
Buffett, Gates and Munger after 2014 and 2015 Berkshire Hathaway meetings

It's always refreshing to hear the views of Warren Buffett, Charlie Munger and Bill Gates so I was happy finding [this video](#) where they are interviewed after the shareholder meetings of 2014 and 2015. The questions are better than the average at the AGMs. The topics I found most interesting:

- Buffett's insights on Moody's
- Gates on how Bing is an important tool for Microsoft in understanding what to do next based on what people search for (my take: Google knows more)
- Buffett believes driverless cars will be a negative to car insurers
- All three read the Wall Street Journal and New York Times daily
- Buffett says that Berkshire don't write any long-term policies related to climate change
- Buffett will not buy Microsoft due to his association with Gates
- All of Mungers sharp comments

12:30 Buffett on Coke's incentive structure: We would not have done the same. At Berkshire we have large incentive structures, but they are always connected to what the specific manager can accomplish. If a manager takes care of the Canadian market, then he gets compensated for the results on that market.

16:00 Buffett on activism: We are not looking to change people". "We want to join with people we like and trust". "You don't want to get married with the idea of changing the other party".

17:30 Buffett on Carl Icahn: Carl goes into different kinds of companies. We are not doing the same thing.

19:00 Buffett on Moody's: It's a good business, a very good business. Have seen their competitive position by being a customer. We are not in a position to negotiate on price and we need their rating and S&P's rating. High return business that has great potential to grow over time.

20:30 Gates enters the conversation – Buffett: When I first met Bill in 1991, I bought 100 shares of Microsoft and I still own them. **Gates:** Geico has been a leader in capturing customers through the internet (implicating that Buffett understands technology).

24:00 Gates on Satya Nadella: Satya is free to run the company as he wishes. He is off to a great start. He has used more of my time than was the case before. He is re-examining all the things. It's exciting that we have new blood and new ideas.

25:30 Gates on spinning off Xbox and Bing: The Bing technology has been a key for us in how to build large scale data centers. Bing lets us see what is going on by what people search for. It's a pretty fundamental part of the company. Satya and the team will look at Xbox but it's not as obvious as it seems.

28:00 Gates on hardware and data centers: You will never have the same profitability in hardware, tablets and data centers, as in software. Understanding where cost of goods sold are going for Microsoft is important for investors going forward as it's not a pure licensing business anymore.

32:00 Buffett on IPOs: IPOs by design are not offered at a bargain price. In 2008 nobody was bringing IPOs but that was the time to be buying stocks. It's not our game.

34:00 Munger enters the conversation – Munger on Bitcoin: I was holding back when I called it rat poison. I think the government should issue the currency. **Gates:** I like digital currencies but don't think they should be anonymous. **Buffett:** The US dollar will be the world's reserve currency for a long, long, long time.

40:30 Buffett on driverless cars: If they work well, they are good socially, but they could reduce the cost of insurance which is bad for Geico. I would never sell Geico though.

42:00 Munger on pollution in China and BYD: Chinese pollution is good for BYD. China will understand that they shouldn't kill people which will be good for BYD.

43:00 Munger on climate change: People pretend to know more what will happen in the future, but they are very sure. Global warming is a reality though. **Gates:** We need more ways of making energy without emitting CO2 and over a 30–40-year period we need to change.

46:00 Munger on Thomas Piketty's views on income inequality: I don't agree, Hong Kong that has great income inequality has been one of the glories of the world. He is full of error. I am all for fair taxation. **Buffett:** We are for equal opportunity but not equal outcome.

48:00 Buffett on higher education: It's worth it for some students but not all. **Munger:** Being liberal on student loans has definitely raised tuitions, that is how capitalism works. A lot of education is counterproductive but on average it's positive.

50:00 Munger on redistribution of wealth: Munger: I don't support it much. **Buffett:** More than Charlie. **Gates:** Same as Warren.

50:30 Buffett on owning whole businesses vs stocks: I rather own whole businesses but stocks are a very good alternative.

53:00 Hillary Clinton as president – Buffett: I would support her. **Munger:** I am a republican, but she is probably a good democratic alternative.

53:30 Morning reading - Gates: Wall Street Journal and New York Times. **Buffett:** Wall Street Journal, Omaha Herald, Financial Times, New York Times and USA Today. **Munger:** Wall Street Journal and New York Times and I particularly read what I disagree with, especially Krugman.

57:00 Gates on self-education: Reading, work on what you are interested in, surrounding yourself with smart people, other domains.

1:03:30 Buffett on what businesses he is buying: I try to buy business which I can understand the future of for 5, 10 and 20 years and I try to buy them at a reasonable price. Munger transformed me from a cigar butt investor to a buyer of wonderful businesses at a fair price.

1:06:40 Buffett on the minimum wage: Raising the minimum wage would lead to people losing their jobs. Income tax credits are better.

1:11:10 Buffett on insurance related to climate change: We are only running one-year policies related to the climate.

1:12:00 Buffett on renewable energy: I am pro wind and pro solar. The sources of energy are changing but it can't change over-night. It will take trillions of dollars of investment to change it.

1:19:30 Munger on bad conduct of activists: I like people who work constructively without all the noise.

1:21:30 Munger on Berkshire after him and Buffett: Berkshire will flourish after we're gone. We had good alchemy but now we have great assets. Both the assets and culture have great forward momentum.

1:25:45 Gates on Buffett buying IBM: I have a bias because of my association with Microsoft. I would not buy that stock. **Buffett:** We can't buy Microsoft because of Bill. People would think I got tipped off by Bill.

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