

THE ECONOMIC CLUB

O F W A S H I N G T O N , D . C .

Excerpts from the Signature Event featuring Warren E. Buffett, Chairman, Berkshire Hathaway INC.

June 5, 2012

“ . . . if the economy grows 2 percent a year and population grows 1 percent a year that means each generation is living 20 percent better than the generation before. That means in a century people are living three times as well as they lived at the start of the century. So, our rates of gain in the way people live have been dramatic. In my lifetime – I was born in 1930 – there are six times the real GDP per capita as when I was born, six times in one person’s lifetime. We have a system that works. And it’ll keep working. It may not work up six times for the next 80 years, but it’ll work – it’ll be two and a half times or three times.” ~ *Warren Buffett, Chairman, Berkshire Hathaway Inc.*

“We haven’t lost the secret sauce. When I was born in 1930, the Dow was 252 the day before. I was born on a Saturday; Friday it was 252. That was a high for the year. . . . look at what has happened since that time. We went through a terrible war. We went through a terrible Depression. We went through 25 percent unemployment. We went through thousands of banks closing – six for one, you know. We’re not smarter than the people in 1930. We don’t work harder than the people in 1930. We’ve just got a system that works. It’s been working since 1776, and it will keep working.” ~ *Warren Buffett, Chairman, Berkshire Hathaway Inc.*

“ . . . if you asked everybody here how much the federal government should be raising annually or in aggregate over the next 10 years, the answers would come in somewhere between 18 ½ percent and 19 ½ percent, which is close to what’s been the situation since World War II. If you asked them how much the government should be spending, they’d probably come in at 21 percent, some would come in at 20 ½ percent or 21 ½ percent. . . . that means getting more from taxes and it means cutting expenditures. The problem is that the Democrats don’t want to talk about what expenditures they would cut and the Republicans don’t want to talk about increasing revenues.” ~ *Warren Buffett, Chairman, Berkshire Hathaway Inc.*