

BUFFETT PARTNERSHIP, LTD.

810 KIEWIT PLAZA

OMAHA, NEBRASKA 68101

TELEPHONE 048-4110

Warren R. Buffett, General Partner  
William Scott  
John M. Harrold

November 1, 1965

To My Partners for 1966:

Enclosed are:

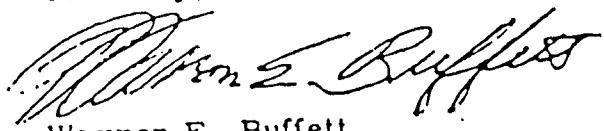
- (1) Two copies of the commitment letter for 1966, one to be kept by you and one returned to us. You may amend the commitment letter right up to midnight, December 31st, so get it back to us
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valuation of minority interest positions, is of little or no importance in valuing a controlling interest. We will value our position in Berkshire Hathaway at yearend at a price halfway between net current asset value and book value. Because of the nature of our receivables and inventory this, in effect, amounts to valuation of our current assets at 100 cents on the dollar and our fixed assets at 50 cents on the dollar. Such a value, in my opinion, is fair to both adding and withdrawing partners. It may be either higher or lower than market value at the time.

As I write this, we are orbiting in quite satisfactory fashion. Our margin over the Dow is well above average, and even those Neanderthal partners who utilize such crude yardsticks as net profit would find performance satisfactory. This is all, of course, subject to substantial change by yearend.

If anything needs clarification, call or write John Harding who is in charge of "de-confusing" partners. The tax situation is about as reported in the August letter, but if you would like John to make the calculation for you, he will be glad to do it.

Cordially,



Warren E. Buffett

P/S We are continuing our "no prize" policy for the last ones to get [redacted] to us. It will make things easier

[Redacted lines]