

Doubt, Deny or Defend: Republicans on Climate Change

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Greg Dalton: From the Commonwealth Club of California this is Climate One, changing the conversation about America's energy, economy and environment. I'm Greg Dalton. And on the show today, we'll explore where the Trump administration and the Republican Party are now and where they are headed. Are Republicans more committed to conservatism or populism? We'll talk about that with leading Republicans. The party is moving swiftly on two fronts to dismantle Obama care and promote fossil fuels. Moments after President Trump was inaugurated, the White House website removed all references to climate change. Days later, he signed executive orders signaling approval of the Keystone XL and Dakota Access Pipelines. Republicans are also moving to open up oil drilling in the Arctic National Wildlife Reserve. These moves are all in line with his campaign promises, no surprises.

Over the next hour, we'll discuss the politics and economics of how we power our economy. We also will get into the national security dimensions of energy independence and the geopolitics of climate. Joining our live audience at the Commonwealth Club we're pleased to have with us three experts. Jeremy Carl is a research fellow at the Hoover Institution. During the campaign he met with Florida Governor Jeb Bush, Senators Ted Cruz and Rand Paul, Ben Carson and Wisconsin Governor Scott Walker. John Hofmeister is former president of Shell Oil Company. He currently is chairman of Erin Energy, an oil and gas exploration company active in Africa. John is also a Climate One advisor and supporter. Bob Inglis is former Republican congressman from South Carolina. He lost the primary election after he spoke up in favor of accepting climate science. He now had the nonprofit organization republicEn, with an "EN.org" that organizes conservatives interested in environmental conservation. Please welcome them to Climate One.

[Applause]

Bob Inglis. Let's begin in 2004. Your son is 18. You think Al Gore is cuckoo and your 18-year-old son comes to you and says, "Hey dad."

Bob Inglis: Yes, he was leading a new constituency. His mother agreed, his four sisters agreed.

[Laughter]

They could change the locks on the doors. It's a very important constituency to respond to. So, all politics is local. And so that was the beginning. Jeremy's got five kids, he knows about these things.

Jeremy Carl: Absolutely. They're not lobbying me yet.

Bob Inglis: Yes, exactly.

Greg Dalton: Oldest is just ten.

Bob Inglis: His oldest is ten-years old, yeah. So, yeah, Greg that was the first of a three-step metamorphosis what my son told me. You know, for six years I was in Congress I said climate change was hooey, we hadn't known anything about it except that Al Gore was for it. And since I represented the reddest district and the reddest state in the nation, that was sufficient. And so, then I was out six years during commercial real estate law again in Greenville, South Carolina. I ran for Congress after Jim DeMint left the seat to go to the Senate. My son came to me in '04 and said, "Dad, I'll vote for you. But you're gonna clean up your act on the environment."

And so, the second step in the metamorphosis is going into Arctic. Seeing the evidence in the ice core drilling. Third step was really something of a spiritual awakening. Another science committee trip, Great Barrier Reef, Aussie climate scientists showing us coral bleaching. I could tell we shared the worldview, you know, St. Francis of Assisi said "preach the gospel at all times. If necessary, use words." Scott was preaching the gospel, I could see it in his eyes, hear it in his voice. And later, he told me about conservation changes is making his life, you know, to love God and love people.

And I got right inspired, wanted to be like Scott loving God, loving people. And came home and introduced Raise Wages, Cut Carbon Act of 2009. Probably not a good idea to introduce a carbon tax in the midst of the great recession in the reddest district in the reddest state in the nation. So that was three-step metamorphosis. Greg, by the way my son is now 31 years old by some, I don't know how it happened. But anyway, he turned out to be 31 and he's here tonight.

[Applause]

There he is, right back there.

Greg Dalton: So Bob, finish that. So you were then lost the tea party primary, is that right? Lost to a tea party candidate?

Bob Inglis: Oh yeah, there is that. Yeah, - I was trying to avoid the unpleasantness of late. But, yeah, in 2010, there's this guy named Trey Gowdy who got 71% of the vote in a Republican primary. And I got the other 29% in a Republican runoff after 12 years in Congress, which is a rather spectacular face plant. But hey, if Rick Perry can come back from one, two - I think maybe I can come back after - So anyway, it's rather spectacular face plant though, in that fourth District of South Carolina.

Greg Dalton: John Hofmeister, I believe it was in late 1990s. Scientists had just concluded that there is a human fingerprint. That human activity was warming the atmosphere.

Saudi Arabia, Venezuela had signed onto this international climate science report. And the industry responded by forming the Global Climate Coalition. Took a page from the tobacco playbook, oil companies were part of this to push back. You were at Shell Oil at that time. What did you do about that group?

John Hofmeister: I was actually at the parent headquarters in The Hague. And I had a global position. And we saw that Shell Oil had joined this group, Global Climate Coalition. And we researched it to find a little bit about what it was doing. Always worried about what our subsidiary in the U.S. was up to because sometimes the U.S. subsidiary was not exactly aligned with the global

headquarters. And so as we dug into it, we found indeed this looked like a fishy organization that seemed to promote one thing but actually did another.

And that is they seemed to be interested superficially in effects on climate. But in fact they were working to defeat any legislative effort to do anything that might amend how businesses practiced and how industry operates. So we fundamentally called up, my boss and I, the CEO and I, called up the president of Shell Oil Company. And said, "You know what, you got to get out of this group and you got to get out today.

[Applause]

We're not supportive of it" and we let him explain why that was not possible. And then we said, "Well, if you want to come to work tomorrow, you'll get out today." And that's what it came down to. We said, "You belong to that organization, tomorrow you're out of a job." You may be the president of Shell Oil today, but you won't be tomorrow. Because we will not have our corporate name associated with such a group.

Well, he called and quit the group that night. Because it was a phony group and we weren't gonna be part of it. We'd also made certain commitments to our shareholders with - this was 1997 and early 1998. We made commitment to our shareholders on certain aspects of meeting European standards on cap and trade and committing ourselves to working on a cap and trade program in Europe. We'd also been looking at our portfolio and we denounced a billion-dollar investment in renewable energy which we knew nothing about at the time. But we said, we're gonna have to buy our way in. So a billion dollars was the starting number.

And was one of the reasons I joined Shell. I joined Shell in '97. I wasn't part of the oil industry until then. I worked in other companies like GE and AlliedSignal which is now Honeywell. And it had always been an energy consumer. So I had an opportunity to become part of an energy producer. And I thought, my goodness, the 21st century is gonna be an exciting time for energy, so I joined. And I joined to help transform the company and to the extent that I could, the industry. So that it could really adapt and change to what Rio stood for, to what Kyoto stood for and subsequent to what Paris stood for last year, the year before last.

Greg Dalton: At that time, what was Exxon's response?

John Hofmeister: Well Exxon was very critical of Shell for dropping out of Global Climate Coalition. And frankly during, for all of my sins, I got to be president of Shell Oil Company. And so I then entered into a one-on-one relationship first with Lee Raymond, CEO of Exxon Mobil, and then subsequently Rex Tillerson. We had our differences. And we could maturely and sometimes with a little edge on the voice discuss what our differences were and why and because we both sat across the table from each other as members of the executive committee of the American Petroleum Institute.

And so we had our differences but I would make the point that the oil industry has always had its differences. People think the word "Big Oil" refers to a homogeneous group of think-alikes. That's just not the case. It is anything but homogeneous and you have all kinds of different players, actors who are big who are medium-sized, who are small. They all come at it with a different investment level with a different mindset with a different philosophy. And yes, they coalesce around some issues, but there is a cardinal rule of operating effect. And that is, if the executive committee is not unanimous on something then the API doesn't take a position.

Greg Dalton: And what do you think about Exxon funding a campaign to create doubt and cloud the

science. They're a science-based organization. They're very smart engineers. What do you think of their campaign to cloud and confuse the science?

John Hofmeister: Well of course that was many years ago. That was in the 90s. The Global Climate Coalition doesn't exist, it fell apart.

Greg Dalton: But they funded Heartland and other organizations more recently.

John Hofmeister: I can't say that I'm that knowledgeable. I didn't follow what they were doing that closely. But I think there is, you know, under Rex Tillerson a much clearer board supported agenda inside Exxon Mobil. And the extent to which the board is involved and I know members of the Board of Directors of Exxon Mobil. I actually feel pretty good about their position on carbon tax, their position on being less critical of those who take a different view. And I've watched that evolve over the last say decade or so.

Greg Dalton: This issue of a carbon tax and taxing pollution has been going on for quite some time. Before we go to Jeremy Carl, I want to roll this clip of the economist and conservative icon Milton Friedman way back on the Phil Donahue Show in 1979.

[Start Clip]

Milton Friedman: *So there's more of a case for example for the emission control than there is for airbags. But the question is what's the best way to do it? And the best way to do it is not to have bureaucrats in Washington write rules and regulations saying that a car has to carry this better the other. The best way to do it is to impose a tax on the amount of pollutants emitted by a car and make it in the self-interest of the car manufacturers and of the consumers to keep down the amount of pollution in that way.*

[End Clip]

Greg Dalton: That's the economist Milton Friedman. Jeremy Carl, he's an icon of free-market principles in the United States. You're at a free market institution. What do you think about his case for taxing carbon pollution because it harms other people? He's saying that you couldn't put - government shouldn't require airbags because it's, you know, it's up to you if you want to hurt yourself. But you hurt other people, the government should intervene.

Jeremy Carl: Well I think the ultimate question and I've written a lot, both for academic and popular literature on this issue. You know, I think one has to distinguish the theory from the practice. And in theory, there could be a lot to be said for particularly if you're cutting it with offsetting taxes elsewhere. So it's not about growing government or creating a physical drag, having carbon tax. But the practical details I think frankly are still a huge hold up. We saw this in Washington State, actually a friend of mine Yoram Bauman who's actually quite liberal Democrat was promoting this revenue neutral carbon tax in Washington. And it failed because environmentalists opposition, which is a very complicated story I'm not gonna get into it here. But I'd encourage folks to look at it if they're kind of interested in knowing more. And I think that shows some of the practical difficulties. And some of the reasons why conservatives and I include myself here are certainly I think practically a little bit skeptical of where this would go, why it might get hijacked, what other things would go along with it.

If we're doing this, is it on top of a bunch of other rules and regulations that we've already got or are we getting rid of a bunch of subsidies? Are we getting rid of a bunch of rules, regulations, and just saying, hey like Milton Friedman says "the best thing is the price." If it were the latter, I think it

would potentially have some significant appeal. My concern is in the practical sense. We don't wind up in that position. And I think one of my more skeptical friends in this world who's actually helping the Trump transition team and I won't name him but, you know, he's is a very thoughtful, smart guy. And he's thought a lot about these issues and are not doctrinaire about them at all.

But he sort of said the problem with even saying if you're on the right, I'm for a carbon tax if or but is immediately everybody on the left ignores everything you're saying after that. And they say, oh, you're for carbon tax, well then, you know, if you won't do it in this situation, then you're Satan or something like that. And I think the concern is what goes after that if or but makes a big difference. And I'm skeptical that we're at a place right now, politically with the left and right where we could get to a deal that would be agreeable to both parties.

Greg Dalton: Bob Inglis, there was some thought that if Mitt Romney got into the White House that he might put a price on carbon pollution like he did in Massachusetts. There's sort of conservatives can comprise carbon perhaps more easily than Democrats can. And there's this talk, I've heard this term "carbon tax reform." Donald Trump wants to change the tax system. Is there any, is it folly to think that carbon pricing could be part of a broader tax reform package in this political situation?
Bob Inglis.

Bob Inglis: Well it sounds like we need Jeremy to get to that transition gap.

Because as long as they're thinking that way no, there's 0% chance. But it's a very - if Jeremy used the word skeptical, I call it cynical. And I think that's a very cynical view about the way the politics works. The reality is, America is waiting for somebody to bring us together. Somebody to lead and say, you know what, conservatives, do you have anything to offer? Well, listen to Milton Friedman, the father of conservatism. We sort of bow at the mention of his name along with Reagan, right? In the rest of that clip, what he says, worried about pollution, you tax it of course. Well imagine saying that in front of my friend Jim DeMint.

[Laughter]

And if you say that in front of Jim right now because he's got a mail house going at Heritage, he's got to raise a lot of money through the mail. Well, you can't say it if you're Jim. But you got to have somebody with enough nerve and courage to say, sure, come along, let's do it now. You do have to as Jeremy just said, you gotta say to those folks in Washington State, "not right now about your interest in environmental justice. Not right now. Wait." Because if you're gonna get Jeremy in the skeptic, I'm thinking cynical on the Trump transition team on board. You got to set that aside for a while.

And it's sort of like, you know, Kevin Hassett once said, took a group of progressives and conservatives to sit at the feet of Kevin Hassett, you know, as an economist. Kevin said, "Got a deal for you. We'll price carbon dioxide. I'll be for that. And I, Kevin Hassett get to choose the offsetting tax-cuts, deal?" Several progressives start shaking their heads, no. He said, "Why not?" They said to him, "Well, because you choose a corporate income tax reduction." He says, "Precisely what I do, real gut check for you isn't it, how important is climate change?"

Okay, so it's left and right that have to give up on this thing and come together. The left has to say listen, environmental justice later. The right has to say, really, we can trust our fellow citizens to come up with a solution that works. If we can't, the experiment in self-government has failed and we need to call up the Queen and ask her back.

[Laughter]

Because it must be that we need somebody over us because we have failed. If we can't figure a way

to bring the left and right together in this country and say we've got a problem, the world is waiting for America to lead, somebody show the courage to risk something. Then we can get there.

[Applause]

Greg Dalton: If you're just joining us, that was Bob Inglis, former Republican member of Congress from South Carolina. I'm Greg Dalton. My other guests at Climate One today are John Hofmeister, former president of Shell Oil and Jeremy Carl from the Hoover Institution.

Bob Inglis, you said that populism and conservatism are on a collision course. Tell us about that.

Bob Inglis: Yeah, and I think that, you know, my view of Donald Trump is that he has no subtle view on anything. And that it is a populist movement. It's the culmination of the tea party. It's a fire and if you think you can direct fire, you're wrong. It consumes. It's pitchforks and torches and it's a very excited thing where you can get people all charged up and you can march downtown. You can burn down some houses. But you can't build anything because there's nothing to build with. All you got is anger and pitchforks and torches. And those aren't good tools for building. You got to have some other things to build with.

And so I think we are facing the conflagration the collision between conservatism and populism. I'm happy to be in the conservative vehicle because it's got a real steel bumper on the front. And that populist thing is plastic in the front. And when they collide, we actually believe something as conservatives. Populists don't believe, there's no settled belief, there is no philosophy to it.

It's just, "I'm mad because globalization and automation are threatening my developed world future and I'm mad as heck!" That's all it's about. Conservatives are people who have answers to how you deal with that. And so I'm happy to be in that conservative vehicle because when that collision comes and for example, Paul Ryan is asked to support Border Tariffs. Paul, I think is gonna say, I will lose on that because I am not doing that with you Donald. And so there comes one of the collision points. And there may be others. And so I think we are on this collision course between populism and conservatism. I'm banking on conservatism winning.

Greg Dalton: And you also think that Republican should prepare for a Watergate scenario. What do you mean by that?

Bob Inglis: Well, I think that, you know, what happened with Richard Nixon as I understand it is, you know, it is clear that there are problems. And there are actually Republican senators who went to him and said it's time to go. That's courage, when you go to speak to your own party and say it's over. You got to go.

That spared the country of a prolonged process. And so I think that the risk that we're running as conservatives is for the last eight years, we all lined up and said it's a secret Muslim non-American socialists in the White House it's all his fault. Globalization automation, there's the decline of the car and the pace of cultural changes are all Barack Hussein Obama's fault. And so there was this lockstep that developed, lockstep opposition.

That, as I tweeted recently, is a very dangerous thing right now. Conservatives need to find the courage. Republicans in the House and the Senate need to brace themselves with the courage of being able to face him, Donald Trump and say, we're not following all that you're saying. We will oppose you and we will stop you if you start looking authoritarian or if you start looking like a populist who's out-of-control. We will stop you. And so it's very important for us to be speaking to one another as conservatives; end of the lockstep stuff. End of the oppose everything. Begin this

thing of saying, okay we're gonna sift through it, the wheat and the chaff. And if this is chaff it needs to get gone. And if there's something good in what Donald Trump is talking about, then let's do it.

Greg Dalton: Jeremy Carl, your take on that?

[Applause]

Jeremy Carl: Well I think that's a little bit cynical. No. I do, I mean I think it is important. Because I don't want to be the skunk at the garden party vows, I don't want to, you know, diminish, you know, maybe some of my differences. And Bob and I have been on panels before and we have a lot of areas of agreement and also disagreement. I'm not as critical of either the Trump administration, although I think certainly people have raised valid concerns or necessarily the place where the party is as a whole.

I do think that there are points of collision between populism and conservatism. There are gonna be places that I actually have confidence. I do agree with Bob. I actually don't think the GOP will just follow Trump wherever he wants to go. So I'm not particularly worried about that. I do think that there are actually ways in which this election cycle exposed that both of the parties had really kind of gotten out of touch with their voters. So, you know, what that all means for energy and the environment is unclear. But I actually think one of the nice things about the situation with Donald Trump is he's not wedded to, you know, I've run on these five very particular things. He's a dealmaker at the end of the day.

And I think if somebody puts a good deal on the table I think it's surprising what we could get done. I'm actually much more cynical or skeptical if you will about the Democrats' interest in doing that. Because I actually think that you could do a very interesting deal that would be very good for the environment but I'm not sure that you could bring the environmental groups along. I think you could bring some Democratic officeholders, a significant number but I don't think – the Democrats have always kind of felt like, when I've had conversations with them about legislation, that they were negotiating between themselves and the environmental groups.

And no, you're negotiating with the Republicans. And I think that's even more true now. And that means you're not gonna get everything you want. And the Republicans are not gonna get everything that they want. But I think that there are absolutely deals out there to be done. I'm not sure that people are right now in the frame of mind that we're really gonna get to do them. I'd love to be proved wrong. I'm certainly open and I've tried to talk cross party on a number of things. I just came from a meeting with Steve Chu, Obama's energy secretary before I was here.

Greg Dalton: John Hofmeister, you were part of a project that really redefined the politics of energy in this country. In 2007, 2008 there was U.S. climate action; partnership was for cap and trade. It was some of the biggest corporations in the country. You brought in Shell Oil, Conoco came in, BP, Chevron and Exxon stayed out. But it was industry and environmental groups and they are ready to make a deal. Can we get back there?

John Hofmeister: We had the major manufacturers. U.S. Steel, GE, think of almost anybody that is a big consumer of energy and who also pollutes. And we had all the major utilities like Exelon and a few others, NRG and a few others. And we had five environmental groups. That was the most amazing fact. We had NRDC, Friends of the Earth, a number of others who were all part and parcel. We were funded by the Rockefeller Foundation to try to actually get something done. Our mission was to put a legislative framework in front of the United States Congress by 2000 and after the 2008 election. And we achieved that. We put a legislative framework in front of the U.S. Congress in January 2009.

And it was at the start of the Congressional session. There were some disappointments. There were some coal country Congress persons who were Democrats who really worked hard for their constituents to give coal free credits for 25 years. And as a consequence of that the bill didn't quite stay the way it was framed. And so it was moved around in the sausage factory through the various machines and it became pretty ugly from the standpoint of the Climate Action Coalition before the U.S. cap and trade, before all was said and done. Also, Barack Obama did absolutely nothing, absolutely nothing to support it. And for all of his talk about climate, he was an empty suit when it came to cap and trade.

And he's also said I will never put forward a carbon tax. So I don't have a lot of respect for the man's climate position after all is said and done. So yes, there were 35 of us. We self-funded this effort. We met in Washington DC. We hired researchers to help us get this done through the dues that we charged ourselves. And we were really optimistic. We worked our way through all the differences of opinion. The 35 major employers, major businesses and ultimately we were guided by pragmatism. What will work. And not so much what will pass Congress, but what will work in the real world. And I still believe that there is an opportunity to do that.

But one of the problems was symbolism around the whole effort. The Republicans call it cap and tax. They didn't take the time to understand and I'm bitter towards those Republicans that called it cap and tax because it was anything but. Yes, prices would rise, but those prices were because of trading systems where buyers and sellers in the public marketplace would actually fund what was required to buy and sell the credits. And it was not gonna be, it would be passed on to consumers in the sense of higher prices just like milk prices would go up or bread prices would go up; well gasoline prices would go up too because of the effects of it. But it's not particularly a tax. It is no way you could trace it back to somebody's internal revenue form.

And so it was just the Republicans were immovable on the subject. Even though the prior election, John McCain was supportive. And to John McCain's credit, he was supportive through the effort and wanted to see it win. But Harry Reid wouldn't touch the house bill in the Senate. The house bill passed by seven votes and in the House of Representatives where there was a super majority of Democrats that meant that some several dozen Democrats voted against it.

So when it came over to the Senate, Harry Reid said, I got Senators running for the next election we're not gonna touch this. So it died.

Greg Dalton: If you're just joining us that's John Hofmeister, former president of Shell Oil. We're talking about climate change and the politics in America at Climate One. I'm Greg Dalton. My other guests are Jeremy Carl from the Hoover Institution and Bob Inglis, former Republican member of Congress.

I want to hear from another Republican leader. Hank Paulson was on the Weather Channel recently. And here's what he had to say about climate risk.

[Start Clip]

Hank Paulson: *Climate change poses a massive threat to the world. It's a huge economic risk. And like any other major economic risk – and I think this is the biggest economic risk the planet faces. The climate change deserves to be understood and managed as the risk that is.*

[End Clip]

Greg Dalton: Bob Inglis, that's former Treasury Secretary Hank Paulson, former CEO of Goldman

Sachs. Do you agree with him? What are the climate risks to South Carolina, to the East Coast, to American business?

Bob Inglis: Certainly it is a huge risk and he is right. I think that Hank would probably also agree and I don't want to put words in his mouth. But it's not in information deficit that we're facing here. It's an affinity deficit. People know about climate change. It's not that we need to educate them that much about climate change, it'd be helpful. But mostly what it is is an affinity deficit. They're not people that look like Republicans that are supporting action on climate. And so if we have more of those, I mean we've got to have some people – what we say at republicEn.org is we'll sing this solo if we need to. We'll get a little duet going maybe out on the streets. Eventually we get some brass out there on the street and a little band strikes up.

At that point, politicians will run around out front to lead the parade where it's already going. Because politicians typically follow, they don't lead. And so it is important to have information and I agree with that, I am not discounting the value of science education and all of that, that's important. But even more important at this juncture is having people, having us learn from people that we trust. And all of us learn from people we trust. We don't learn from people we don't trust.

Greg Dalton: Jeremy Carl, your neighbor down the hall at the Hoover Institution for three years was James Mattis, now the Secretary of Defense. He famously said he led some Marines in 2003 in Iraq, and he said famously that the military need to be “unleashed from the tether of fossil fuels” that the supply chain cost Marine lives. It's a security issue. Do you agree with him on the military dimensions? Bob Inglis just talked about affinity, military veterans are very much a Republican frame, you know, core of the Republican Party. Speak to the national security aspects.

Jeremy Carl: Well, I think the military has obviously done a lot in this area in the last, under the last administration. Some of it I thought was good. Some of that I thought was kind of maybe not mission-critical and kind of putting a green patina where we didn't need to be. But I totally agree with the general's comment especially concerning supply lines. And you actually saw a number of good Marine deployments. The ExFOB, I'm forgetting – this is an experimental forward operating base that the Marines operated that was essentially solar plus batteries that allowed you to reduce some of those supply lines and risks.

And so certainly to the extent that you can decouple fuel at certain types of combat theater, I think it can certainly be very helpful. I'm not sure how much that ties into the broader questions of climate change and climate risk. But I do think that certainly there are elements of national security that come into play.

Greg Dalton: John Hofmeister, we have Secretary of State Rex Tillerson now; he ran Exxon Mobil, you interacted with him. Tell us what kind of secretary of state you think he'll be.

John Hofmeister: I think he will be deliberate, thoughtful, analytical and tough, very tough. This is a man who is sure of himself. He doesn't need to tolerate fools. He's dealt first hand with some of the nastiest people in the world in the industry that he's come from. He could not have been a successful CEO at Exxon Mobil without all of the qualities of a statesman and a diplomat. Because when a big company like Exxon goes to Indonesia or Chad or Nigeria, wherever they go, they're not just going to exploit the molecules.

Yes, that's the financial purpose that's the commercial purpose. But they're also going to help build the capability in the country to be able to develop a local workforce, develop the school systems that can produce students who can do the work. Because the whole purpose of going into countries like that to get the molecules is if you don't develop the indigenous population, including the institutions

of government, the ministries, the legal system for adjudication purposes, your mission is to do all of these things simultaneously.

I think he's about as well prepared in terms of his background as anyone I can think of and certainly better than some of our previous secretaries of state excluding of course George Schultz. But I think the reality of what Rex brings to the job – and it shocked me. Not that he would be chosen, but that he would accept the challenge. Because he brings a hierarchical knowledge of how to use power and authority. He's a brilliant negotiator and – if he's done deals with Vladimir Putin, then he's not – he can only do those deals if he's making money for Exxon shareholders and showing profit. And to extrude that kind of agreement out of Vladimir Putin, Vladimir didn't get everything Vladimir wanted, that's for sure. And that's been Rex's MO, he negotiated the first Sakhalin 1 deal back in what, 1998 or '99 in Russia. So he has a long history of tough, difficult, challenging circumstances and he's walking into a job that's full of them.

Jeremy Carl: And I would add to that if I could, that, yeah, I am similarly, very complimentary of General Mattis and I think he would find that universal. I mean I've literally never heard anybody say anything bad about General Mattis. And there's a reason why he passed 99-1 in the Senate, although there was, you know, some talk at first. And I think before we kind of join in a Trump pile-on – because this is San Francisco – for whatever you want to say about temperament or whatever, I think the fact that he's chosen these two folks for these two super key positions, you know, does speak to in a positive direction and is encouraging. I absolutely the same things about temperaments that were just mentioned with Rex Tillerson, I would say the same thing about General Mattis in my interactions with him. Just very thoughtful, very deliberate, not a hothead, very strategic and also a very gracious person. So I think that's encouraging for the long-term.

Greg Dalton: Are you saying that they'll stand up to Trump, even if their jobs are on the line?

Jeremy Carl: I mean Mattis said that flat out in his confirmation hearing. I would not doubt it for a second. I mean he is, this is a guy who's led people into battle when people come home in body bags. I think that's one of the reasons he was so calm around the office during the confirmation. It was like nothing was going on. He'd just, you know, pop your head in the office, hey, anything going on? And I think when you've dealt with life or death situations like that even standing up to the president is just not intimidating.

Greg Dalton: Bob Inglis.

Bob Inglis: I'm not so worried about them standing up. I think I am with John I'm surprised somebody as good as Rex Tillerson would be willing to take the job. Because if you have – the problem here is somebody needs to take that Twitter account away from the president. Because if he keeps on tweeting things, then the Secretary of State has to go fix. I got to believe that's gonna be a really miserable job for Rex Tillerson, same for General Mattis. I mean, my gosh, you're talking about policy being made in 140 characters at 3:00 am because somebody got under his skin.

And this is what really worries me and it's a transactional view of life itself. And that is a very debased view of life. It's not just what I can get out of you and my relationship with you. There should be something higher than that. And American foreign policy has typically for a number of decades been based on those higher ideals. And if we go into simply a transactional view of things, that's surrendering American moral authority and basically buying into a Chinese view of the world. And I don't think we win that. I think that that – you know, so for example, Taiwan, sure there's some excitement about shaken up things over there. But I'd be a little worried if I were Taiwan because, you know what maybe if he gets the art of the deal and a better deal, you're gone, you're fired. That's a line from *The Apprentice*. And so bless these guys for taking the jobs. I hope they can

overcome the 140 characters. And by the way, I say this in South Carolina, not just in San Francisco. Maybe it's why I got tossed out of the reddest district in the reddest state in the nation. But don't go and I'll tell you, there are worse things than losing elections; it's called losing your soul.

[Applause]

It's much better to lose an election than to lose your soul. And it's really worth standing for things and for America to stand for things.

Greg Dalton: If you're just joining us, Bob Inglis is a former Republican member of the Congress from South Carolina. My other guests today at Climate One are John Hofmeister, former head of Shell Oil and Jeremy Carl from the Hoover Institution. I'm Greg Dalton.

[CLIMATE ONE MINUTE]

Announcer: And now, here's a Climate One Minute.

There are many areas where Democrats and Republicans can and do agree – yet we continue to demonize each other. Why is that? George Marshall is the author of “Don't Even Think About It: Why Our Brains Are Wired to Ignore Climate Change.” He says that when an issue like climate change presents us with no clear-cut enemy, our natural tendency is to create one.

George Marshall: *But missing parts of narratives are like a vacuum that seeks to be filled. And therefore, indeed what happens is that people slot an enemy into that narrative. They will bring one in. On my own side, on the environmental side, I think we have over-emphasized the role of the disinformation campaign or the oil oligarchs funding misinformation. I think we've been quite fast to demonize all companies which are doing some seriously negligent things. But that is also a way of playing down our own culpability unless through the way that we live. And of course, people on the right respond to all of that by slotting people like me into the narrative, making us into the enemy.*

The danger is however, that that then becomes the focus of the issue, and it's particularly dangerous in that I think we have this extraordinary partisan divide on this, where climate change has become so identified with your political identity that when we play these enemy games, we are just reinforcing the divide which really shouldn't be there. Really this should be an issue where we're finding common ground between people of different political world views.

Announcer: That's author and environmentalist George Marshall, who visited Climate One in 2014. Now, back to Greg Dalton and his guests at The Commonwealth Club.

[END CLIMATE ONE MINUTE]

Greg Dalton: We're gonna go now to our lightning round, yes or no questions for each of our guests. This is where we get some laughs, make them slightly uncomfortable. So John Hofmeister, first one, yes or no. Oil executives who knowingly deceive the public about the risks of climate change should be held accountable?

John Hofmeister: Yes.

Greg Dalton: Follow up for John Hofmeister.

[Applause]

To reduce that possibility, oil companies don't keep documents that could later prove to be smoking

guns like those internal papers that caught up tobacco companies?

John Hofmeister: Release them.

Greg Dalton: Jeremy Carl, yes or no. Hillary Clinton's campaign paid more attention to its big donors than average voters?

Jeremy Carl: True, in my view.

Greg Dalton: Bob Inglis yes or no. Donald Trump will serve out his four year term?

[Laughter]

Bob Inglis: No.

[Laughter]

Greg Dalton: John Hofmeister, the fact that Russian intelligence agencies interfered in the U.S. election on behalf of Donald Trump clouds his legitimacy as president of the United States?

John Hofmeister: Unfortunately, yes.

Greg Dalton: Bob Inglis yes or no. Donald Trump is a legitimate president?

Bob Inglis: Yes.

Greg Dalton: Bob Inglis, you are a RINO - Republican in name only?

Bob Inglis: Yes, apparently based on the current climate change view yeah, I'm definitely Republican in name only.

Greg Dalton: John Hofmeister yes or no. Shell Oil has a legacy of environmental destruction in Nigeria and little of the oil wealth has benefited average Nigerian citizens?

John Hofmeister: Both are true statements. But there is a lot behind it that I could explain.

Greg Dalton: Okay, thank you for that. Jeremy Carl, U. S. Secretary of State Rex Tillerson has a Nixon to China opportunity to advance a global price on carbon pollution which he says he supports?

Jeremy Carl: Yes.

Greg Dalton: John Hofmeister, during President Obama's eight years in office, the S&P 500 increased an average of 12% a year, yes or no?

John Hofmeister: Yes.

Greg Dalton: That ties him by the way with George W. Bush. The market increased 15% when Bill Clinton was in office, and 10% a year under President Eisenhower. Jeremy Carl, knowing what you know about rising seas, you would buy oceanfront property in Miami?

Jeremy Carl: True, yes absolutely.

Greg Dalton: John Hofmeister, knowing what you know about rising seas, you would buy oceanfront property in the Gulf of Mexico?

John Hofmeister: No.

Greg Dalton: Last one for Bob Inglis. Are more Republicans in Congress in the gay closet or the climate closet?

[Laughter]

Bob Inglis: I think more in the climate closet as far as – I don't know. I know but, yeah, it's more in the climate closet.

Greg Dalton: Let's give them a round. Thank them for getting through that climate closet.

[Applause]

We're gonna go quickly to audience questions. But I want to first roll something we have from some people that we've talked to. We sent out a reporter to talk to a couple. This is a woman who ran for Congress in Monterey, a hundred miles south of San Francisco. This is Casey and Bob Lucius. Casey Lucius ran for Congress last year as a Republican and she lost. Let's hear what she has to say and then we'll get the response and we'll go to audience questions. Here is Casey and Bob Lucius.

[Start Clip]

Casey Lucius: *I'm Casey Lucius and I recently ran for Congress in California's 20th district. Monterey County, Santa Cruz County and San Benito County as a Republican.*

Bob Lucius: *And I'm Bob Lucius. I'm a retired Marine officer. I was Republican for much of my life, more recently registered as an independent.*

I think it's about a year ago I had written an op-ed in the local newspaper Monterey Herald about the relationship between diets and climate change and greenhouse gas emissions. Subsequently in the campaign it was about five or six months later. Suddenly, it kind of rose up again and a lot of people were drawing attention to it, but not in a really positive way.

Casey Lucius: *Someone in the agricultural industry locally had forwarded the op-ed to the Farm Bureau and all of the Farm Bureau members. And basically said, you know, Casey Lucius isn't who she appears to be. She's not really conservative. She's not really Republican. Look at this, her husband's an environmentalist who works for Humane Society and don't trust her.*

I think one of the core tenets of the Republican Party is control at the local level. So when we're talking about energy alternatives, we don't need federal energy initiatives.

We really need those things to happen at the state level and at the local level and probably most importantly at the private industry level. We need to free up private industry to be able to innovate. My hope is that people will be open-minded about Republicans but also that Republicans will be open-minded about all of these challenges that we face as a country.

[End Clip]

Greg Dalton: That's Casey Lucius who ran for Congress south of San Francisco as a Republican. Bob Inglis, your response to that. She's saying, wants a party that's open and inclusive to ideas?

Bob Inglis: Yeah, you asked me about whether I'm a Republican name only. Apparently she benamed that, she becalled that. It's an epithet addressed to her. But I think what she was

describing there is the kind of accountability that is the basis of conservatism. Same thing on climate action, same thing, you know, on balancing the budget. I was a guy whose Town Hall meeting it was that a guy stood up and said to me, keep your government hands off my Medicare. And so, you know, apparently what that guy is, is a populist. This is a tea party time populist like Mr. Trump who says he's not gonna touch Medicare.

Well you can't balance the budget unless you do something about entitlement spending. Paul Ryan knows that he's an actual conservative. And so if somebody says that now, if they're talking about doing something about Medicare, are you a Republican name only because what you're really about is you should be following along with Donald Trump. Or if she says really we should be thinking about thoughtful about farm policy and that sort of thing.

Are you somehow opposed to this monolith that's out there or can we think outside the box? I think we've got to be able to think outside the box and be able to say go to fundamental principles of accountability. And that's where I think we find our strength at republicEn.org about reaching conservatives on climate. Because that's what it's all about it's just being accountable.

Greg Dalton: We're talking with Jeremy Carl from the Hoover Institution, John Hofmeister, energy executive and Bob Inglis, former Republican member of Congress. I'm Greg Dalton.

Let's go to our audience questions. Yes. Welcome.

Female Participant: Now just having finished the book "Dark Money" by Jane Mayer. I am extremely concerned about Koch money everywhere in our political system. I mean having read the takeover of the North Carolina government almost wholesale by Koch supporters. I've got big concerns about where they are in the rest of our country and how we stop them. Because I see them as a major threat to moving any kind of climate policy forward.

Greg Dalton: Thank you. Bob Inglis, that's your neighboring state.

Bob Inglis: Yeah. I'm concerned too, although it is true that a campaign cash explains part of what goes on, but it isn't the whole of the explanation. I happen to think that the people who spent money to get up a wave of publicity that came over the seawall and shorted out all the climate change equipment spin it very well because they knew the tide was real high on discontent and distrust of government. If that tide had been lower, that campaign cash would never have gotten a wave over the seawall.

So the most, well look, campaign cash is important because it creates a wave. The most important thing is the level of the tide and what we the people are thinking and feeling. And so somehow we got to the place of real discontent and distrust of all institutions. And that's actually quite an un-conservative position if you think about it. Conservatives should be people who believe in institutions because institutions restrain evil and keep order. And so this is actually anarchy, this populist thing is an anarchist way or anarchist tide. And then these people spent some money coming over the seawall. So, yes focus on campaign cash but focus more on the rest of it. The level of the tide and our level of discontent.

Greg Dalton: Let's go to our next question. Welcome.

Male Participant: Thank you. Most of tonight's discussion is focused on the national agenda, but I was really struck by what Casey Lucius had to say about the opportunities for doing things at the local level. So I'd really appreciate hearing from all of you what strategies and tactics you would offer people who want to work on climate solutions very, very locally whether at the county level or

at this municipal level. Thanks.

Greg Dalton: John Hofmeister.

John Hofmeister: I think the age of national one-size-fits-all solutions is dead in the water. I couldn't agree more. I think at a local level you're going to get pragmatism. You're gonna get people who know what they can and cannot do. And you're going to experiment or you're going to take initiatives that may not have macro impact on the whole of society. But if you accumulate enough of the micro impact initiatives, you're gonna make a heck of a difference over time. And I think we should be doing more of that at the municipal, the county and the state level and not count on the federal government. Because I don't think the American people right now are in a mood to take a lot of federal government control. I think that's why we got the outcome we got.

But also more and more individuals are volunteering for this, that or the other group including myself. I'm involved in several activities that deal with how do we reduce waste, how do we clean up fuel, how do we deal with alternatives. So that we can grow the opportunity and make progress regardless of what the federal government is not doing.

Greg Dalton: Also a former oilman working on competition for oil, right. Let's go to our next question.

Female Participant: I just saw the film "Chasing Coral" at the Sundance Film Festival. And they are trying to very much make the connection between the bleaching and dying of coral reefs and the collapse of the threat to our entire world ecosystem. And so I'm just curious about you mentioned that Bob, in your initial remarks, what do you all see as a way to address that and kind of wake people up to the connection between what's happening in our oceans and what's happening on the rest of the planet.

Greg Dalton: Bob Inglis.

Bob Inglis: For me that was, you know, Scott Heron, the Aussie climate scientist that I referenced earlier in that spiritual awakening. That's what he was showing us, is coral bleaching. And I haven't gotten to see "Chasing Coral" yet, I saw "Chasing Ice." But I'm looking forward to seeing it because the idea was to help make the coral appear be alive to us, in other words have infused it with something of a life of itself. In other words, some value. And will that move people? I hope so.

Something tells me that it will probably move people on the left more than people on the right. But on the other hand, people will see it, perhaps as, you know, if you believe in creation care and my wonderful friend Katharine Hayhoe does a great job explaining this, is we're stewards of this creation. If you believe that, if that's your faith teaching, then really you got to respond to the fact that the things we're doing are destroying part of that creation. And of course it also has an impact on humans, which is if that Great Barrier Reef goes away then you don't have protection from the typhoons on that side of the Australia.

Greg Dalton: Next question. Welcome.

Female Participant: Hi. I'd like to thank you guys as conservatives for coming out and talking to the bluest district and the bluest state about an issue that I find incredibly important.

[Applause]

And we need more people conservatives like you willing to talk about this. And, one of the many there's many troubling things I find with the Trump administration and one of them has been the

assault on science and on climate. And the way that there has been a tax on scientific integrity and silencing climate scientists. And today, for example, we saw a gag order on the EPA and the USDA Twitter accounts. And the scientists told to not speak to the media. And this is a really disturbing trend for me if we want to move forward on fact based policy. And I wanted your opinion on the best way to be able to move forward and how we can stay vigilant to continue to make policy that's moving in the right direction.

Greg Dalton: John Hofmeister.

John Hofmeister: Somebody taught me a long time ago, you cannot stop stupidity from happening.

[Laughter]

And I mean that full well. It is utter foolishness to silence people, utter foolishness. They will not be silenced I can assure you.

Greg Dalton: John briefly, you also think that there's going to be more civil unrest and confrontation over pipelines and energy infrastructure projects. Tell us briefly what you envision there.

John Hofmeister: I think that the activism of today is going to rival the activism of the late 60s because this issue is becoming serious enough in enough people's minds. And I don't believe that the solution is at the federal government level as I said just a few minutes ago. But I think the activists are going to take an awful lot of convincing to see the kinds of initiatives go forward that unfortunately we still need. We're gonna have internal combustion engines in this country for the next 30, 40, 50 years. There's just no way around that despite all the work we're going to do on electrification. And so it's going to be important to explain to people why you're doing what you're doing, how you're going to go about doing it and do a whole lot of engagement with the public. If you have any hope of getting infrastructure projects through.

Greg Dalton: We have to wrap it up there. I'd like to thank Jeremy Carl, from the Hoover Institution, John Hofmeister, former president of Shell Oil, Bob Inglis, former member of Congress from South Carolina. I'm Greg Dalton. I'm the host of Climate One. I'd like to thank our audience in here, in the room in San Francisco and online. You can join the conversation on Twitter using our handle @climateone and listen to podcast in the iTunes store. Thank you all for joining us.

[Applause]

[End]