

# Real Estate Journal

THE LARGEST WEEKLY COMMERCIAL/INVESTMENT NEWSPAPER COVERING THE STATE

## Running a business is like running a government. I'm voting for Warren Buffett



Roland Hopkins

Many years ago I purchased a few shares of Warren Buffett's Berkshire Hathaway. I am not a stock market investor. The Wall Street Journal bores me - the Daily Racing Form is far more exciting. But Warren's stock looked good to me, a complete novice. So I tried it. After more than tripling in value, I listened to a so-called financial advisor, sold my shares for a nice profit and forgot.

About 10 years later someone told me that Berkshire Hathaway had jumped to \$12,000 a share. That intrigued me, and since I had a few extra dollars, I bought some, telling myself that I would never sell it again, no matter what the so-called financial experts told me. (By the way, I watch a few minutes of Squawk Box every morning and those guys will admit that they can't predict any better than those sports mavens who selected the New England Patriots.)

I decided I would hold the stock until I read that Mr. Buffett fell ill. In retrospect, if I had been really knowledgeable in the market, I would have invested much more in Warren Buffett, and most likely been able to retire early.

Over the next several years the stock rose to over \$80,000 a share. Then, one day I read that Mr. Buffet was ill. His stock dropped in half and I quickly sold. Mr. Buffett recovered, stronger than ever before, and the stock went back to the \$80,000 and even higher. The best tip I ever received about the stock market was to buy food stocks. "People will always have to eat. I recently checked Buffett. He just bought over \$4 billion in Kraft Foods.

But wait, what does all this have to do with real estate?

George Bush made a big speech on Friday and announced that the country is not in a recession. So much for what he knows about business. He could have admitted we are experiencing a minor one. The Dow Jones dropped 315.79 points on Friday. Gulp! Buffett

used the term "financial folly" describing the lenders who financed the housing boom. Maybe he should run for president. He'd get my vote and probably yours. Here's a folly that you probably never noticed. When you watch the debates (and millions do) you'll notice that none of the candidates ever discuss the economy as it relates to business practices. Why? Because none of them have ever been in business and know nothing about it. Historically, very few people with a business background have ever even run for president. Mitt Romney's father was a brilliant businessman and ran. He got crushed. Why? Take a hundred people - any hundred over the age of 21. How many of them own their own business? One? Now let's assume that all hundred vote. 99% don't know about business and it is that 99% the politicians have been appealing their campaigns to. Right? Mitt Romney ran a successful business. How well did he do in the run? Mayor Bloomberg thought about running. He made billions in business. But he decided not to run. Why? Because he knew that he couldn't appeal to the 99%.

In 1989 the country fell into the worst recession it had seen since the Great Depression in 1929. What did the U.S. government learn by that recession to keep us out of the next one that is always predicted to loom up every 17 years? Bush Sr., Clinton and Bush Jr. ran the country for the past 17 years, none of them having a clue as to how to run a business. Running the United States government is running the biggest business in the world, and we constantly elect people who don't have a clue.

Shame on us and shame on the news media broadcasters like Tim Russert, Joe Scarborough and that Hardball guy who never even hints about asking the candidates a question on hard business practices. Why? Because they don't know anything about business either.

God help us all. Oops! Sorry, I forgot. The government is slowly, but slowly taking God out of the equation.

Roland Hopkins Sr. is founder of the New England Real Estate Journal, Norwell, Mass.