

assets on hand at all times—“so that I can sleep better,” he says. In a world of high-frequency traders with two-hour sell windows, Buffett’s investment horizon is somewhere between 10 years and forever.

He grew up in Omaha and Washington as the son of a U.S. Congressman and was once president of the University of Pennsylvania’s Young Republicans Club. Now he’s President Obama’s highest-profile supporter, a crusader for higher taxes on the millionaires’ club. As he wrote in an op-ed article for the *New York Times* last summer, in which he noted that his personal tax rate was lower than that of his office staff, Washington needs to “stop coddling the superrich.” Millionaires, says Buffett, should pay more taxes—a lot more. And companies certainly shouldn’t pay any less.

His worry is that in this era of late-stage capitalism, the next generations won’t be as lucky as he has been. The problem of inequality is likely, he says, to get worse. When people can’t climb up the ladder, it’s bad for the economy—and for his companies. He doesn’t believe that the U.S. can innovate its way quickly back to a 1950s level of shared prosperity, nor does he think education will entirely close the gap. “The truth is that there will always be a bottom 10% in terms of capacity,” he says. “Someone in America who has a 90-point IQ is qualified for many fewer jobs today than he was 100 years ago.”

The solution, to him, is obvious. “People who make withdrawals from societies’ resources—like me with my plane—should have to pay a lot for it.” That means not only higher taxes for the rich and an extremely progressive European-style consumption tax but also fewer loopholes for corporations. Buffett says it’s “baloney” that corporate America’s tax rates are too high and says companies should not be allowed to repatriate profits tax-free. (It’ll just encourage more investment to flow overseas.) In general, he says, “I find the argument that we need lower taxes to create more jobs mystifying, because we’ve had the lowest taxes in this decade and about the worst job creation ever.”

THE INNER SCORECARD

IT’S EARLY DECEMBER IN OMAHA, AND snow is blowing horizontally across the windshield of Buffett’s beige Cadillac DTS.

Dressed in a simple checked blue sport jacket, with his hearing aid pointed toward the passenger side of the car, he is driving me to lunch at the Happy Hollow Club. The car has no four-wheel drive and keeps skidding slightly, as Buffett, an enthusiastic speaker, takes his hands off the wheel regularly to gesticulate. I ask him why he doesn’t have a driver, and he laughs. “Oh, gosh,” he says. “I think if I did anything but drive myself around here, people would just think it was ridiculous!”

Everyone in town knows Buffett. At the country club, which resembles the one in the tiny Indiana farm town where I grew up, we are greeted by a gray-haired woman at a card table, who wishes us Merry Christmas and gives us a ticket for the brunch buffet. It’s Sunday morning, and the place is full of families who look as if they’ve just come from church. Buffett, who has a soft elderly face but moves briskly, stacks a plate high with waffles, bacon and roast beef. Despite his Eisenhower-era diet, which includes 60 oz. of Coke (preferably Cherry) a day, Buffett remains surprisingly trim. “I haven’t had a taste of broccoli or asparagus in years!” he boasts. “I formed my thoughts on eating at the age of 5, and I haven’t changed them.”

Buffett’s cultural tastes are equally old school. His icon of beauty is Sophia Loren; his favorite movie is *The Bridge on the River Kwai*. And his views on wealth redistribution—which are basically the opposite of the trickle-down theory—go back even further, echoing those of another Nebraskan, progressive Democrat Wil-



Power couple Buffett with his first wife Susan at a White House dinner for British Prime Minister Tony Blair in 1998

liam Jennings Bryan, who believed that “if you legislate to make the masses prosperous, their prosperity will find its way up and through every class that rests upon it.”

Buffett’s maternal grandfather, writes Alice Schroeder in her excellent biography of Buffett, *The Snowball*, was an ardent supporter of Bryan. Buffett’s father Howard, on the other hand, was a conservative; a grocer’s son who went on to become a stockbroker and four-term Republican Congressman, he had an aversion to any sort of class system, as well as to debt. (He lobbied to put the U.S. back on the gold standard.) He was also an isolationist who agreed with Calvin Coolidge that the “chief business of the American people is business” and once passed out flyers calling Franklin D. Roosevelt and his welfare state the “greatest threat to democracy” that the U.S. had ever known.

Despite the political differences that would emerge between them, Howard Buffett was and is a hero to his son, in large part because he operated, both as a person and as a politician, by what Warren refers to as an inner scorecard. As Schroeder writes, Howard Buffett was “the least backslapping Congressman ever to represent his state.” He once turned down a raise because his constituents had voted him in at a lower salary. And he was shocked by the way his peers padded payrolls with friends, relatives, mistresses and fake expenses. It was truly *Mr. Smith Goes to Washington*.

Howard’s propensity for acting on the basis of his conscience deeply influenced his son. His picture hangs on the wall in Buffett’s office, along with a few other treasured possessions—a diploma for completing a Dale Carnegie course on “how to make friends and influence people,” a 1973 Pulitzer Prize for a story on financial mismanagement at Boys Town given to the *Omaha Sun* (which Buffett then owned; last month he bought the *Omaha World-Herald*) and the Presidential Medal of Freedom, awarded to him by President Obama.

Buffett’s other hero is his first wife Susan Thompson Buffett, who suffered from oral cancer and died in 2004. She too had the inner scorecard. “In everything that’s been written about me, I’ve never felt that my wife was remotely done justice to,” says Buffett. “She was just an incredibly wise and good person. She didn’t do things with a metric attached to them. She was just as interested in one person as in