# Our Thoughts from the Berkshire Hathaway Annual Meeting

Here are some thoughts from Berkshire Hathaway's annual meeting held this past Saturday in Omaha.

Linda and I attended for the first time in the post-pandemic era. Having gone to many meetings, we had the feeling that this would be the final session with Buffett as the CEO. It turned out that we were correct, but even that knowledge didn't stop us (Henry's fault) from leaving a few minutes early to beat the traffic, thereby missing Buffett's actual retirement announcement. We never said Northstar was the place to come for perfect timing!

After visiting the exhibits the day before, and standing in the chilly predawn with thousands of other excited shareholders, the hours spent with Buffett, Greg Abel, and Ajit Jain were full of wisdom and substance. I would like to focus on a few points that might not have been widely presented in major media reports:

- As the meeting began, Buffett introduced Greg Abel and Ajit Jain, pointing out that they were from Canada and India, respectively. He then made his subtle point even clearer by pointing to Berkshire's diversity, with a smile of course. Those remarks, along with his full-throated endorsement of global free trade, made his views crystal clear. At the same time, he expressed concern about the falling dollar and clearly supported some moves toward balanced trade along with reductions in Federal deficit spending. His view is that a 3% deficit is sustainable, and that today's 7% level is not.

- Greg Abel (the incoming CEO) spoke glowingly about their huge investment in Japanese trading companies. Those companies are enormous enterprises, and Buffett invested billions in them several years ago at bargain prices. Berkshire has financed most of its investment with cheap, Yen-denominated borrowings. This is not classic Berkshire behavior, and it is noteworthy as a commitment to an investment horizon that Abel and Buffett said stretches out more than fifty years. We believe them, but neither Linda nor I plan on being around to check on the accuracy of that statement. Berkshire is looking to increase its presence in Japan (we overheard Abel talk about an upcoming trip) and further hopes to create synergies with Berkshire's other businesses.

- We were astonished by the power of the GEICO turnaround. That had been a corporate problem child but is now a stellar performer.

- Buffett and Abel spoke about the litigation risk in the utility business…increased wildfires mainly—and Buffett clearly stated that public utilities are less valuable due to societal (legal) conditions. This reminded me of his warnings about Fannie Mae and Freddie Mac several years before their collapse. This is an important industry to keep our eye on.

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