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February 3rd, 1976

To the Hilton Head Group

Dear Gang,

Normally, when you get a letter from the wife, partner or secretary of Joe Glutz saying, "Of course, Joe is too modest to tell you about this himself, but I know you would want to hear that...", it means that Joe is standing over the writer with a gun at his head, telling him not to look up from the xerox machine until the mailing has been completed.

This one is for real.

Today I received the 1975 annual letter of Walter J. Schloss Associates, which included a twenty-year compilation of Walter's record since he left Graham-Newman. You may remember that I went to work for Graham-Newman in 1954. Walter left in 1955. And then Graham-Newman closed up in 1956. I would prefer not to dwell on the implications of this sequence.

In any event, armed only with a monthly stock guide, a sophisticated style acquired largely from association with me, a sub-lease on a portion of a closet at Tweedy, Browne and a group of partners whose names were straight from a roll call at Ellis Island, Walter strode forth to do battle with the S & P.

On the following page is a re-cap of his yearly performance and calculations I have made regarding compounded results. The difference between the gross results and the limited partners' results is accounted for by the fact that, as General Partner, he takes 25% of the profits - a quaint and easy-to-calculate method of tribute not entirely foreign to many of you.

Walter has had five down years compared to seven for the S & P. His superiority in such down years would indicate that not only is he a man for all seasons, but that he has special strength when facing a head wind. Maybe all of you had better watch Ben Graham on Wall Street Week this Friday.

As for me, I'm going right out and buy some Hudson Pulp & Paper.

Best,



WEB/glk