

Oral History Interview Transcript

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Student Name: Will Carson

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WC: My name is Will Carson. I'll be speaking today with my grandfather Herb McKenzie, who's a successful, retired pharmaceutical executive from Savannah, Georgia, and today we'll be discussing his experience of changing energy during his lifetime. So, would you like to do a brief introduction?

HM: Sure, sure. As Will said, I'm his grandfather, and I would add to that I'm an extraordinarily proud grandfather. His grandmother and I probably have been guilty of somewhat of a worship kind of complex, but nonetheless, he's very special to us. What else you got to say, babe?

WC: Nothing right now, but I can go ahead and start asking some questions.

HM: Sure.

WC: So, I was wondering if you could take me through a typical day during your childhood. This might not sound like it's directly related to energy, which is our general theme today, but just to get a sense of how things were for you.

HM: Sure, sure. Well, um, I think one of the few benefits of growing old is that you, um, you find it easier – in fact, very easy – to keep your head above the crowd. You, um, you probably think you know more than you really do, but there's a sense of satisfaction that comes with, um, "been there, and done that," and think you know about things. Um, I can recall back when – on the subject of energy – as a probably 6, 7, and 8 year old kid, I was the coal boy. My job for the family, we lived in a big old two-story house, probably built in the late 1800s in Savannah – the South Side of Savannah. Fortunately we have mild winters here, but even so, our sole source of heat was an open fireplace in the living room, and a coal-burning, uh, stove in the, in the dining room. And along around in the December timeframe of each year, a big ol' coal truck would come, and two guys would load it up on their – in sacks on their bags, I mean, on, load up the coal *chunks* in big ol' bags and put 'em on their back and tote 'em to a, uh, a garage that, uh, had a coal bin in it. So, my job every morning in, uh, late December through, uh, February was – before I went to school – I had to go out and gather up the coal for the day. And I had a couple of skillet type things or shuttle things, whatever you call those buckets. And oftentimes, the coal would be big lumps, probably weighed half as much as I did. So then you had to stop and hit 'em with a sledgehammer three or four times and pick up the pieces, put 'em in the bucket, tote 'em in the house, and set 'em by the fireside so when my grandmother got up, she would, uh, come down and start the fires for the day. So, not a fan of coal. Uh, as it relates to, um, to energy generation, however, I would say that in those days, I suspect, 100% of the power generated – uh, of the electric power generated – was, was from coal. That was probably the world over! Uh, here we are, 80 years later, 80 years later, and still 65% of electric generation is from coal: fossil fuel. I guess the message there really is the, um, fossil fuel[s] are gonna be with us for quite some time yet, and we need to recognize that, quit vilifying it, and solve the problem, which is, climate degradation, carbon emissions, cries for resolution. But it's not gonna be done by, uh, politicians making a, uh, cause célèbre out of it.

WC: Uh, what do you see as the solution?

HM: Um, I think nuclear power is, regrettably, amongst the more, uh, tragic errors of the 20th century. Um, it has been condemned, by unknowing, not knowledgeable people, demagogues, publicity-seekers, do-gooders, that have gone out of their way looking for a cause, to condemn nuclear power, when in fact, in fact, it's the most – I'm not sure *the* most – but it's certainly high among the least, uh, from a safety point of view, it's very, very safe. Um, we have some examples that you could say – uh,

Chernobyl. Chernobyl was an example in what, the 80s, something like that. That was not the fault of nuclear power; that was the fault of poor design! Fukushima: the fault of a, uh, God-driven, unforeseen catastrophe. Three Mile Island: it failsafed, it was design to failsafe. It hadn't hurt anybody.

WC: Yeah, for sure. I'm sure you've heard about fusion – nuclear fusion.

HM: Yes.

WC: There's been some recent successes with getting energy out of that. Um, it seems pretty promising. Do you have any thoughts about it?

HM: Yeah, I do. I think that's the hope of the future. I probably won't see it in my lifetime, but I'll bet you now that you will! And it's a, um, it will be a, uh, godsend. It has many, many advantages. What we need is for the, um, the politicians, who have no idea of anything other than the next election – they have no ability to look long-term. Um, they're a curse to um, to, to progress, in my opinion, on energy. We all know that the climate needs attention. We need to be better students [*sic*] of this planet. Unquestionably! But it's a long-term transition. It has to be done very intelligently. And the worst people to lead that are politicians. They have no concept! So, um, don't get me on a rant.

WC: I'm happy for you to go on a rant. So, if you think it's not the place of politicians to do that, do you think there's, there's free market forces that have been pushing forward that transition?

HM: Yeah. I think. You may recall, um, having read about the Manhattan Project, which is the embryonic beginning of the atomic bomb. If I were in charge – God forbid – but if I were, I would start by gathering up a global group of apolitical scientists and economists, and I would say, "Your mission is – take the time to do it right – I will fund you to whatever you need, but at some point in time in the near urgent... you have to have a degree of urgency, but do it in a smart way and give me a plan by which to convert energy away from fossil fuels. I'm not a big believer in wind and solar; I think it's a patch, it's a Band-Aid. I really need to have nuclear fusion, and in the meantime, I want nuclear fission to have the stigma removed and progress being made on that front while we wait for a fusion breakthrough. And that's your assignment." And it would be staffed with people of consequence, not idiots.

WC: Um, so, thinking about before all of these breakthroughs with nuclear fission, and perhaps before the stigma was introduced, uh, it was still kind of, incentivized by a lot of oil executives to stay on the oil side because it was a cheap way to get energy, and a lot of this was before we really realized the true impact of climate change. So there's a lot of coal and electricity generation but a lot of what we depend on like petroleum products... you know this better than most being in pharmaceuticals that the organic feedstock for a lot of these is from petrol or from crude oil. I want to think about specifically times when there have been shortages like the oil shock in 1973. Could you discuss a little bit about how that impacted you?

HM: Yeah, yeah. Um, well, let's go back to coal for a second. Um, coal is, in this country, not globally, but in this country, rapidly, rapidly ceasing to be a power generator; it's replaced by natural gas. Clearly, America's in the lead in that. Nuclear power is, in France, 70% of, uh, French power generation. Clearly, they're in the lead in that. So, where does that really come down? The fossil fuel industry, which is being, again, vilified, by, uh, by politicians. They don't think much beyond the edge of their nose. Without petrol, without petroleum, there is a huge amount of stuff that is derived, derived from petroleum. They're too numerous for me to even mention. But even the most layperson, with a little bit

of thought, can conjure up how demanding it truly is. Maybe not so much in pharmaceuticals but think of chemical industry: plastics, etc., etc. Where does that all go? Wherever it goes, it's gonna go away slowly. That's for sure, that's for sure. Substitutes will come, yes, but, uh, certainly not in my lifetime. What was the other part of your question?

WC: The other part was, uh, about the oil embargo in 1973.

HM: Oh, yeah, yeah. In the 70s, again, politician, Carter, screwed up in the Middle East, created an oil mess and a shortage in this country. We couldn't do much about it. Our own oil producers really couldn't fill the gap. And as a result of the lack of imports from the Middle East, there were shortages and mile-long lines of people waiting to gas. It affected me. I was commuting from New Jersey to South New Jersey for work, and I remember cursing that rascal and anything else that got in my way. But in those days, you could do something about it. And what we did, we had all of our plants around the country – my company – and we opened up gasoline pumps for our employees. So that we stepped into the breach to try to help. You probably would get castigated by the press if you tried to do that today. Anyway, that was a solution. Fortunately, it didn't last all that long; it was not that big of a deal.

WC: Yeah, that's cool. I didn't know about that. Speaking of stuff like philanthropy, in terms of private companies like American Cyanamid and the other companies you worked for, Sterling Winthrop. Do you see philanthropy playing a role in the energy transition, or do you see it as all, kind of free market incentives on individual companies? Is there a role for charitable giving in terms of trying to push forward the energy transition.

HM: My gut feeling, top of the head: no, I don't see that. It doesn't pull at the heartstrings that's required for, um, philanthropy (I'm getting my tongue tied here), uh, philanthropic ideas basically come from a heartstring and that ain't one of them. Um, no I don't see that. I think the oil industry, absolutely, is self-interested. They're gonna do it for sure. But I think the, uh, you have to have government funding. Because it's a big deal. It's bigger than any given industry, or certainly any corporation. It requires a global approach with some pretty damn smart people.

WC: I know that you worked a lot internationally. Have you seen any differences around the world about... obviously you mentioned that 70% of power generated in France for electricity is nuclear. Are there any other differences that you've observed?

HM: Scandinavia's got a lot of hydropower, um, you know, but probably not? I think, I think 90% of people go through life earning a living, feeding their families, going to church, taking care of themselves and their families, and, you know, this stuff that we're talking about requires leadership. Someone that can clearly get their head above the crowd and appeal to people on a constructive, honest, long-term, strategic approach to this, as opposed to the jawboning that these current clowns are guilty of.

WC: Yeah, that makes sense to me. So, getting back to a more personal level, um, you know, climate change is going to increasingly affect a lot of areas – the Global South in particular – but, I'd say that, you know, the United States, in particular, has kind of avoided a lot of that, just because where we are geographically, in terms of being able to respond to disasters, but I think that increasingly, we're gonna be less able to deal with these natural disasters that are being caused by climate change. Living in a coastal city like Savannah, are you concerned about future weather events, and have you experienced

anything that has made you reconsider how you feel about climate change in terms of, like, natural disasters?

HM: Um, probably not. That's a statement you have to allow given my age. You know, not a whole lot worries me. I remember as a kid, though, we would have hurricanes on a much more frequent basis – at least I thought we did, maybe we didn't – but they were never big deals, fortuitously, not catastrophic. So, you know, a hurricane was something you took in your stride. You made sure your boat had two anchors down instead of one, but you didn't get all lathered up and jump in a car and try to leave or anything like that. I probably would be of the opinion that some of this hysteria when hurricanes come is manmade. At the same time, look at Florida and some of the devastation that they've had. So, I'd be easily convinced, if a qualified person told me, yes, hurricanes are much worse today than they were 80 years ago, I, I would believe that. What do you do about it? Nothing! Nothing you *can* do about it. Um, you make the best of it. You certainly don't get up on the rooftop and shout crying wolf, etc., etc. every five minutes... doesn't help.

WC: On a personal level, have you changed any of your own behaviors in terms of this kind of renewed understanding of climate change, and/or your investments, potentially?

HM: Oh. I think I understood your question. The short answer is no. I don't think that this ESG, whatever this environmental, sustainable whatever it is.

WC: Yeah. Environmental social governance.

HM: Yeah, I'm not a fan of that. I find that an encroachment into the free capitalistic enterprise system, where governments try to get involved and tell people they've got to invest in this, that, and the other for reasons *other than* making money. Return on investment is what it's all about. And there again, I think government is doing us a harm, doing us a disservice by getting involved in all that. Do I invest in those things? No. I did when they first came out. Easy, thought about it, looked at their performance, and decided uh-uh, then sold them. You know, so, no, no, I think they took their eye off the target.

WC: Yeah, that's fair. Right, anything else that you would like to discuss?

HM: I am a believer in climate change, but if it were up to me, I would change the word "change" to "transition," and I would preach at every opportunity I had to tell people or to suggest to people that we need to think of it in terms of a transition: step A, step B, step [C], and "here they are," and list it so that it sounds intelligent, it makes sense with a long-term plan, that you're gonna transition from where you are today to where you hopefully will end up in probably 20, 50 years, whatever, and how you're gonna get there each step of the way. That would go a long way. I mean, I think that guys like Gore, Carey, and those clowns, they do a huge disservice. They set unrealistic expectations and when they don't happen everybody says "Oh, bull, I don't believe that crap." Well, they should believe that crap, and they should have an intelligent solution, which we don't have at the moment. People, um, you know they look at a glass and say "oh, well let's argue whether it's half full or half empty." The fact of the matter is, the glass is refillable. We need to think about that. What else, babe?

WC: I guess again, on nuclear. I think it's really smart of you to talk about how it's such a useful, safe energy source. Public perception, on the other hand, as you've mentioned, has been kind of implicitly harmed by Chernobyl, Fukushima, Three Mile Island. Do you think there's any way to change that public narrative, or is it set in stone?

HM: It would be part and parcel to the assignment of this hypothetical group I would put together to start to undo something that people seeking publicity – demagogues – have created, you know. They don't have facts. I'd just present the facts to people. Nuclear energy, for many years in France, hasn't hurt one single person. Not one. In this country, not one single person has been hurt by nuclear power. Chernobyl; you can't count Chernobyl. Those crazy guys in Russia, they don't know how to build anything anyway. Fukushima was, again, a God-driven thing, that only in retrospect, could you have seen that; only in hindsight, could you have planned for that. Maybe they should, but the fact is, it was a once in a million years type thing. I think it's very safe. I think fusion is gonna really, really open the door. But in the meantime, you need some nuclear plants if you're gonna keep up with the demand for electricity, whether we like it or not. Because, as I said earlier, I don't think wind and solar is gonna do it. California, for example, has a mandate – whatever that means – from their government, to have 25% of their electric generation from renewables by 2025. I'll bet you any amount of money you wanna bet, right now, it ain't gonna happen. Anyway, enough. What else, babe?

WC: One thing that's interesting, actually, is that here in Illinois, 53% of our electricity comes from nuclear.

HM: How much?

WC: 53%. A lot of people don't know that so much of it is from nuclear just because they keep it on the down low in terms of publicity, because people get freaked out about that stuff, but it's a huge amount of our electricity.

HM: Wait a minute, wait a minute. Are you saying that the electricity generated in America...

WC: In Illinois specifically.

HM: Oh, in Illinois! I'm sorry. It's 10% in America, in fact a little bit less than 10% in all of America, right?

WC: Yeah, that's right.

HM: Good on Illinois; they're smart!

WC: There hasn't been much public backlash because they keep it away from kind of, the public eye. I think it's cool. But I agree. I think your vision for the future is inspiring! That's about it from my end but thank you so much. It's been really great.