

# BUPPETT PARTNERSHIP, LTD.

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WARREN E. BUPPETT, GENERAL PARTNER  
WILLIAM SCOTT  
JOHN M. HARDING

November 1, 1967

To My Partners:

Enclosed are:

1. Two copies of the Commitment Letter for 1968, one to be kept by you and one to be returned to us. You may amend the Commitment Letter right up to December 31, so get it back to us early and, if it needs to be changed, just let us know by letter or phone. Commitment Letters become absolutely final on December 31 - there can be no exceptions to this rule since I turn them over to Peat, Marwick, Mitchell & Co. at that time.
2. A tax letter giving my best present estimate of how the picture will look at yearend regarding 1967 realized investment transactions. We have disposed of some important holdings this year, realizing about \$24 million of gain in the process. Therefore, it is particularly important that you take a close look at your tax situation before returning your Commitment Letter to us so that you will not be a disappointment to the Internal Revenue Service next April. Should you need any help, John Harding will be glad to give you a hand in making a rough estimate of what you might need for tax purposes.
3. A copy of the letter sent you February 2 giving the figures from which to make the calculation explained in the tax letter. In the past we have made you dig into your files for this letter - one of our partners came up with the excellent suggestion that we send you a copy at this time.
4. A copy of "The Ground Rules" with rules four and five completely changed to reflect the new conditions explained in my October 9 letter. If the goal set forth in rule four will not be satisfactory, if attained (and it is only a goal, not a promise), you would be wise to withdraw at yearend. Under present conditions, some partners may well have more attractive alternatives for their capital and, if so, it is appropriate that they make a change.

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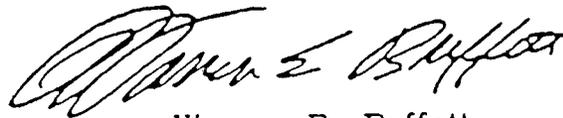
2.

Any withdrawals will be paid by January 5. You may withdraw any amount you wish from \$100 up to your entire equity. Similarly, additions may be for any amount and should reach us by January 10. If additions reach us in November, they take on the status of advance payments and draw six percent until yearend. Additions reaching us in December do not draw interest.

As I write this, the Dow is approximately 880, giving an overall return from the Dow for the year to date of about plus 15%. Our performance is about plus 27% which translates to about plus 22% for limited partners (before any monthly withdrawals). This involves no change in our valuation of controlling interests from yearend 1966. In our letter of December 22 confirming the status of your Commitment Letter, I will advise you of our valuation for Diversified Retailing and Berkshire Hathaway and will enclose some relevant financial material pertaining to such valuation. This adjustment will probably add a minor amount to our results for the year.

11 C In interpreting our results for the balance of the year, and possibly for next year you should be aware that not only do we have about \$20 million invested in controlled companies, but we also have over \$16 million in short-term governments. This makes a present total of over \$36 million which clearly will not participate in any upward movement the stock market may have. This does not reflect any market judgment on my part; it simply means I can't find any obviously profitable and safe (from a long-term value standpoint, not a short-term quotational one) places to put the money. We normally enter each year with a few eggs relatively close to hatching; the nest is virtually empty at the moment. This situation could change very fast, or might persist for some time. It is mentioned only to moderate any expectations you might have as to our performance should a strong stock market occur in the near future.

Cordially,



Warren E. Buffett

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