hey Charlie first of all I just want to thank you for inviting us to your home today and for hosting us here we appreciate it well I hope it'll be interesting certainly A peculiar example of one life it's interesting that a man who started out to be a lawyer ended up with an identity that's more like a gurus than a lawyers I I called you a lawyer once and I think that was the most irritated you've ever been with me um because that was how you started things but you really have studied every field out there and tried to yeah sure to take things from different studies and different models in life did you did you go about doing that intentionally of course I could see the power of it when did you figure it out well it came naturally to me and I was what I would call naturally arrogant and it wasn't that good of mind you know I was in the top 1% but not no Prodigy so I never would have succeeded in a field that required a mind to be that of a prodigy but it was a much better mind than ordinary people had and I recognized that quite early and I just played the hand I was de in order to get as much Advantage as I could when did you recognize that were you a child very young I used when I was taking courses in grade school I was often revising the textbook and the course in my head to make it more correct because I realized the professor was doing it wrong what kind of things would you recognize that they that they were doing wrong they had some crazy idea for instance my Latin teacher was a maladjusted woman who was a devote follower of Sigman Freud and I recognized that Sigman Freud was a horse as when I still first read him when I was in high school and of course it was an odd little boy whose Latin teacher is teaching him frud but that was she was peculiar and so was I and of course when I read I bought the complete writings of Sigman frud from the American Library it was one big book and and I went through it very laboriously and I realized he was a goddamn lunatic and so I decided I wasn't going to learn that from my Latin teacher what and and that's the way it is but that's what I went through all my life trying to turn every teacher into my Latin teacher just a poor fellow he hadn't quite learned to understand it right yet now I didn't always succeed I had some very unusual teachers the best teacher I had in my life was Lon Fuller but he was the best contract cont teacher in any law school and contracts is the best subject in every law school at least I think it is because it integrates so beautifully with the new doctrine of an economics that came along with Adam Smith and all those people and of course I could see the integration and so could this Lon fer was a damn contract teacher at now he'd been the lady contact teacher in some other law school as what got him to Harvard by transfer which was rare in those days and also I could see in the Harvard Law School something very interesting when I went to the Harvard Law School it was in the immediate aftermath of a long long range in which 15 professors handled 1,500 graduate this is unheard of nobody had ever done anything like that it it just morphed into that system and it did it early and of course when you have a system like that it really helps to have a few big ideas that are strewn through the system that are useful and a some Professor that sees it and that's what Lon vter did he really saw the old damn he integrated law and economics is what he did to some extent and the reason he did is you want to know why do we have these kind contracts that so obviously make modern civilization work and he never he didn't explain exactly why but I could sort of explain why do myself after hearing L Fuller well that's an ideal teacher you you had this idea of mental models before got to him though yes and I just naturally came to it and and but it was very much a un fulles thing I was just a struck by law Fuller Bon Fuller I have never been a struck by any other teacher in my whole life including some gifted mathematicians and physicists who did some remarkable things uh but Fuller really really hadn't he really changed my life he almost made me a law professor I considered being a law professor but then I and I knew I'd be pretty good at it did you keep in touch with him for a long time after I never kept in touch with him he was so remote a figure to me he was like Moses or something going down from the mountain top and I was pleased he was there for ordinary and he he put it all in a book I didn't need on full that's the way I handled almost all my teachers I didn't need them and let's talk about Benjamin Franklin yeah he's one of the framers of our nation he very famously gave out very and he was a prodigy and he was a prodigy and he trained himself in lots of different um discipline he self trained himself with like two years of grade school education this is a very remarkable thing and when he found late in life he needed something like alge he went back and pulled down the textbook and taught himself algebra how old were you he just he was a very much a self-educated man and that was a very much an interesting story for that reason How could a man who taught himself everything you know like Latin and it was just how could a man like that go into so many different fields and be the top guy in the whole country and weren't we lucky to have him yes yeah no all those five or six people whom we we now consider the founding fathers have worn pretty well but you found Ben Franklin when how young were you when you first came across what Ben Franklin had done well I think High School yeah and that's when you started modeling yourself after some I don't when I started modeling myself after Frankin but I certainly tried to model myself a little the I like the mixture of of financial life and regular life mhm and I and well I couldn't copy I didn't have any musical ability and so Franklin was he he played four different musical instruments one of which he invented oh this is a lot of musical ability that God simply left out of me and so I I don't I can't do it so I never made any effort to Franklin's musical ability but any other ability he had of course I tried to damate you started out in college at the University of Michigan you were young when you went there because you had skipped some time in grade school and you went for mathematics why' you choose mathematics because I could get an A without doing any work that's why I took mathematics and then you shifted with time you did that for a couple of years years yes and then World War II interrupted things you were 17 still when then decided that biology was not the proper science to handle a war or geology was not the proper science to handle any war and that obviously I had to start with physics so I took physics and then you focused on no I didn't taken very much because as soon as I'd mastered the first part of physics I actually entered the airport cor as a private right and marched around in some field in the middle of the winter and slept in a tent and I must just say it was pretty damn unpleasant to be outside in the winter sleeping in a tent look this is the middle of November we're in Southern California look at it yeah this is pretty nice yes and and of course I noticed that it was like that and it wasn't like that in Noah at the time I was at calag and it was in the middle of the water and and it was like this and so I naturally thought this is better yes I understand why you moved permanently yeah well well you understand why the whole nation moved right it moved South and West is what it moved and to do so yes yes so Charlie you were born on the first day of 1924 you have seen A Century of of history and I I wonder do you ever stop not only that I lived in the aftermath of a previous previous Century of history in fact you can argue that about 90% of the progress of man has happened in Civilization has has occurred in the last two centuries and that I lived in the immediate aftermath of one and it was a very important SE Cemetery that Cemetery that ended when I was born because in that in that Century we figured out so very very much that was quite important as a start you stop to think about the technical Revolution it happened in that Century that's when they you opened all these coal mines and created all these steam engines and and and so on and so it was just and of course that what brought the economic system up so man had enough Leisure had enough time to think when he wasn't just getting enough food to eat and so it was an amazing time to be born and to be born in the place in that Century where all the growth was going to occur the United States the Heyday of the British Empire which was probably the most important Empire that ever existed on Earth ended about the time I was born the Heyday you look you a stamp collector pretty much the whole earth was colored red or pink for the British Empire it was a little stinky island in the North Sea and and and that's what they they created the most important civilization ever created now they borrowed heavily from the Greeks and the Romans and so forth to do it but they did it nonetheless and and it was a very interesting thing the idea that a system where 300 families owned half the land in England and when the winther then the when the summer came in England they went to London and ran the country as a matter of noes obl that enabled them to take the best of that 300 families and make them important parliamentarians and that was their civiliz that was the way in which they took civilization into their part of civilization into total leadership of the technical Revolution and then you come along and 1920 immedi after that my father grew up in a world where if you want to go around like in Nebraska he had to use a horse and buggy there was no car there was no broadcasting there was it was a very different world the railroads were primitive and and that's what he grew up in so it's but the last two centuries created almost all the growth before that everybody's not everybody but like something 80% of all people are farmers and what's happened over the last 100 years has been pretty remarkable too uh yes then the 100 years I've lived has been even more remarkable that's pretty much all of Modern Biology modern medicine and modern industrial civilization Modern Chemistry just imagine what the world would be like you know we had photographs for 100 years before we had modern chemistry and but no it was done by a guy was a natural very good chemist but nonetheless and he created a mighty company a great growth stock and so forth and it finally wiped out the shareholders in bankruptcy Eastman Kodak yes Eastman Kodak it which is an amazing story that that could happen and of course it helped me because if somebody something is somebody is brilliant as old Eastman and somebody who hired as much many brilliant people as old Eastman did could take the company into bankruptcy I figured that lesser people could easily take big companies into bankruptcy eventually in spite of their best efforts it wasn't like kodc didn't try they hired the most brilliant graduate students they gave them all kinds of time to think they they learned everything any important man on Earth learned as quickly as they could and so on and so on and even so they wiped out the common shareholders and that taught you what as an investor as a business sure and I was going to be a common shareholder someday in some company and I it would help me to know that it was very easy to wipe about the common shs even a a great company run by a genius I mean that's that's an argument for being Diversified but no no no I that it's yes it is an argument for being Diversified but that's not really what the some argument for being Diversified but there's also some argument for being non- Diversified and the argument for being non- Diversified it's better for a few people than the argument for being Diversified so that the lesson I would take out of that is to be Diversified that's not the lesson you took out what's the lesson you took out well it was going to be very difficult to be excellent enough at anything to make any money that's the lesson I took out of it and then and I could look around me and I was lucky there too because my father one of my father's two best friends was a guy named Eddie Davis Senior and Eddie Davis Senor was the leading urologist well probably in the United States at the time and just working as a private physician who taught who taught medical students Urology without charging for his teaching time because that's what doctors did in their days they were volunteers at the medical school and they also furnished free medicine to their colleagues whom they knew so it it's like a cartel against the rest of us and and courtesy to the noble profession and if you read the hipocratico carefully which I'm the kind of a fellow who did it doesn't sound like nobility what what what he was telling the doctors to do was to keep their secrets away from the people who might compete with them in practicing medicine do not reveal the secrets of our craft Outsiders that's the Great rule of hoces not Do no harm well he he gets credit for that one but what he really but he really emphasize with don't tell anybody else how to do this the people who have the modern system of this are The Magicians okay they have kind of a code of not telling the public how they're doing the tricks right and for a long time I could not understand how they turned those women back and forth into apes or Panthers and so forth in Las Vegas right and I could smell a panther and I knew Panther smell and I thought that is a hell of magic trick that they're they're they're they're fooling my sense of smell and I couldn't figure out how the hell they they were doing it I could figure out how they were smelling my sense of smell that were bringing in fanther smell but they weren't but they also brought in they turned the women into Panthers and back into women and I couldn't understand how they're doing that and when I was finally explained to me by some guy who broke their code like the code of hypocrates don't tell The Outsiders our tricks what they had is they had little slats of mirror that slid out of little slats of bamboo and by using those little slats of mirror frenal button would slap move out it would show you a different you show a different image and it was just very it was a clever goddamn contrivance to fool the eye of and mind of man but you saw and smell a woman turning into a panther I never saw a tiger more often than a panther yeah and but that's the way they did it let me ask you about the Great Depression you were just a child then I I know your family struggled yeah but I was unusual child yeah and I was curious and I I saw what was happening and it was just clobbering my family everywhere I looked it wasn't a little clobber it was a major clobber what happened clber clber well my mother had two sisters and my father had two sisters and all four of those sons-in-law who were my uncles got utterly clobbered by the Great Depression One Was An Architect and the beill just stopped building practically everything and and he finally got a job doing drafting work for the County of Los Angeles and they paid him 10808 per month for doing that drafting work which was above what they would have paid an architect but not much above and that's what he was earning and then they passed the FHA rules and that was competitive Civil Service examination and he was a brilliant man and so he took the examination came in first and they made him Chief Architect for the FHA in Los Angeles which is a huge program during the 30s to revive at least some building and he he set the standards for that he wouldn't let the subdivider get by with much you know there was a rule of how many electrical outlets there had to be in every bedroom and you'd make them put in the right number instead of the Lesser number and that was an important job Builders under depression incentives being what they would naturally be and a good architect being what he would naturally be right and so the FHA which was then fostering a great percentage of the total building that was going on in terms of houses just gu if you're going to build a house you got to have so many out electrical outlets for a bedroom well it was useful work my uncle was doing yeah and and he was enough of an architect that he can force in a little bit of grace too as well as the right number of electrical outlets but one of the things he was very interested in was the plaster scre and most people don't even know what the plaster Creed is even when they live in a building but if you got plaster that goes down into the ground you get capillary attraction that sucks sucks a lot of water up into the plaster it's not desirable it doesn't always do that but it sometimes doesn't but it's a tiny little incremental cost to stick is a little thing on the bottom of the flaster as it comes to the it's end near the ground if you put in that flaster screen it can't suck that water out of the ground into your plaster he made out my uncle made everybody put in a plaster screen and saved all these houses as a result yes yes and of course was a good example for somebody like me to watch that being done to put in the hard work early on and the extra step what the extra thing that could be add at 10 incremental cost and would last for 100 years wow what you saw your family getting clobbered in all sides on the depression that was one was an architect one one was a builder who who was broke he had loans he wasn't even paying off from the 20 boom bu bubble when he was a builder and he became he made himself an appraiser and finally he was 's best appraiser and he made a good living too but he had terrible years in the early 30s and he had a terrible medical problem as one of his children died very slowly of men menitis and and it cost a lot of money he just couldn't pay it he didn't he had not paid off that fully until the war came so what what did he finally paid it off and and got quite prosperous in the post war Bo but he had a long period of his being utterly without money and all these he did he moved into a an extra house that my grandmother grandfather Russell owned and that LE didn't have to pay rent what what did all these impressions mean for you I mean these are formative years for you as you're watching this serious it's a little boy of his cousin who of the same age is dying next door and takes forever and cause a fortune and there's no money to pay the doctors the hospitals anything that's a Ser serious growing up experience and I turn to the other side of me lived meline Duffy my great female Playmate and meline and I were just Inseparable living side by side and M duby and I were playing with this little dog that was a stranger to us when we were very young but I can remember her and the dog so he must have been nearly four years old and or four years old more or less and that dog was it was inches away from my cheek but it bit her cheek instead of mine oh go and they didn't quite get the fast door treatment in time they got to it it was too late and she died after terrible trauma so and she was a very outstanding little girl who might have grown up to be a Becky quick if if the world had been different and and and but she never grew up so I'm sitting there doing two dead dead children people don't realize how high the death weight was among children until about the middle of the century that preceded the one in which I was born and if you wanted those days if you wanted six three children you had six and you shoveled three out of the graveyard before they even grew up that was the system that was mankind system that's an awful system it was an awful system the agony of doing that was just you see the agony with somebody like Lincoln who loved his children so much and did had did not have a really functioning wife and for a man who has no functioning wife to have his children die one by one so he lost three out of his four Sons they never grew up and the one who grew up never had any children as a little boy I carried more money than all the other little boys when I used to shoot agots in the schoolyard to make money playing competitive agots marbles I made sure you marbles but agots were the most valuable marble and I never wanted to lose my good valuable collection you know some guy was more coordinated than I was at shooting marbles so I would never play for Stakes unless I could play better than the other boy that's kind of been a habit you've made throughout life you don't play poker with someone you're going to lose with exactly right I didn't always arrange the circumstances I just fell under them frequently but but I got to play with competitors who were dumb calls people who weren't assessing the odds quite the same way no no weren't assessing it they weren't assessing the odds the way it was easy to to assess the odds if you learn just paid attention when the teacher was teaching you expirations and combinations your second year in high school minut they taught me those things I looked at them and the math teacher who was teaching me was a dumb cop and of course he didn't have any idea how they were important and why he just taught him as one more thing he had to teach to get through the textbook and I immediately realized that these things were terribly important it would do wonders for me if I mastered them but my math teacher didn't know that I mean that's where you get to what I think what you call La fer yes he knew that if you really knew economics you'd be a better decision maker and that gets you quite a bit yeah yeah that opens the B to a lot of interesting territory the trouble of that territory is that territory is hard most of the leading economists are are very talented people it's hard to just get coherent in the subject much less persuasive and so it's a very difficult subject and on the other hand there little submarkets where it's easy to figure out how to do well and a lot of people figure out how to worm their way into those and stay there a lot of what you do though also is picking your shots I mean I I think you call it sit on your ass investing yeah where you wait for the big fat pitches to come in you don't do a lot over time because that's correct you don't want taxes to whittle down or anything else along the way no and it's very obvious that every intelligent person ought to do that and a lot of the intelligent people have figured it out if you go into the decisions that the teaching profession makes with its Ira money MH and pension money where it gets any choice a lot of it is indexed and a lot of it is invested in shrew shrew Investments held for a long time so a a lot of what I do is being done now and that wasn't true when I was young I couldn't just look at somebody else and see some I saw some people who' gotten Rich by holding a few good things so you think it's harder to make money now well that's a very interesting question and it's a very important question and of course it's harder it's so much harder you can't believe it the people that found it harder are the people that made Warren so rich Ben Graham and and his colleague DOD in a damned adjunct course at Columbia and by the way gram was invited into three different economic departments at Columbia on the full 10e track and turned him down he was that good at literature and math and so for both which is rare and Ben Graham was was interesting is Ben Graham was polyic like the Davis is a different way and the same thing also somewhat Musical and and and so something a dancer he like a dance well left out of me and anyway but Ben gram did that was was so interesting is that he taught that you should find a few good things and stay with him for a very long time but a long time to him was a few years it wasn't a few decades and he did that for like 40 or 50 years in a little investment partnership with incentives and so on and his investors who are by and large not very rich did very well with him after he got his share they got a good cut that was higher than what other people got after fees and so he delivered a valuable product and he taught you you got in things you could be a lousy business but they were cheap enough they're still right if they had enough assets for share so you're getting at least twice as money assets as you were paying for and he just floated around for the best available stuff among companies good and bad yeah that was his system and he worked for 50 years his Clans had good good returns well after he became so famous partly with the help of Warren buett and Warren bu's success everybody tried to do the same thing and of course everybody crowded in trying to be a little bit gram it got more and more competitive and that's what's happened now and the low hanging fruit that Ben gram had a lot of because of the Great Depression has gone away and the if you just TR float from one undervalued bad business into another and pay all the costs and forth it just doesn't work well enough for the people to actually put up the money to be worth bothering with that's the way it works now but in Graham's time it was the best way there was well your upgrade on that was to just look for good I saw immediately the grandma the grandma was wrong right and you look for and you had the real money was in the really great companies right which carried you up and up and up and up and up is it whoever but I did not really think that we'd ever have one that would in the just so many hundreds of billions in Berkshire I did not anticipate when Warren and I were starting with our little piddly start that we'd ever get to 100 million much less several hundred bil it's it's a [Music] it's it was an amazing occurrence what happened that you didn't anticipate what what led to that success well we got a little less great than most people a little less stupid than most people and that really helped us then in addition we were given this much longer time to run than most people because something kept us alive in our 90s and that gave us a long track from our little piddling start all the way to the '90s those are the two things that really happened and of course we wised up over time we got into better and better companies and we understood more and more of the bad things that could happen you and how easy they could creep in and we avoid them avoided them even more ously when we were old than we did we were young and it all it all worked I think back in 2015 for the 50th anniversary of birkshire you wrote um in the shareholders letter that among many other things um you had a $60 billion pile of cash at that point you thought that that pile of cash would decline over time because you'd be able to buy more and more things now you've got almost $160 billion in cash is there an opportunity for a really big purchase with that and do you think you'll see what well of course there's an opportunity for a purchase a lot bigger that people can make who don't have as 160 we have $16 billion in Cash Plus a great credit rating we deserve and who in the hell has that not very many yes but but but what it's going to be I can't tell you it it it can't be anything too small because it doesn't matter how good it is we're of a size now we're too small just doesn't move the needle very much so we have we need something big to come along and use up all our cash and some borrowing but who's more likely to find something than a guy who has 160 billion in cash f the long history of buying bargain I don't think it's hopeless it it may have to be done by some different people you now that next time we may not be able just to squeeze a little more lemon juice out of the old lemons we we may be able to you may have to squeeze some new lemons meaning new people may have to make the decisions but who can make them better than somebody that watched the early process all through all those years and seen how well it works and who starts with a little Legacy of 16 billion of cash so you're talking about Greg Abel a g Jane yes any Ted and Todd or somebody not yet identified the main trick that bur Berkshire shows is the power of what I call the wooden effect and wooden was the most famous basketball coach of a whole era and you figure out what the hell he really did which of course somebody like Warren and me we just automatically do it he concentrated about 90% of the playing time in seven players and everybody else was just a sparring partner for the people and that turned out a great system for winning at basketball because you identified your best player and concentrated so much of the playing time on your best player and more playing crates better better better you learn by playing in a way you can never learn just by shooting practice baskets and so he concentrated all his playing time and his best players simple idea that's what that's what bur did of course it worked better and everybody's learned it you've talked about everybody would know it automatically if it were just a little more obvious if all of us had to make a living backing people in chess tournaments but there's very little Revenue to pay anybody anything we'd all recognize we have to get into the top seven players or something like that or have no chance of winning you know chess tournaments yeah and everybody would be trying to play the wooden style to get the but an investment picking it people think anybody can learn who just goes to Harvard or Columbia or something and of course anybody can't learn it it's it's like chess or mechanical ability or a lot of other abilities it's it's somebody who does it a lot and has a natural aptitude for it who's out who's the outlier who gets the big results and that's what happens in the investment world just a few outliers make make money now we've also created a whole lot of people who get the reputation of being Geniuses who who run Venture Capital funds and so forth and who do pretty well for themselves because they get paid so outlandishly but they don't really get uh the bottom 80% of the people invest in Venture Capital would be had her off they didn't even look at it so they're just people stumbled into Sequoia in the right year were different they they got a long long run when seoa didn't try and grow and they got the advantage of milking Sequoya but that was rare nowadays everything is quite different I do not think Venture Capital will win in the future the way seoa once did and I don't think sequa will win in the future the way squ it once did it's too hard it's too damned hard meaning that it's they were there's too much failure difficulty accident in the world it it it it it it's really hard to have a stretch like the has had as an investment firm now everybody things if they sort of copy the method they'll get the result and of course it's like competing with John wooden's example you can compete in John Wooden have example while you in fact do something else which is what they're doing and of course and but they're they're not going to get something else they're going to get lousy results not wooden results yeah you talked about some of the joy you found with some of the Investments B made along the way I think Washington Post who doesn't like to happily enjoy extreme success accumulated with people who extremely admirable that's what war and I have gotten to do well of course that's a lot of fun and a lot of the people at sequ have had a lot of fun because they've done a lot of similar things what besides the Washington Post though which is one you mentioned in a 1995 speech is being one of the best investments ever what other Investments have been some of your favorites I'm I'm thinking of maybe a byd or a Costco Costco well they all been favorites but but again byd is a good lesson I didn't find byd leelu found byd and he encouraged me he he I I encouraged him to create this partnership and he found as a his occasionally would do a byd a a adventure of investment in his early life something I would never do or tell him to do anyway and and so he did one or two similar transactions that were a lot like squ he went into be with it was so small that it would have been appropriate in early stage Soo investment and it was a public company but it was just so small it was barely a public company and he went into it and this little nothing company headed by this we we could see that that two things about Wan Fu one he worked 70 hours a week and the other was he was a genius and of course the idea of having somebody who was a genius and had all this Mechanical Aptitude that Warren and I lacked was interesting at least to me and so I was willing to take what was fiddling money by longer standards have some of it invested by Lou leelu and but then he came to me and said Juan Chan Fu wants to buy a bankrupt autop plant in China and starting there going to the auto business I said let us M God this is a horrible news I said it's a really dumb idea who in the hell has ever succeeded in creating a new auto company in competition with older companies that there admir Toyota and so forth and Mercedes and people really know a lot about autos and have a b big lead and I said let's talk him out of it so we tried to talk ban Fu out of going into it he FID no attention to us he charged that do it well this year he sell 2 billion automobiles at huge profits for automobile mouthwatering to lead delicious profits for auto it's a huge stunt and and we war and I share the not one I but I mean leelou and I share the distinction of urging him not to do it thank God he didn't take you up on it well he did that's what Geniuses do they don't listen and it's just amazing what he's done of course he's been lucky but but all the great records are partly work partly talent and partly look that's what youd expect to win well with this many people in the game of investment of course the big winners are going to be people who are who get Lu and who get work and talent and luck that's what we've had what was interesting about bir's history is what turned the first $300 million dollar of birkshire net worth into the first $3 billion of bir net worth now some people have now gone back and checked all figures but some people figured it out but the way we the results we got in turning 300 million into 3 billion really quickly helped us a lot what was it I don't what was Blue Chip Stamps and seas candy and the Buffalo News newspaper and and the early Insurance operations under a Jane when he came to us and so it just everything worked at once and we made these Unholy profits on out of these fiddling businesses weren't that good and it was a very remarkable thing and there was some luck involved Warren has said that his worst trade ever was buying Berkshire hathway itself the Mills yeah sure what was your worst trade well I think my worst trade was buying a block for the Bunger family in Alibaba which a pretty good company but I think it got overhyped and Jack ma was was made mistakes in dealing with the Chinese government I had some bad everybody has some bad ones you have an off day the greatest tennis player goes out there someday to the Center Court and has a bad day it happens I think people learn more from their mistakes sometimes than their bad days even yes yeah but they were were really snowing you can have a very bad day do do not live your life in such a fashion that a bad day can kill you mhm which means what when it comes to investing making sure you don't use leverage well they aim for the fences it's like a hitter at baseball who tries to hit a home run on every fetch the great home Riders do not remotely swing at every fetch what's that we good they wait for one that they can really handle and that's what great stockers do too how how do you know because I know leverage has always been something that you guys have shied away from using too much leverage in situations but you're also well yes but it wasn't like we didn't use any mhm Insurance float gave us some leverage that's why we went into it right and and average out over our lifetimes we we've benefited from insurance FL but I guess the difference between not wanting to over leverage in a situation but also knowing that if you think something's a real deal to really load up on it because you're only going to have so many great pitches perfect pitches yeah we're not holding our cash for the boom that's going to come in 19 99 yeah we may had that way but it maybe have a different protagonist but that may happen which is fine I think some of the lessons in life um that you give people though I guess it if it's so much harder to do things now you've talked about this how for this generation it's going to be harder to do things like buy a house um make the same sort of money be able to get ahead in such ways of course it's going to be harder to earn the same kind of percentage returns after taxes and inflation as this last generation of endowment managers earned they've trained all these universities to expect a 6% yield return because that's what they want in order to do what they to spend us they want and but it is not given in the stars of a 6% annual return will surely be wonderful for the good investors of an era I mean more BR the great bu of investor may earn a lot less than 6% instead of a lot more I I just mean for you know the average person who's looking at this thinking it's going to be harder to buy a house is it is the American dream further Out Of Reach for for young people today well for some it is and for some it isn't they're also was never a place where anybody who got a degree in computer science got a salary a cash bonus and a block of cheap stock every year yeah for free just not just floating in and sometimes in a very good company and there are more companies like that that are offering benefits like that to people that are just starting out in computer science so in some sense it's easier so for some people it's easier they always be something in a rich civilization it's a little better than other people get as well as a little worse and all these people prospering today in computer science are in the right place and they're prospering more um Charlie let's talk a little bit about bureaucracies because you have duy noted the problems with bureaucracies where whether it be a big company whether it be the government have I ever right so how would you fix some of the bloated bureaucracies out there let's start with the federal government that comes in my two hard pile I can't tell you how to do that that would be really hard because you got the problem a figuring it out and B getting it done and to solve both those pop problems are really that is really climbing a it's like picking the high pick on Everest and saying I WT it's up there in a day you know you you aren't going to waltz up there it takes several days to do there was a presidential candidate who recently said that his solution for that would just be to fire everybody in the federal government who Social Security end social security number ends with an odd number does that sound like a good way to fix it no it does not it's too arbitrary and it it may be that you needed some bigger fix than that and maybe you're never going to get it too it maybe that it's just something like old age that we're never going to get rid of but you are still a believer in the need for a government of course I'm a I I if you get right down to it what I am is a lover of the progress of civilization that turns me on oddly enough the man whose name I bear my father's father and my father's mother both thought exactly the same way and the great moral book they took me to church in the president prary and church and all that and and but in Sunday school to they learn lessons and all that but when they really wanted to teach me something which turned them on it was the legend of Robinson cruso created by Daniel Devo they just love that guy creting a little Engish civilization on I godam bacon Isle and and that he could do it if he worked at it and of course that was lesson they were trying to teach the grandchildren and I was so amused by it I could see immediately what they were trying to do and I could see immediately they were right of course even if you're giv a goddamn desert island you turn into a civilization if you can civilization is important I accepted all those moral lessons now they never said this is what we're trying to teach you ABC but they did make me read r c not just every week but every night before I went to bed I got a little dose of Robinson cruo but I was a little tiny boy and and of course it was good for me and of course I never got over it I still I'm still following Robinson guo's method of going out life that's what I did I I imitated Robinson croo my grandfather's teaching worked that was a funny way to raise grandchildren and I was the first grandchild on that side and so I went down and lived there for weeks on end sometimes and so I got doses of all these lessons from Sunday school and also from Robinson cruzo and of course I really absorbed the D Daniel cruzo lesson then I was lucky with my ancestors on the other side of the family I am very good at learning things from dead people that's what everybody should learn and so I I had one grandfather on the other side whose life never overlap mine he was dead before I was born but he was the richest man in his town had an immense old house and he invited all the grandchildren to come in and stay every summer as many of them as wanted and of course it's fun to go stay with a rich old grandfather you know kind of owns the town yeah and he was the majority owner of the main bank and and oh armies of grandchildren and the old man had been a Pioneer he'd come there as a Pioneer and lost all his money in some bank failure in the East so from absolute nothing as a Pioneer in Iowa he had eventually made himself the richest man in this town and so forth and he lived to be a old man as you can imagine and and what he loved to do was talk about the hard old days of living in a sod house which is a cave you moved into a cave in the winter how many people want to raise two little children in a cave you can imagine yourself doing it no in Iowa win living in a cave with little children well that's what he gave his wife in marriage and they from that poor start ended up with this huge success and by the standards of his time and place and and he did that he said he led to talk about the early days because he was so proud of having survive them the Indian Wars and everything and so he was pleased to talk about about reminded him of all he surrounded my grandmother angam wouldn't talk with the grandchildren about the early days they tried to talk about them they said they were mean hard days I don't like to remember them get them out of don't don't don't talk about them in front of me and that was her so she she wouldn't allow people to talk about the early days but but grandfather inam just talked endlessly about the inner days now he surrounded all these hardships and what he taught the grandchildren of a fiscal nature he say you know he says people think iow was the best Farmland in the world and I own a lot of it and it's a good place to have a bank and I own the main bank and he says it looks pretty easy looking back at retrospect it was damn hard I want you to know and he said and interviewing my life what you grandchild have to realize it was his version of Robertson he taught every Grand it's when they give you a real opportunity the world's not going to do it very often and you're only going to get three or four of these in invitations to the fight counter and when you get your invitation for God's sakes don't think it's all helping he he basically said lever up when you when you're sure you're right and of course that's good advice but be sure you're right is what makes it hard how can you be sure you're right yeah well but you can't that's the point you can't do it very often just a few times in a lifetime even if you're a grandpa ham or Warren buet you only get a few trips to the P if you take out of Warren bubb's life the 10 most important trips to the pie counter the his whole record would look like dung it would be just worthless and we knew enough that take a good helping we were over to trip to the Pik out now we did take way smaller helping than we could have easily handle Berkshire could easily be worth twice what it is now and the extra risk you would have taken would have been practically nothing all we had to do is just a little more leverage that was easily available in hindsight you're glad you didn't just well from the potential risk it's interesting example the reason we didn't is Thea disappointing a lot of people who had trusted us when we were young under a thing that left us if we lost three quarters of our money we were still very rich right that wasn't true of every shareholder losing 3/4 of the money would have been a big let down so we were very cautious in dealing with our sholders money if weren't I had own burshire without any shers that we knew we would have made more more we would use more leverage I've had people say recently that because of the multiple Wars that are going on around the globe right now if you look at Israel if you look at Ukraine what's happening with Russia people say that that we are potentially in the worst of times if you look at China with the for the potential to take over end up blowing up human civilization which I love so much and naturally I hate getting anywhere in the air coming at life with the basic attitude of Grandfather Munger and grandfather King how little I want to see viation blown up when it's been so hard to get it where it is from where it was of course I don't want to blown up you worry about that right now yes of course I worry about it you your mind I don't spend too much time worry about it because something I can't fix myself I frequently put it on something I call my two hard pile and I just don't think about it so I would say atomic war is in my two hard file I think we're near I know we're nearer of it than I like being right now Charlie Warren Buffett has said that he could fix the budget deficit problem in Washington by simply saying that any member of Congress couldn't be eligible for re-election if the national deficit was more than 3% of the GDP yes that kind of thing has been done in some places that gotten enough trouble and it has worked if it isn't can't physically be done he certainly read about that it can be done whether it will be done neither one voter I can tell you but is that the proper situation it's just setting up the right incentives to well we may come to a place where we simply have to where we mismanaged to the place where it's obviously we have to go back to something that's more like that's more like Adam Smith and just take the inequality in instead of the poverty I like inequality a lot better than I like poverty I mean is this modern monetary Theory that's gotten out of control at this point do you worry of course modern monetary Theory modern monetary theory was that a level of indebtedness which in the past would have happened only during a war mhm can now be routinely created to avoid any kind of unpleasantness from some families getting squeezed by hardship at the very bottom of the economic order I'm not sure the whole damn system works when some families aren't being squeezed at the bottom of the economic order that may be our path to civilization and maybe the only one we've got in that case we just have to be financially responsible whether it feels good or not even whether it works well or not on a temporary basis maybe we just have to do it and that may come by the way I mean the most recent news is that 87 there was an 87% increase in the US cost for borrowing money over the last year um interest rates are high yeah but they come down to ridiculously low levels I was going to say they're high but not high historically well talking e economically yeah when the English console didn't lose purchasing power way back in the 1800s early 2 and a half% where did we get the idea that every endowment should get 5% 5% Real 2 or 3% % inflation that that was written in the stars I do not think it's written in the stars we we may have to do something so unpleasant but it looks like we're bringing back oh when when the Chinese said to the Russian peasants earn your own grain by farming your own farm and if it fails it's your problem not mine which is what they said that was a hardship lesson at the time it happened to work to it was it was it was it looked like a hardship lesson but it really was an invitation to plenty it was say eat this spinach and it'll really be good for you it's capitalism and you've said all along the capital ism is the best system well it works if I like your little Medallion and you like my $7 W restro and we trade them I may think your little Medallion is worth X and you may think my little wrist bu is worth $7 and we may work out some to train trade but but it just well if yours is worth $11,000 and mine is worth $1,000 we both made $11,000 right because that that's the way we value them and the voluntary exchange hasn't go the government anything the GDP just goes up by $1,000 and we I in St I'll exchange my watch for your your medallion and there's nothing else that will do that except capitalism and do it automatically you need capitalism Plus somebody that creates a sound currency that uses a medium exchange when you got those two things now you and I can have a simple system of exchanging watches for medallions and we both want to do it it's something we can do and it's it's just that was the stuff that the somebody like Ron Fuller he was interested in that stuff MH and and in seeking out to make his own work more meaningful he tried to understand it and you I could see him struggling with it it was early in the history of Economics of the discipline when this was going on now the main ideas had been discovered but but the main ideas had not been discovered in law schools I Lon fer was one of the very few people who had some bague understanding of how economics inter rued with law and of course it's the combination that helped me do as well as I didn't want you've said that proper incentive structure should be set up for Public Policy too that you have to think about it very carefully if you want to go into public policy you should go in and think about what the end results are going to be from some of your actions once you get in the in the business of saying to make it fair ER so that the hardships of Life are more widely distributed you can call it fair or you can call it more generous MH but either way they mean the same thing they want the hardships of life to be mitigated for some people that means other people can sell things to the government they use in helping unfortunate people and people have a different idea about the government they think it's mildly cheating the government's all right it's a big dumb bureaucracy everybody's they're engaged in manipulating us so they can live well of course we can finle a little so we can live well and therefore it's okay to cheat cheat the government and the cheating of the government is so extreme if I could just wave a wand and take all the cheating out of the organ comp system who can not be in favor of the wwin comp system says if you're injured in course of doing your job that makes you a living and feeds your children and now you can't function for a while the government will lift down and give you a lifting hand that's why they created compulsory where with comp insurance because it was just seemed unfair that some people got so utterly clobbered by things that weren't their fault and yet that wonderful system it is Rip with fraud they puff their injuries up so they can get time off they puff their injuries up so they can have extra cash they puff their injuries up so they can get permanent disability pay and they have doctors and lawyers that help them do it I mean mislead the government and unfair parents so that an effort to to to cure an unfairness we may find that there whole areas where the way human nature works we have to endure more hardship and and the unfairness that comes with it there was the ordinary rich person who talks that way is talking because he wants to hold all his wealth and keep a great and make the disparity between his wealth and well the ordinary people get greater and greater that's his ambition but it doesn't work that he gets what he wants the ordinary outcome for the well too families is they go back to the mean if you look at somebody as rich as the Rockefellers and that was really rich by the standards of orinary human being even the Rockefellers will eventually go back to the main pretty close anyway it just happens there a lot of Misfortune out there that both fiscal and other kinds and it takes it down one after another Henry Ford and Johnny Rockefeller were the richest people in the world when you were born in 1924 today it's Elon Musk is it just new people who come through with the system I don't regard Elon Musk as is truly that rich because I don't think it's sure that everything he's working on can work I think he can get his ass hand to him in all those I would not invest in Elon mus all myself but you've been impressed by what he's built yes well who cannot again that's another lesson what is the lesson of Elon Musk the musk is it's always an out somebody who has a perfectly ridiculous amount of money it almost always has an element of luck in he's been quite lucky in what he's picked to Double Down Double Down double down and then he's used leverage so much that he's double down right to the edge of Extinction maybe two or three times how many people can go to the edge of Extinction without stepping into it well he's done it three times maybe he's got six more any I don't know I I I put Elon Musk in a two in a pile I never read against him but I never met with him as far as I'm concerned he doesn't exist that's the my life works better if I treat the world as he didn't exist uh let's talk just about a few cultural things I I know reading is the one way that you say the only way people can really get smart you don't know anyone who's gotten smarter who doesn't read a lot well yes even the fiction of the world which includes a good deal of the Bible the Bible and the Shakespeare and great novels and all that stuff the people were good at painting pictures and painting and telling stories and people learn best when when when they learn a story looks more like a piece of aive story so it works what are you reading right now well and now is my life is people know I'm a n on books and they kind of like for Charlie's Almanac or something yeah so what do they do they send me books gifts so I get so many books in this house as gifts I no longer buy books I just select from those that people give me and I got kind like doing it I think they kind of like do it doing it it's very peculiar I I think I heard that you've been binge watching Seinfeld is that right well I've finally gotten so I've seen so many of the reruns twice I don't want to see them a third time but I do like a bunch of self-centered people making the wrong decisions it appeals to my it is ridiculous it's utterly ridiculous these feel people go out of their way to get into insane worries and so on and they solve some of their problems with humor yeah it's a show about nothing though it's yes yes but it's it's not really about nothing it's it's about the humor of life being used to make life that endurable by kidding one another which is what they're doing because they're really kidding the audience they are amusing us all and thinking about age um a lot of companies are getting rid of mandatory retirement ages boards are getting rid of a lot of those ages age retire mandatory retirements um but there are questions right now about whether Joe Biden or Donald Trump are too old to be president at 81 and 77 years old well maybe everyone in America is too old to president that may be it may be just too hard a job the way things the way things have worked out we maybe maybe this is like my cousin's my cousin's mantis maybe it's just a hand to tough to play maybe you're not going to be allowed to play it out we don't know you mean the age factor or no I'm talking about the Atomic Warfare the Atomic Warfare just the idea of being president at all yeah yeah if you got a big ruin of smoking country it's it's not much fun being president so that is something that really you can say you set it aside and it's not worth worrying about but I don't SP much time on it because I can't fix it right it goes into my twoo hard file even if I had all the power I couldn't fix it if you gave me the power to write all the laws of the world I would sit down even if it happened a day and try and help you write those laws I would think it was the most important thing that mankind could possibly do because there's a lot of laws that are stupid and cause bad results and if you know what they are or you just eliminate the ones you didn't like and put in ones that would help and I I think somebody like Warren who naturally thinks the way I do on this issue he'd be quite happy making laws for the whole United States and you would too yeah I I feel it was my duty to try too what would be the first to go or the first to get written in well there are all kinds of things I would with the fraud just gets too much I think you just have to to take it out but there are whole fessions that go out it's just and there's whole half profession that goes out half the kopic profession should go go out it should be should not exist chiropractors chiropractors yeah yeah it's horeshit because it's not true it's not going to help you and I should say you're somebody who was chairman at a hospital as well so you've seen a lot of directors to yeah to try and do things they couldn't help you've seen that with modern medicine doesn't really allow it a like this to caror license does not allow you to practice medicine I can't get Becky quick penicillin because I'm a chiropractor right right but I could if I were a doctor right what else would you take on well I think taking the fraud out is also important how can a whole lot of fraud be a good thing yeah and almost everybody has done that and the early legislators made made they they made create an artificial currency you tried to pass off as real they made that as a very serious crime and of course they killed you for it and that was probably a good rule of that step in mankind civilization was to kill the counter hitters one thing I'll guarantee you is a counterfeit who's dead is not going to counterfeit any more currency they can't do it after they're dead no well they're actually people in our liberal arts universities who think that it's cruel to kill people because they can't do any more misch after they're dead but I consider some people so damn mischievous that it's a very good place to have them is dead as soon as possible so you bring back more capital punishment yes I I might have less in some places and More in others I'm sure I would there's an article that just came out about the about Oregon which decriminalized all of um illegal drugs and is now rethinking that decriminalization because of what it has led to they thought by offering People Help um to get to cure their addictions that that would be enough to offset it what they' found instead is that they have places that are overrun with drug users on the streets making it very difficult to live M yeah yeah of course that's true and and that that's the kind of problem you want into the great rulers are people like Le on Y and L fer and Le on PE he said figure out what it works and do it that was his soul message figure out what works and do it and of course mathematically that translate figure out which doesn't work and avoid it right and and both rules are correct and yeah have to have to get it right or as close to right as human beings can get it right part of the advice that you give people in life is pretty basic stuff but if you follow it it's really excellent advice I think your first one is is have low expectations the second one is have a good sense of humor and the third one is surround yourself with love of friends and family obviously sure I have a hard time thinking of a time when you set your expectations low though yeah well I did how so well let me give you an example it's perfect here I am little boy growing up M and my father one of my mother's best friend is living two blocks away and he has two sons and I'm right in the middle of the age of his two sons and I'm a little older than one a little younger than the other Edie dur Jr is sort of a mechanical genius he can take anything apart quickly and put it right together in perfectly and and he also reads books all the time and that's probably all he ever does is sit around reading books he's a very bookish little genius with vast mechanical ability and Eddie Davis Senior his father was the son of the leading mathematics professor at the University of Nebraska Nebraska right and he didn't have any money in those days he had a huge family and and they didn't die and he couldn't it was very difficult supporting the on a professor's income and he went to all kinds of strategems he'd make his own raincoat out of a piece of oil cloth to save the money of buying a raincoat and so on and nobody else did that even brother standard to the 30s but that's the way he did it and but he was a very talented man who wrote math textbooks and so on and Dr Davis had enormous mechanical ability as well as enormous mental ability and being physically dexterous he he could do anything he saw things in four in three dimensions and and it was quite obvious that anything required mechanical ability I would not be as good as the two davises you know I just no amount of effort or work was ever going to do it make me into a a flycaster like Dr Davis was or anything else didn't have that kind of ability and so I decided to stay the hell out of businesses where I would compete with people like Eddie Davis Jr and Eddie of a senior in their strong suit knowing your competencies you knowing knowing your circle of Competency right and that kept me away from those businesses totally but part of your advice in life I think is to understand that change comes with life and adapt to it and I it's something I think about a lot in my own everybody knows that I could have done a lot better if I been a little smarter a little quicker what are you talking about like you've had success in everything you've done in life what would you what would you like to do I might have had multiple trillions instead of multiple billions do you sit around thinking about this what would you have done different I do think about I think about yes I think a lot about what I nearly missed by being just not quite smart enough or hard working enough where where what would you have changed if you could go back go back and make of course it would be a sense to go back and do it knowing what was going to happen now yeah I would be the richest man on earth well what did you miss what was there something where you Z started earlier for one thing and I would have compounded longer and I would have compounded better so saved course would have ended up richer I was going to live to be 100 years old and I I constantly aware of the facts that I I basically screwed up given the hand I doubt I could have done a lot better quite easily done a lot better but you are not somebody who spends a lot of money on yourself we are living we're sitting here in a beautiful house but this is a house that you lived in for 70 years I know Liv in his for about 60 years we're similar and but you see we're both smart enough to have watched our friends who got rich build these really fancy houses and I would say in practically every case they make the person less happy not happier how so no having a basic El really helps you having a really fancy house that's good for entertaining 100 people at once is a very expensive thing to do and it doesn't do you that much good I I think one of the things you've said along the years at least this is what I've been told is that it's not staying Rich that's difficult it's staying San yeah of course what happens well most people go a little crazy in some way or another I mean that's a lot of your life a lot of your life and advice is inviting traps invert invert and try and figure out where you don't want to be yes and then yes of course that's what everybody's life is with any sense all the people I know and my friends now they never would come out of olic it was too dangerous they would they just don't they don't they don't get near it if it's takes that many fine people in the Deep Trel yeah I knew quite a people having lived so long and have scattered around through different activities and I bumped into a lot of different people and I noticed as I got older and older that all the people that had very early heart trouble the males that had very barly hard trouble had one thing in common what they all smoked a lot of cigarettes oh so I could see that coming fairly early and it's rather I tried to learn to smoke so I could be a cool kid like the other kids in high school I tried to ruin my life but it nauseated me and so I said the hell was this people lered me into a goddamn thing you got to get nauseated by learning to do it I said I'm not interested enough in being going through a lot of nausea that I want to smoke so I just didn't smoke now you did drink from time to time right yeah sure but I didn't again I was and and I even drank ex a few times but I was always there were enough alcoholics and near alcoholics in my own family to make me worry about leor yeah and and so I was always very cautious about drinking now I did occasionally get drunk and throw up that gave me the nausea which enabled me to give a liquor do you still I mean living to 100 everybody wants to know what's the secret what is the secret for you what did you consen I don't know the secret I avoided the standard ways of failing because my game in life was always to avoid all standard ways of fail you teach me the wrong way to play poer and I will avoid it you teach me the wrong way to do something else I will avoid it and of course I have aved a lot because I'm so cautious but you you you do things you like like you'll eat peanut brittle or yes con doesn't matter that much okay I drink that coke yeah I'm sure that go shortens my life a little but I don't give a damn if they the last week of lying there unconscious goes away way it's only the good part of life I want anyway you know there are all of these um billionaires now Silicon Valley types who are trying to do anything they can to extend life like crazy things and they find they got a family full of Parkinson's and of course I watch my mother and my sister die of parkon disease and so I'm familiar with that one yeah that's a very unpleasant thing I do not like the last month of Parkinson's disease I've seen it up close yeah it's no fun for the people in it it's no fun for the people around them it's no fun at all and that coke may be helping me skip who knows it's helping me skip the last month not the first month there there are some new ways that people think that they can extend life though and and one of the crazier things I've heard is this idea of doing a blood transfusion with younger people so you get younger blood I mean there's like some silicon BP that was crazy you got to remember the practice of Medicine in my father's Boyhood was a charlatan profession people learned to make a living at it and they gradually learned a few things they could do to help with patients but they but basically they did a lot of nonsensical things if other people want to know what the the best way to live is you would just tell them avoid the crazy things avoid the things that take you down yes avoid crazy at all costs crazy is way more common than you think it's easy to slip into crazy just avoid it avoid it avoid it of course of course of course I think another thing you've said is whatever you are um wealth and age will make you more so yeah sure you've given away a lot of your money yeah but not not like Warren more than half the Munger money is already been pass to The Descendants so I I I made exactly the opposite there was a smaller amount of money but I made exactly the opposite decision for the majority of our money the majority of his money he give away and now he didn't exactly give it away it goes to BU foundations to go on for another 100 years that's not exactly giving it it's not not exactly like wasting it it's so some significant is there anything left on your bucket list anything you'd like to do well that's an interesting question I am so old and weak compared to what I was when I was 96 that I no longer want to catch a 200 lb tuna it's just too godamn much work to get it in and takes too much physical strength so I don't I would have paid any amount to catch a 200 lb tuna when I was younger and never caught one and now I give me the opportunity I would just decline going I I won't even go out after them there are things you give up with time and you're pretty active you've got a busy social schedule you're on Zoom you have breakfasts and lunch I like it that way yeah that's my idea of a proper old age for me and I didn't plan it it just happened and and when it happened I welcomed it I I am very good i' recognize unfair advantages and I got un Fair advantages in old age the way I got unfair advantages in non- old age and when they came I just grabbed them boom boom boom the one grab I never made was for a third wife too late why it's it's a too late there are people for whom it's a NE neity necessity there are more there's so much more comfortable marriage than they are outside that that they really need it to be human it's just the way the way they're put together and for such people I reprend the 100y old dating app but you'll find that if you put it in not many hundred year olds want it they're just lying there your partnership with Nancy uh your second wife yes it was a 56 52 year old marriage yeah it's a long marriage that and she got to live it to all the way to 86 which is a long life and now there are some tough stretches but most lives have some tough stretches and hers came very near the end I mean Charlie people probably look at you and think you're incredibly wealthy you've had all these great opportunities and things that have happened in your life but you've struggled too um of course everybody struggles the iron rule of life is everybody struggles I try and think back of what the toughest moments might have been and how you got through some of those and I mean well we all know how to get through them through you the Great philosophers of realism are also the great philosophers of of what I call soldiering through if you Soldier through you can get through almost anything and it's your only option you can't bring back the dead you can't cure the dying child you can't do all kinds of things you have to Soldier through and you just somehow you Soldier through if you have to walk through the streets crying for a few hours a day it's part of the soldiering go ahead and cry away but you have to you can't squit you when you can't you can cry all right but you can't quit you've had time in your life when you've done that sure I cried all the time when my first child died and but I knew I couldn't change the Fate in those days the fatality with childood leukemia was 100% that was your sun that's gone away now it's now the Cure rate is way up in the 90s and it's an amazing development I think of how much pleasure it's given me to watch The Cure rate for leukemia what mankind did what mankind civilization did was Soldier Ro those tough years that took away my cousin Tommy from menitis and then and took away my son Teddy [Music] from leukemia imagine C imagine pretty well fixing that disease for for families who came to came into life later it's a huge achievement you can see why I like Civilization to me civilization is what man has done over the last two centuries and it's been a good thing to watch Charlie Warren Buffett told me that a long long time ago you told him he should live his life he should write his obituary the way he wants it written and then live his life accordingly yeah sure I I assume you've done the same thing for yourself well no I've written my obituary the way live my life and if people want to pay attention to it is all right with me and if they want to ignore it that's okay with me too I'll be dead but what difference will will make and so but I think it's a good it's not a bad idea listen Warren and I both live in the same house for decade after decade after decade all our friends get rich and build better bigger and better houses and naturally we can we both considered bigger and better houses and I had a huge number of children so it was justifiable even and I still decided not to live a life where I look like the Duke of welchester or something and I I was going to avoid it I did it on purpose why I didn't think it would be good for the children that it would spoil them yeah it's who a rich family you think your duty is to use the wealth to live grandly that's what everybody's doing with the money you will learn from the people that are doing it is the the plan for your life the obituary you would write in your 30s the same you would write today sure I I basically believe in the in the soldier on system MH lots of hardship will come and and you're here you got to handle it well by soldiering through and lots of a few where opportunities will come you got to learn how to recognize them when they come and not to make too minor a trip to the by counter when the opportunity is available and those are simple [Music] lessons