World's Richest Men: 'Darkest Hour' Behind Us

NEW YORK (AP) — Capitalism is still alive and well, say the world's two richest men, despite lingering shocks from the longest, deepest recession since the Great Depression.

"The financial panic is behind us," said famed investor Warren Buffett, who recently made what he called an "all-in wager" on the U.S. economy by acquiring railroad Burlington Northern Santa Fe. "The bottom has come in stocks. Don't pass on something that's attractive today."

Sitting facing each other in an auditorium filled with nearly 1,000 cheering people at a CNBC-sponsored event at Columbia University in New York, the CEO of Berkshire Hathaway Inc. and Microsoft founder Bill Gates fielded questions from Columbia Business School students on the recession, investing and what's the next Microsoft.

There were at first reassurances that the U.S. economy had not collapsed since the last time the two sat in front of a student audience, in Nebraska in 2005.

"We proved that we can make mistakes," said Gates. "But the fundamentals of the system, a marketplace-driven system where we invest in education and a great infrastructure for the long-term, that's continued." Even in the country's "darkest hour," he said, American businesses were still innovating.

"Last fall was really blindsiding," Buffett said later. Still, "I did not worry about the overall survival of our economy."

The worst recession since the 1930s may be over, but the recovery isn't expected to be strong enough to stem job losses and get businesses hiring again. Employers shed a net total of 190,000 jobs in October, a government survey showed Thursday. It was the 22nd straight month of losses. And the unemployment rate jumped last month to 10.2 percent, a 26-year high.

The last time the economy saw a net gain in jobs was in December 2007.

Buffett also commended the Bush administration's actions last September, saying "only the government could have saved things" after the collapse of Lehman Brothers triggered a freeze-up in credit markets and panic on Wall Street.

In the future, however, Buffett said "there should be more downside to the head of any institution that has to go to the federal government to be saved for reasons of the greater society."

The two endeared themselves to the audience with tips. Buffett exhorted students to "marry the right person" and said, "The worst investment you can have is cash."

Gates, meanwhile, said he sees big opportunities in environmentally friendly energy and medicine.

"Capitalism is great," he said.

Gates wore a suit and tie, flashing the inner red lining of his jacket as he walked to his chair. Buffett, who earned a master's degree from Columbia in 1951, wore a sweater with the Columbia insignia.

Students in the audience said they were glad the two were so confident about the economy.

"That probably weighs a lot to a lot of people to hear Buffett say we're out of the crisis," said Andrea Basche, an Earth Institute student at Columbia.

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