

December 18, 1986

To Our Clients:

Institutional Shareholder Resolutions  
Seeking Referendum on Share Purchase Rights Plans

You may wish to consider inclusion of some or all of the following from an article by Warren E. Buffett in The Washington Post, December 4, 1986, page A23:

What can be done, now that the whirlpool of speculation has engulfed enterprise? A proposition that may initially sound outlandish could have substantial merit: let the government impose a 100 percent tax on any profits derived from the sale of stocks or derivative instruments that the holder has owned for less than a year. And apply the tax to everyone, including pension funds and other entities that normally are not taxed. It's one of Wall Street's many ironies that such funds, which should have the longest investment perspective, have been transformed by the competitive race on Wall Street into some of the most speculative players around. (Emphasis added.)

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