's reached soap opera proportions. They're not used to this kind of upfront kind of scandal. Do you know what I mean? It's awfully entertaining for the Chinese style.

Jim Norman: But it's very dangerous though, no matter which side you are on because I mean there's such a small leadership who rule that country with an iron fist, based on basically people's willingness to be subjugated. If people decide I'm tired of these guys, I mean all of our Chinese army together couldn't keep order there. And, in fact, the army would probably be the first ones to defect.

So the party, the communist party has got to be extremely nervous, which is why they've shut down the Internet, they were all out tweeting or blogging about this stuff.

Catherine: You know people have made up nicknames and are discussing everything with nicknames. So there seems to be workarounds on Twitter. When I was in the Bush-Administration, I had one – one of the deputies said to me this is ridiculous, he said it's like people in a rubber lifeboat going at each other with razor blades. It gets back to what I said before about the weakness in the system.

I think the danger as the – you know, any centralized system becomes too fragile financially at some point, and I think the squabbling and the infighting is going to be very destructive, and that's one of the weaknesses in the system. You're going to see it everywhere. When you centralize the commodities markets like this, it gets very political everywhere.

Let's go back, Jim, because I want to give the listeners a sense of what's been happening domestically to build oil and gas reserves domestically and how the new fracking technology is doing to impact that. Maybe you could talk a little bit about the extent to which we've really done an enormous amount to build and grow reserves, and accessible reserves in the last ten years.

Jim Norman: Yes. Well, this is where the whole peak oil mantra really breaks down because technology is just relentless. And it's not even so much rocket science; it's just a steady application of stuff that makes sense. And fracking is a good example of that, along with horizontally directed drilling. I mean we've gotten very precise now. You could target a three-foot layer of rock that runs for miles and you can drill down and then curve and go into that and stay within that three-feet for a mile or so.

Then you would go in and crack the rock with fracking, facture stimulation, and then you could take out lots and lots of gas or oil from very deep in the ground. And people get very upset about the environmental impact. In fact, the environmental impacts from this are much, much less than drilling a bunch of vertical wells that you'd have to drill to get at the same rock. Because the pollution problems from this where you crack the rocks ten thousand feet down, that's not the problem.

The problem where you get like the smell of sulfur in people's water taps and flames coming out of your water tap, the problem with that is hydrogen sulfide gas that gets into a local water table from a leaking well casing from the vertical well, up near the surface, where the old casing rusts away, the gas gets into aquifer, maybe 20 or 100 feet below the surface, then it moves around and causes problems.

So you could obviate hundreds and thousands of vertical wells by doing more horizontal wells and then tracking them and knowing what they're doing with these fracks now instead of doing massive explosions like underground to crack the rock, they're just doing many, many more small fractures. So I think fracking…

Catherine: Part of the problem is with a lot more drilling activity, Americans aren't used to this level of drilling activity, particularly in the areas which are busy. This is all new to them because so much of the – we've been sourcing aboard and outsourcing, and we've let these reserves stay dormant – it's been too expensive to touch them, where we just decided to use everybody else's up first.
The problem is in a local area, when you can't trust the corporation – if something goes wrong, you can't trust the corporations or the government to handle it, that's the problem – there's no regulatory structure that can be trusted to fix things in the instance where something goes wrong. And it's that breakdown of trust that's causing all sorts of problems.

Jim Norman: Yes, although, I think we've got a pretty robust regulatory system in place in most of these areas where there's the drilling. And I think you're always going to have industrial mishaps. You're moving around a lot of iron and stuff. So that stuff happens, but I think, by in large, the situation is pretty well under control. And if it's not, it's going to be regulated.

And the bottom line is we're creating a heck of a lot of wealth here in terms of reserves and production. I mean U.S. oil production has been steadily rising. We're up to like six million barrels a day. We only import about eight now, but we had been importing a lot more than that. So our imports are down, our production is up, and…

Catherine: Our gas reserves have grown dramatically in the last ten years.

Jim Norman: Yes, they're huge. I mean the theoretical amount of gas recoverable on the ground is just off the charts now. I mean literally you've got hundreds of years of it. Gas production is very, very robust. The U.S. uses – if I get these number right, about 22 or 23 trillion cubic feet of gas a year. About half of that is commercial industrial. About a third of it is for electricity generation, and the rest is domestic use. But we produce maybe 25 or 26 trillion cubic feet a year.

Now some of that just goes into to pressurize the pipeline and stuff like that. It gets used up. Like we import from Canada maybe three and a half trillion cubic-feet a year, but that's going to come down dramatically. And we're actually getting to the point where we're going to be exporting, I think, decent amounts of gas in the form of LNG, which will sell in the world market at a BTU equivalent price to oil. So we could turn this thing around.

Catherine: Take a $2 good, and take it to Asia and sell it for $15.

Jim Norman: Exactly. Right. So I think that that's got some definite potential there. So what we'll do, we'll be backing gas back into Canada. The Canadians can use it to produce oil sands or whatever up there. So, yes, I think we're going to have plenty of gas. The big problem will be that our storage capacity now is probably going to fill up in September like ten weeks before the withdrawal season begins.

So you're going to have this period this fall where prices could get really low, where they're producing gas and there's just no place to put it and the winter demand hasn't kicked in yet.

Catherine: In fact, one of the questions we have from a subscriber – relates to the gas that you put in your car, not natural gas. They refer to a newsletter that is warning that oil prices are set to crash by summer; "Do you believe there will be a dramatically lower price in gas that's car gas soon?"

Jim Norman: No. No, I think – and this is my contrarian thesis and oil prices are going to stay high regardless of anything. It's completely unhitched from physical supply and demand. We want them it high and they'll stay high. Gasoline prices hovering around $4a gallon, you know, that's bad, it's a nuance. Nobody likes paying it, but, you know, for the United States as a whole, what we pay for gasoline is bargain compared to just about anywhere else in the world.

I don't think it's a gasoline price that keeps people from driving so much. I think it's the fact that they don't have a job to go to anymore and they just don't need to do a lot of routine driving and don't have the time to sit in traffic jams. Plus the cost of the cars are so high now that…

Catherine: Right. Well, I think it's the overall cost. But where I live, the gas is pinching people, there's no doubt about it. They really – there are a lot of things they don't do now, and it's because of the cost of the gas and the cost of maintaining the car is greater.

Tomorrow is the second anniversary of the Gulf oil spill. You've been wonderful about coming on the *Solari Report* and talking about what's been happening in the Gulf, I thought maybe you could give us quickly an update on what you think is happening there and what it means to *The Oil Card*.

Jim Norman: Yes, well, from *The Oil Card* perspective here, in terms of oil markets and stuff, I think the government has taken its goodly time in getting things back to normal, and it's been two years since that happened. And when it happened, they had an immediate moratorium on drilling in the Gulf for like four and a half months. Then they had this – they called it a permitorium, where basically you couldn't get any permits approved anyways.

I mean we had been permitting – I forget the numbers. It was like 160 wells a year in the Gulf of Mexico, now it's – we're getting permits for maybe 80 or 90. It's still only running half the rate, although there are more rigs back in – I guess they'll be drilling eventually, but I think at a much slower pace. Oil production from the gulf has been about one and half million barrels a day before Macondo [prospect in the Gulf that was the location of the Deepwater Horizon drilling rig explosion]; it fell down to like a million and one. It kind of crept up and it's like a million and three now. It's still running below what it was.

So that's like a quarter of the oil produced in the United States comes from the Gulf of Mexico. The government has basically left that oil in the ground. I mean the opportunity cost has been huge; it's just not been produced there. But the government seems to be in no rush to do that. In the meantime, you have increased oil production from a whole bunch of other venues, you know, the Williston Basin of the Dakotas; you've got South Texas, and various other places, where mainly the independents, not the big guys, but the independent companies, they've been out there drilling like mad to get at these tight reserves.

And so that production has been going on. The production in North Dakota doubled. It's like 600,000 barrels a day. It doubled in the last three or four years.

Catherine: So yes, there is tremendous activity. I came through Texas in March. It's just booming –, tremendous activity in the oil patch. So you really feel the growth of the industry domestically in terms of activity and people.

Jim Norman: Although what's interesting is that it's not the big guys, it's not the major oil companies that are increasing this oil production; it's the little guys. It's the independents. And that's exactly what you would expect from a cartelized effort to keep the oil price up. I mean, truth to tell, it's the big guys who spend the vast bulk of capital money in the oil patch, and they're sitting on their hands really. It's the little guys who are out there begging and borrowing money to drill wells now.

Catherine: Well, also, I wanted to ask you about the Keystone Pipeline has become quite a political football in Washington with sponsors trying to get it approved, and the president not approving it, especially during an election year. Maybe if you could comment about what the Keystone Pipeline is and why it's so controversial.

Jim Norman: Well, it was a large volume pipeline that would bring oil from the Canadian oil sands ventures, all the way down to the Gulf Coast, where it could feed into U.S. Refineries. Now there are other pipelines that can kind of get you down there, but it's a circuitous route. It's basically old gas pipelines that they're reverse – this would have been like a super highway that would have brought big volumes of that crude down to the gulf coast. And the effect would have been to trash the oil price, the crude price, on the gulf coast.

And that was just not copacetic with the overall geopolitical theme. They want to keep the oil price high. If you had all of that Keystone oil coming down the gulf, you'd be knocking down the crude price by ten to twenty bucks a bale I think, potentially. And that was – you just don't want to do that. So this is the main problem you have to keep oil prices high, you gotta keep a lot of oil in the ground or backed up.

So I think we just as soon keep that oil up in Canada for a good while longer. I mean we've already taken significant amounts; it comes into the Midwest, but I don't think we wanna let get into the Gulf Coast. If the Canadians want to try to build a pipeline over the Rockies to the West Coast and sell it the Chinese, well, be my guest. I mean it'll cost them a fortune and the Chinese will pay through the nose for that oil.

And the volumes would not be that tremendous anyway. But the key thing, if you want to maintain a global price structure, you just don't want to dump a lot of crude oil on the Gulf Coast like that.

Catherine: What we're saying is there is certainly a profound change going on, both in terms of the relationship between the oil and gas prices, and in terms of building domestic reserves. If you sit back and look at what's happening with currencies and state of the U.S. participation in trying to dominant the global economy, I think there is an argument to be made that the U.S. will be able to pull another rabbit out of the hat to keep its position strong.

To me, *The Oil Card* and the way that they're managing it, says, yes, they can. They have the combination of control of natural reserves, management of the commodities and financial markets and military presence to play *The Oil Card*. So I say, yes, they can play *The Oil Card* and it's going to make a dramatic difference to what the U.S. position is going to be globally over the next ten years. What do you say?

Jim Norman: Well, I think that's exactly right. And, again, it's like a poker game, where you don't need to have all money in the world, you just need to have deeper pockets than the guy sitting next to you. And we do. And we know how to play this game so well, I think, that they can't resist doing it. It's their natural instinct now is to basically wage war through economic markets.

And they're very good at it. I think they've figured out how to basically direct funds and to channel investment flows in ways that accomplish these purposes without leaving a fingerprint.

Catherine: On one hand I agree with you that they're very good at it, on the other hand, I think it's become such an unattractive system and culture that it's a real – yes, they can control the commodities markets, but, no, I really don't want to have dinner with a tapeworm.

Jim Norman: I agree. I mean they're really in uncharted waters here, where you're talking about zero interest rates for years and years and years, and oil prices that are completely off the charts. I mean who knows the unintended consequences that we're buying for ourselves, not to mention the huge amount of debt that stands behind all of this. So it's hard to even conceive what the end game is going to be from all this.

Catherine: Right. Part of the problem is if you look at the debt and the financial system, you basically have a naked short in all the different – you have a naked short in the government market, you have a naked short in the commodities market, you have a naked short in the mortgage market that is of a size, which is sort of mentally and emotionally overwhelming for most people to even admit.

So there's a weakness in the system, and that's why I think they have to be as ruthless as they're being in managing it. It's quite phenomenal that anything works at this point.

Jim Norman: You can't let it not work at this point, so everybody just carries on.

Catherine: Right. Well, Jim, I have to tell you that it's always a mind-boggling experience to talk to you, and I can't thank you enough. I'm going to pressure you now, you have to write an update to your book. You just have to.

Jim Norman: Okay. Okay. Well, thank you. You have been one of my great supporters. And you're just so patient and it's so refreshing to talk to somebody who at least gives me the time of day because this kind of thing is so contrarian, people are just not accustomed of even thinking in these terms. But it explains a lot.

Catherine: Well, if you've ever taken the time to sit down and unpack the mortgage market the way I did, then suddenly you realize that what you're saying, not only can it be true, but of course, it has to be true. I mean it just has to be true. So whether you unpack the suppression and the management, the gold price, or – you know, I came to it through mortgages, then suddenly you start looking around and saying, well, it can't just be – one database can't just be in this operating system.

If this database is in this operating system, they all can be in this operating system. And then you look at the world very, very differently. And I think what we're trying to integrate is some of us came up through mortgages, some of us came up through precious metals; you came up through oil and energy. And we're trying to put the pieces together to build an integrated map.

I want to make sure that the families and subscribers that I'm responsible for and people who will read my blog – if the train is going to come down these tracks, I want them to be able to jump off before it hits them.

So we need to be able to see what's going on so that we can navigate our world or navigate our assets through this world, and that means building an integrated map of all these different things. I think you're point is very well taken that the naked short is so bad; they have to win. They have to win. And so that's why I think it's very important for everyone to understand because I see so many commentators say, oh, well, I don't like this or I don't like that. Well, wait a minute; if you were in their shoes, what would you do; would you have any other options but to do what they're doing?

And that's the thing that I think your work just does an incredible job of helping us understand. Now tell us your website again?

Jim Norman: Let's see, it's called theoilcarddot-com (theoilcard.com). If you go there, you can read a little bit about the book and about me and some glowing recommendations from some very good analysts. And you can pick it up on Amazon, or you could – I think get it from the publisher there on the website. It's a little outfit called Trine Day, a very gutsy guy Chris Milligan out there in Oregon.

Catherine: Great publisher… great, great publisher.

Jim Norman: He's got some work out there. I don't know how he's managed to stay alive, let alone in business. But I gotta hand it to him. They have an 800-number: 1-800-556-2012, if you can believe it.

Catherine: Okay, well, we're going to keep up with you and we're in cahoots, and so don't be surprised when I want you back on the *Solari Report* in short order because *The Oil Card* is going to play out this year through all the international tensions and what's going in the Middle East, not to mention what I think will be a very fractious, dirty election. So there's lot to talk about it and it's going to be ongoing. So, Jim, have a great night.

Jim Norman: Thank you. It was a pleasure. Good evening.