

<p>Buffett's Letters To Berkshire Shareholders 1980</p>	<p>巴菲特致股东的信 1980 年</p>
<p>Operating earnings improved to \$41.9 million in 1980 from \$36.0 million in 1979, but return on beginning equity capital (with securities valued at cost) fell to 17.8% from 18.6%. We believe the latter yardstick to be the most appropriate measure of single-year managerial economic performance. Informed use of that yardstick, however, requires an understanding of many factors, including accounting policies, historical carrying values of assets, financial leverage, and industry conditions.</p>	<p>1980 年本公司的营业利益为 4,190 万美元,较 1979 年的 3,600 万美元成长,但期初股东权益报酬率(持有股票投资以原始成本计)却从去年的 18.6% 滑落至 17.8%。我们认为这个比率最能够作为衡量公司管理当局单一年度经营绩效的指针。当然要运用这项指针,还必须对包含会计原则、资产取得历史成本、财务杠杆与产业状况等在内的主要因素有一定程度的了解才行。</p>
<p>In your evaluation of our economic performance, we suggest that two factors should receive your special attention - one of a positive nature peculiar, to a large extent, to our own operation, and one of a negative nature applicable to corporate performance generally. Let's look at the bright side first.</p>	<p>各位在判断本公司的经营绩效时,有两个因素是你必须特别注意的,一项是对公司营运相当有利的,而另一项则企业绩效相对较不利的。让我们先从好的那一面看起:。</p>
<p>Non-Controlled Ownership Earnings</p>	<p>无控制权持股之盈余</p>
<p>When one company owns part of another company, appropriate accounting procedures pertaining to that ownership interest must be selected from one of three major categories. The percentage of voting stock that is owned, in large part, determines which category of accounting principles should be utilized.</p>	<p>当一家公司拥有另一家公司部份股权时,在会计上通常有三种方式来处理投资公司在被投资公司所拥有的权益,其中所持有的股权多寡将决定公司采用何种方式。</p>
<p>Generally accepted accounting principles require (subject to exceptions, naturally, as with our former bank subsidiary) full consolidation of sales, expenses, taxes, and earnings of business holdings more than 50% owned. Blue Chip Stamps, 60% owned by Berkshire Hathaway Inc., falls into this category. Therefore, all Blue Chip income and expense items are included in full in Berkshire's Consolidated Statement of Earnings, with the 40% ownership interest of others in Blue Chip's net earnings reflected in the Statement as a deduction for "minority interest".</p>	<p>一般公认会计原则规定若持有股权比例超过百分之五十(除了少数例外,就像我们先前持有的银行股份),则投资公司必须完全合并该被投资公司,包含营收、费用、所得税与盈余等在内的所有会计科目。比如说像是伯克希尔持有 60% 股权的蓝筹邮票公司,便是属于这一类,至于其它 40% 股东的权益在财务报表上则以少数股东权益列示。</p>
<p>Full inclusion of underlying earnings from another class of holdings, companies owned 20%</p>	<p>而若是持有股权比例介于 20%-50% 之间,像 Wesco 金融公司虽系由伯克</p>

<p>to 50% (usually called “investees”), also normally occurs. Earnings from such companies – for example, Wesco Financial, controlled by Berkshire but only 48% owned – are included via a one-line entry in the owner’s Statement of Earnings. Unlike the over-50% category, all items of revenue and expense are omitted; just the proportional share of net income is included. Thus, if Corporation A owns one-third of Corporation B, one-third of B’s earnings, whether or not distributed by B, will end up in A’s earnings. There are some modifications, both in this and the over-50% category, for intercorporate taxes and purchase price adjustments, the explanation of which we will save for a later day. (We know you can hardly wait.)</p>	<p>希尔所控制但却仅持有 48%的股权，则在投资公司的帐上仅记录一个分录，将被投资公司依股权比例所认列的投资损失或利益予以入帐。因此如果A公司拥有B公司三分之一的股权，则不论B公司是否将年度盈余全数发放，A公司都必须依比例认列投资利益，另外这两类的会计原则都规定，必须附带一些企业间所得税、购买法价格调整等调整分录，这部份的细节请容我们以后有空再详加说明，(虽然我知道大家可能等不及了)。</p>
<p>Finally come holdings representing less than 20% ownership of another corporation’s voting securities. In these cases, accounting rules dictate that the owning companies include in their earnings only dividends received from such holdings. Undistributed earnings are ignored. Thus, should we own 10% of Corporation X with earnings of \$10 million in 1980, we would report in our earnings (ignoring relatively minor taxes on intercorporate dividends) either (a) \$1 million if X declared the full \$10 million in dividends; (b) \$500,000 if X paid out 50%, or \$5 million, in dividends; or (c) zero if X reinvested all earnings.</p>	<p>最后若是持股比例低于 20%，则依照会计原则，投资公司仅能认列被投资公司实际发放的股利部份，至于保留而不发放的部份盈余则不予理会，也因此假若我们持有一家 X 公司 10%的股份，又假设 X 公司在 1980 年共计赚了 1,000 万美金，若 X 公司将盈余全部发放，则我们可认列 100 万的利益，反之若 X 公司决定保留全部盈余不予发放，则我们连一毛钱都不能认列。</p>
<p>We impose this short – and over-simplified – course in accounting upon you because Berkshire’s concentration of resources in the insurance field produces a corresponding concentration of its assets in companies in that third (less than 20% owned) category. Many of these companies pay out relatively small proportions of their earnings in dividends. This means that only a small proportion of their current earning power is recorded in our own current operating earnings. But, while our reported operating earnings reflect only the dividends received from such companies, our</p>	<p>之所以强迫大家上了堂稍微简单的会计课的原因在于，伯克希尔将发展的重点集中于保险事业，使得其资源大量集中投注于第三类的股权投资(亦即持股比例小于 20%)之上，这些被投资公司仅将它们所赚的盈余分配一小部份以现金股利的方式分配给我们，这代表其获利能力仅有一小部份呈现在我们公司的帐上，但就经济实质面来说，那只是实际获利的冰山一角而已</p>

<p>economic well-being is determined by their earnings, not their dividends.</p>	
<p>Our holdings in this third category of companies have increased dramatically in recent years as our insurance business has prospered and as securities markets have presented particularly attractive opportunities in the common stock area. The large increase in such holdings, plus the growth of earnings experienced by those partially-owned companies, has produced an unusual result; the part of “our” earnings that these companies retained last year (the part not paid to us in dividends) exceeded the total reported annual operating earnings of Berkshire Hathaway. Thus, conventional accounting only allows less than half of our earnings “iceberg” to appear above the surface, in plain view. Within the corporate world such a result is quite rare; in our case it is likely to be recurring.</p>	<p>这类投资近年来因为我们旗下保险事业蓬勃发展，同时也因为股票市场出现许多不错的投资机会而大幅增加，股票投资的大量增加再加上这些公司本身获利能力的增长使得我们实际获得的成果相当可观，以去年来说，光是保留在这些公司而未分配给伯克希尔的盈余，便比伯克希尔整年度的帐面盈余还高，虽然这样的情况在一般企业界并不多见，但我们预期这种情况在伯克希尔将会持续出现。</p>
<p>Our own analysis of earnings reality differs somewhat from generally accepted accounting principles, particularly when those principles must be applied in a world of high and uncertain rates of inflation. (But it’s much easier to criticize than to improve such accounting rules. The inherent problems are monumental.) We have owned 100% of businesses whose reported earnings were not worth close to 100 cents on the dollar to us even though, in an accounting sense, we totally controlled their disposition. (The “control” was theoretical. Unless we reinvested all earnings, massive deterioration in the value of assets already in place would occur. But those reinvested earnings had no prospect of earning anything close to a market return on capital.) We have also owned small fractions of businesses with extraordinary reinvestment possibilities whose retained earnings had an economic value to us far in excess of 100 cents on the dollar.</p>	<p>我们本身对投资盈余如何认列的看法与一般公认会计原则并不尽相同，尤其是在目前通货膨胀高涨之际更是如此，(但话说回来批评要比修改这套原则要容易多了，有些问题早已是根深蒂固了)，我们有些 100%持股的转投资公司帐面上所赚的钱，实质上并不足那个数，即使依照会计原则我们可以完全地控制它，(就理论而言，我们对它具有控制权，但实际上我们却必须被迫把所赚到的每一分钱，继续投注在更新资产设备，以维持原有生产力，并赚取微薄的利润)，相较之下，我们也有一些仅持有少数股份而其所赚的盈余远超过帐面列示之数，甚至其所保留的资金还能为我们赚取更多的盈余。</p>
<p>The value to Berkshire Hathaway of retained earnings is not determined by whether we own 100%, 50%, 20% or 1% of the businesses in which they reside. Rather, the value of those retained</p>	<p>因此对伯克希尔而言，对盈余的认定并非取决于持股比例是 100%、50%、20%、5% 或是 1%，盈余的真正价值在于其将来再投资所能产生的效益，这</p>

<p>earnings is determined by the use to which they are put and the subsequent level of earnings produced by that usage. This is true whether we determine the usage, or whether managers we did not hire – but did elect to join – determine that usage. (It’s the act that counts, not the actors.) And the value is in no way affected by the inclusion or non-inclusion of those retained earnings in our own reported operating earnings. If a tree grows in a forest partially owned by us, but we don’t record the growth in our financial statements, we still own part of the tree.</p>	<p>与是否由我们自己或是专业经理人来决定并不相关，也与我们认列或不认列利益不相关(重要的是剧本而不是演员)。假设我们公司拥有一片山林，即使财务报表无法反映这些树木的成长，也无法掩盖我们拥有这片成长中的山林这项事实。</p>
<p>Our view, we warn you, is non-conventional. But we would rather have earnings for which we did not get accounting credit put to good use in a 10%-owned company by a management we did not personally hire, than have earnings for which we did get credit put into projects of more dubious potential by another management – even if we are that management.</p>	<p>我必须提醒诸位，这样的论点是突破传统的，我们宁愿将所赚的盈余能够继续交由不受我们控制的人好好发挥，也不希望转由我们自己来浪掷。</p>
<p>(We can’t resist pausing here for a short commercial. One usage of retained earnings we often greet with special enthusiasm when practiced by companies in which we have an investment interest is repurchase of their own shares. The reasoning is simple: if a fine business is selling in the market place for far less than intrinsic value, what more certain or more profitable utilization of capital can there be than significant enlargement of the interests of all owners at that bargain price? The competitive nature of corporate acquisition activity almost guarantees the payment of a full – frequently more than full price when a company buys the entire ownership of another enterprise. But the auction nature of security markets often allows finely-run companies the opportunity to purchase portions of their own businesses at a price under 50% of that needed to acquire the same earning power through the negotiated acquisition of another enterprise.)</p>	<p>(讲到这理,忍不住休息一下顺便来段广告,若被投资公司将其所赚的盈余用于买回自家的股票,我们通常会报以热烈的掌声,理由很简单:若一家好公司其股票价格远低于其实质价值,那么还有什么投资会比前者来的更稳当、更有赚头、更能促进原有股东权益的呢?企业购并的竞争性通常使得购并整家公司的实际价格远高于取得企业的实际价值,另一方面股票市场的拍卖特质,往往可以让我们以相对低廉的价格取得一家公司的部份股权。</p>
<p>Long-Term Corporate Results</p>	<p>企业长期绩效</p>
<p>As we have noted, we evaluate single-year</p>	<p>如先前所提的,我们以营业利益除以</p>

<p>corporate performance by comparing operating earnings to shareholders' equity with securities valued at cost. Our long-term yardstick of performance, however, includes all capital gains or losses, realized or unrealized. We continue to achieve a long-term return on equity that considerably exceeds the average of our yearly returns. The major factor causing this pleasant result is a simple one: the retained earnings of those non-controlled holdings we discussed earlier have been translated into gains in market value.</p>	<p>股东权益(股权投资以原史成本计)来评估企业单一年度的绩效,至于长期评量的标准,则须加计所有已实现或未实现的资本利得或损失,而一直以来,后者历年来的平均数都比前者还要好,最主要的原因是前段所提那些无控制权的公司盈余持续累积,反映在其市值增加之上。</p>
<p>Of course, this translation of retained earnings into market price appreciation is highly uneven (it goes in reverse some years), unpredictable as to timing, and unlikely to materialize on a precise dollar-for-dollar basis. And a silly purchase price for a block of stock in a corporation can negate the effects of a decade of earnings retention by that corporation. But when purchase prices are sensible, some long-term market recognition of the accumulation of retained earnings almost certainly will occur. Periodically you even will receive some frosting on the cake, with market appreciation far exceeding post-purchase retained earnings.</p>	<p>当然市值的变化起起伏伏且无法预测,更无法真正量化到底数字是多少,有时一个高价买进的错误,甚至可能把公司往后十几年盈余累积的效果都给抵销掉,但是只要市场回复理性,市价终究会反映公司累积盈余的能力,甚至超过买进后累积的盈余,这等于是在蛋糕上多得到一点糖霜呢。</p>
<p>In the sixteen years since present management assumed responsibility for Berkshire, book value per share with insurance-held equities valued at market has increased from \$19.46 to \$400.80, or 20.5% compounded annually. (You've done better: the value of the mineral content in the human body compounded at 22% annually during the past decade.) It is encouraging, moreover, to realize that our record was achieved despite many mistakes. The list is too painful and lengthy to detail here. But it clearly shows that a reasonably competitive corporate batting average can be achieved in spite of a lot of managerial strikeouts.</p>	<p>在现有经营阶层接掌伯克希尔的十六年来,公司每股的帐面净值(其中保险事业的股权投资以市价计)已由原先的 19.46 美元成长至 400.8 美元,相当于年复合成长率 20.5% (事实上你“本身”作得也不错,过去十年来人体内所含矿物质成份的价值以年复合成长率 22%增加),值得庆幸的是,虽然我们也犯了不少错,但还是能达到这样的记录,尽管管理上时常糟到三振,但优异的企业体质仍然可以维持相当不错的平均打击率。</p>
<p>Our insurance companies will continue to make large investments in well-run, favorably-situated, non-controlled companies that very often will pay out in dividends only</p>	<p>我们旗下的保险事业将会持续地把资金投入在一些虽不具控制权但经营良好且保留大部份盈余的公司之上,按照这个策略,可预期的长期的投资报</p>

<p>small proportions of their earnings. Following this policy, we would expect our long-term returns to continue to exceed the returns derived annually from reported operating earnings. Our confidence in this belief can easily be quantified: if we were to sell the equities that we hold and replace them with long-term tax-free bonds, our reported operating earnings would rise immediately by over \$30 million annually. Such a shift tempts us not at all.</p>	<p>酬率将持续大于每年帐面盈余的报酬率，而我们对此理念的坚信不移是很容易用数字来说明的，虽然只要我们愿意，把手上的股权投资出清，然后转进免税的长期债券，公司每年帐面盈余马上就能净增加 3,000 万美金，但我们从来就没想过要那么去作。</p>
<p>So much for the good news.</p>	<p>好消息真是不断。</p>
<p>Results for Owners</p>	<p>股东权益报告</p>
<p>Unfortunately, earnings reported in corporate financial statements are no longer the dominant variable that determines whether there are any real earnings for you, the owner. For only gains in purchasing power represent real earnings on investment. If you (a) forego ten hamburgers to purchase an investment; (b) receive dividends which, after tax, buy two hamburgers; and (c) receive, upon sale of your holdings, after-tax proceeds that will buy eight hamburgers, then (d) you have had no real income from your investment, no matter how much it appreciated in dollars. You may feel richer, but you won't eat richer.</p>	<p>很不幸的，公司财务报表所记载的盈余已不再表示就是股东们实际上所赚的，只有当购买力增加时，才表示投资获得真正的盈余。假设当初你放弃享受十个汉堡以进行投资，期间公司分配的股利足够让你买两个汉堡，而最后你处分投资后可换八个汉堡，那么你会发现事实上不管你拿到是多少钱，你的这项投资实际上并无所得，你可能觉得更有钱，但不表示你可以吃的更饱。</p>
<p>High rates of inflation create a tax on capital that makes much corporate investment unwise - at least if measured by the criterion of a positive real investment return to owners. This "hurdle rate" the return on equity that must be achieved by a corporation in order to produce any real return for its individual owners - has increased dramatically in recent years. The average tax-paying investor is now running up a down escalator whose pace has accelerated to the point where his upward progress is nil.</p>	<p>高通货膨胀率等于是对投入的资本额外课了一次税，如此一来可能使得大部份的投资变得有点愚蠢，而近几年来这个基本门槛，即企业投资所须最基本的报酬率以使得整件投资报酬为正的底限可说是日益提高，每个“纳税”人就好象是在一个向下滑的电扶梯上拼命往上跑一样，最后的结果却是愈跑愈往后退。</p>
<p>For example, in a world of 12% inflation a business earning 20% on equity (which very few manage consistently to do) and distributing it all to individuals in the 50% bracket is chewing up their real capital, not enhancing it. (Half of the 20% will go for income tax; the remaining 10% leaves the owners of the business with only 98% of the purchasing power they possessed at the</p>	<p>举例来说，假设一位投资人的年报酬率为 20%(这已是一般人很难达到的成绩了)而当年度的通膨为 12%，又若其不幸适用 50% 高所得税级距，则我们会发现该位投资人在盈余全数发放的情形下，其实实质报酬率可能是负的，因为这 20%的股利收入有一半要归公库，剩下的 10%全部被通货膨胀吃光，</p>

<p>start of the year – even though they have not spent a penny of their “earnings”). The investors in this bracket would actually be better off with a combination of stable prices and corporate earnings on equity capital of only a few per cent.</p>	<p>不够还要倒贴，这结局可能比在通胀温和时投资一家获利平庸的公司还不如。</p>
<p>Explicit income taxes alone, unaccompanied by any implicit inflation tax, never can turn a positive corporate return into a negative owner return. (Even if there were 90% personal income tax rates on both dividends and capital gains, some real income would be left for the owner at a zero inflation rate.) But the inflation tax is not limited by reported income. Inflation rates not far from those recently experienced can turn the level of positive returns achieved by a majority of corporations into negative returns for all owners, including those not required to pay explicit taxes. (For example, if inflation reached 16%, owners of the 60% plus of corporate America earning less than this rate of return would be realizing a negative real return – even if income taxes on dividends and capital gains were eliminated.)</p>	<p>假设若只有外在的所得税负而无隐性的通货膨胀税负，则不论如何，正的投资报酬永远不会变成负的(即使所得税率高达90%也一样)，但通货膨胀却不管公司帐面到底赚不赚钱，只要像是最近这几年的通胀，就会使得大部份公司的实质投资报酬由正转为负，即使有些公司不必缴所得税也是一样，举例来说，如果通货膨胀率达到16%，约有六成的美国企业股东其投资报酬率变为负值，即使大家都不必缴资本利得与股利所得税也一样。</p>
<p>Of course, the two forms of taxation co-exist and interact since explicit taxes are levied on nominal, not real, income. Thus you pay income taxes on what would be deficits if returns to stockholders were measured in constant dollars.</p>	<p>当然这两者租税是交相存于在现实社会中的，因为外在的课税系按照名目所得而非实质所得，所以在支付所得税后，股东的实质币质将不增反减。</p>
<p>At present inflation rates, we believe individual owners in medium or high tax brackets (as distinguished from tax-free entities such as pension funds, eleemosynary institutions, etc.) should expect no real long-term return from the average American corporation, even though these individuals reinvest the entire after-tax proceeds from all dividends they receive. The average return on equity of corporations is fully offset by the combination of the implicit tax on capital levied by inflation and the explicit taxes levied both on dividends and gains in value produced by retained earnings.</p>	<p>而以目前的通货膨胀率来看，我们相信对适用中高级距所得税率的投资人而言(除非你是透过退休基金、慈善团体等免税机构来投资)，将无法从投资一般美国企业获得任何实质的资本利得，即使他们把分配到的股利一再重复地投资下去也一样，因为其获利早已被隐藏的通货膨胀与台面上的所得税给吸收殆尽。</p>
<p>As we said last year, Berkshire has no corporate solution to the problem. (We’ ll say it again</p>	<p>而如同去年我们所说的一样，对于这个问题我们目前无解(明年我们的回</p>

<p>next year, too.) Inflation does not improve our return on equity.</p>	<p>答很可能也是如此),通货膨胀对我们股权投资的报酬没有任何一点帮助。</p>
<p>Indexing is the insulation that all seek against inflation. But the great bulk (although there are important exceptions) of corporate capital is not even partially indexed. Of course, earnings and dividends per share usually will rise if significant earnings are “saved” by a corporation; i. e., reinvested instead of paid as dividends. But that would be true without inflation. A thrifty wage earner, likewise, could achieve regular annual increases in his total income without ever getting a pay increase – if he were willing to take only half of his paycheck in cash (his wage “dividend”) and consistently add the other half (his “retained earnings”) to a savings account. Neither this high-saving wage earner nor the stockholder in a high-saving corporation whose annual dividend rate increases while its rate of return on equity remains flat is truly indexed.</p>	<p>编制指数(Indexing)是一般认为对抗通胀的一种有效方法,但大部份的企业资本却从未这样做,当然帐面每股盈余与股利通常会渐渐增加,若公司把所赚的钱再投资下去,即使是无通胀也是一样,就像是一个勤俭的薪水阶级,只要固定把他所赚薪水的一半存入银行,就算是从来没有获得加薪,他每年的收入还是会慢慢的增加。</p>
<p>For capital to be truly indexed, return on equity must rise, i. e., business earnings consistently must increase in proportion to the increase in the price level without any need for the business to add to capital – including working capital – employed. (Increased earnings produced by increased investment don’ t count.) Only a few businesses come close to exhibiting this ability. And Berkshire Hathaway isn’ t one of them.</p>	<p>理论上,企业盈余(当然不包括由额外投入的资本所产生的盈余)不必增加任何资金,也能够稳定地随着物价指数持续增加,包含营运资金在内,但只有极少数的公司具有此种能力,而伯克希尔并不在其中。</p>
<p>We, of course, have a corporate policy of reinvesting earnings for growth, diversity and strength, which has the incidental effect of minimizing the current imposition of explicit taxes on our owners. However, on a day-by-day basis, you will be subjected to the implicit inflation tax, and when you wish to transfer your investment in Berkshire into another form of investment, or into consumption, you also will face explicit taxes.</p>	<p>当然本公司在盈余再投资以求成长、多角化、茁壮的企业政策下,碰巧也有为股东减轻外在所得税负的效果,那就是只要你不将目前所持有的伯克希尔股份转做其它投资,就不会被课征所得税,但是隐藏的通货膨胀税,却是每天你醒来就必须面对的问题。</p>
<p>Sources of Earnings</p>	<p>盈余报告</p>
<p>The table below shows the sources of Berkshire’ s reported earnings. Berkshire owns about 60% of</p>	<p>下表显示伯克希尔依照各个公司持股比例来列示帐面盈余的主要来源,而</p>

<p>Blue Chip Stamps, which in turn owns 80% of Wesco Financial Corporation. The table shows aggregate earnings of the various business entities, as well as Berkshire's share of those earnings. All of the significant capital gains and losses attributable to any of the business entities are aggregated in the realized securities gains figure at the bottom of the table, and are not included in operating earnings. Our calculation of operating earnings also excludes the gain from sale of Mutual's branch offices. In this respect it differs from the presentation in our audited financial statements that includes this item in the calculation of "Earnings Before Realized Investment Gain".</p>	<p>各个公司资本利得损失并不包含在内而是汇总于下表“已实现出售证券利得”一栏中，虽然本表列示的方式与一般公认会计原则不尽相同，但最后的损益数字却是一致的：其中伯克希尔拥有 Blue Chips Stamps 60%的股权，而后者又拥有 Wesco 财务公司 80% 的股权。此外，本期的帐面盈余并不包括联合储贷处份分公司办公室的利得，也因此使得表中“未包括已实现投资利得前盈余”与经会计师签证的财务报表数字有所不同。</p>
<p>Blue Chip Stamps and Wesco are public companies with reporting requirements of their own. On pages 40 to 53 of this report we have reproduced the narrative reports of the principal executives of both companies, in which they describe 1980 operations. We recommend a careful reading, and suggest that you particularly note the superb job done by Louie Vincenti and Charlie Munger in repositioning Mutual Savings and Loan. A copy of the full annual report of either company will be mailed to any Berkshire shareholder upon request to Mr. Robert H. Bird for Blue Chip Stamps, 5801 South Eastern Avenue, Los Angeles, California 90040, or to Mrs. Bette Deckard for Wesco Financial Corporation, 315 East Colorado Boulevard, Pasadena, California 91109.</p>	<p>Blue Chip 及 Wesco 两家公司因为本身是公开发行公司以规定编有自己的年报，我建议大家仔细阅读，尤其是有关 Louie Vincenti 和 Charlie Munger 对联合储贷业务所作的改造，若有需要伯克希尔的股东可向 Mr. Robert (地址：加州洛杉矶 5801 South Eastern Avenue) 索取蓝筹邮票的年报或向 Mrs. Bette (地址：加州 Pasadena 315 East Colorado Boulevard) 索取 Wesco 的年报。</p>
<p>As indicated earlier, undistributed earnings in companies we do not control are now fully as important as the reported operating earnings detailed in the preceding table. The distributed portion, of course, finds its way into the table primarily through the net investment income section of Insurance Group earnings.</p>	<p>就像先前我们所提到的，那些不具控制权的股票投资其未分配的盈余的重要性已不下于前面表列的帐面盈余，至于那些已分配的部份则透过认列投资利列示在保险公司投资收益项下。</p>
<p>From this table, you can see that our sources of underlying earning power are distributed far differently among industries than would superficially seem the case. For example, our insurance subsidiaries own approximately 3% of Kaiser Aluminum, and 1 1/4% of Alcoa. Our share</p>	<p>从本表你会发现本公司背后所创造盈余的动力系来自于各行各业，所以我们只能约略地看个大概，譬如保险子公司约持有 Kaiser Alumnium 3%和 Aloca 1.25%的股份，在 1980 年我们光是从这些公司依持股比例可得约</p>

<p>of the 1980 earnings of those companies amounts to about \$13 million. (If translated dollar for dollar into a combination of eventual market value gain and dividends, this figure would have to be reduced by a significant, but not precisely determinable, amount of tax; perhaps 25% would be a fair assumption.) Thus, we have a much larger economic interest in the aluminum business than in practically any of the operating businesses we control and on which we report in more detail. If we maintain our holdings, our long-term performance will be more affected by the future economics of the aluminum industry than it will by direct operating decisions we make concerning most companies over which we exercise managerial control.</p>	<p>1,300 万美金(当然若将这些盈余实际转为资本利得或股利,则大约会被课以 25%的税负),因此单单在制铝这门行业,我们的经济利益就大于其它那些我们可以直接控制且须详尽报告的公司。如果我们的持股不改变,则制铝产业的景气变动,将比那些我们具有实质控制权的产业,对本公司长远的绩效表现更有影响力。</p>
<p>GEICO Corp.</p>	<p>GEICO 保险公司</p>
<p>Our largest non-controlled holding is 7.2 million shares of GEICO Corp., equal to about a 33% equity interest. Normally, an interest of this magnitude (over 20%) would qualify as an “investee” holding and would require us to reflect a proportionate share of GEICO’s earnings in our own. However, we purchased our GEICO stock pursuant to special orders of the District of Columbia and New York Insurance Departments, which required that the right to vote the stock be placed with an independent party. Absent the vote, our 33% interest does not qualify for investee treatment. (Pinkerton’s is a similar situation.)</p>	<p>目前我们不具控制权的股权投资最大的部位就是持有 33%股权,约 720 万股的 GEICO,通常若持有一家公司股权达到这样的比例(超过 20%),便必须采用权益法每年依比例认列其投资损益,但由于伯克希尔当初系依照政府部门一特别命令购买该公司股份,其中规定须将此投票权交由一公正第三人管理,所有失去投票权,意味伯克希尔对 GEICO 不具实质控制权。(Pinkerton 也有类似的状况)。</p>
<p>Of course, whether or not the undistributed earnings of GEICO are picked up annually in our operating earnings figure has nothing to do with their economic value to us, or to you as owners of Berkshire. The value of these retained earnings will be determined by the skill with which they are put to use by GEICO management.</p>	<p>当然认不认列损益对伯克希尔及其股东而言,并不影响其实质的经济利益,这些盈余的实际价值将取决于运用它们的 GEICO 经营阶层能力的高低。</p>
<p>On this score, we simply couldn’t feel better. GEICO represents the best of all investment worlds – the coupling of a very important and very hard to duplicate business advantage with an extraordinary management whose skills in operations are matched by skills in capital</p>	<p>关于这一点,我们再满意不过了,GEICO 可说是投资业界的最佳典范,它具有难以模仿的产业优势,同时加上高超的资金管理技巧。</p>

allocation.	
<p>As you can see, our holdings cost us \$47 million, with about half of this amount invested in 1976 and most of the remainder invested in 1980. At the present dividend rate, our reported earnings from GEICO amount to a little over \$3 million annually. But we estimate our share of its earning power is on the order of \$20 million annually. Thus, undistributed earnings applicable to this holding alone may amount to 40% of total reported operating earnings of Berkshire.</p>	<p>如你所见到的，我们的持股成本约 4,700 万美元，分别是在 1976 年与 1980 年分两次投入，依实际配息情况，我们每年约从 GEICO 认列 300 万元的利益，但实际上每年可分得的盈余却高达 2,000 万元，换言之，我们光是在该公司未分配的盈余就达伯克希尔帐面盈余的四成左右。</p>
<p>We should emphasize that we feel as comfortable with GEICO management retaining an estimated \$17 million of earnings applicable to our ownership as we would if that sum were in our own hands. In just the last two years GEICO, through repurchases of its own stock, has reduced the share equivalents it has outstanding from 34.2 million to 21.6 million, dramatically enhancing the interests of shareholders in a business that simply can't be replicated. The owners could not have been better served.</p>	<p>另外我们必须强调的是我们完全赞同 GEICO 经营阶层将剩下属于我们的 1,700 万保留起来未予分配的作法，因为在此同时，GEICO 于近两年内陆续买回自家股票，使得该公司流通在外的股份由 3,400 万股缩减至 2,100 万股，大大增进了原有股东的权益，如此对待股东的方式实在是无话可说。</p>
<p>We have written in past reports about the disappointments that usually result from purchase and operation of "turnaround" businesses. Literally hundreds of turnaround possibilities in dozens of industries have been described to us over the years and, either as participants or as observers, we have tracked performance against expectations. Our conclusion is that, with few exceptions, when a management with a reputation for brilliance tackles a business with a reputation for poor fundamental economics, it is the reputation of the business that remains intact.</p>	<p>过去几年我们一再提到买进那些具有转机题材的产业令人大失所望的结果，这些年我们大约接触了数百家这样的公司，最后不管是真正投入与否，我们都持续追踪其后续发展，在比较过预期以及实际的表现后，我们的结论是，除了少数的例外，当一个赫赫有名的经营者遇到一个逐渐没落的夕阳产业时，往往是后者占了上风。</p>
<p>GEICO may appear to be an exception, having been turned around from the very edge of bankruptcy in 1976. It certainly is true that managerial brilliance was needed for its resuscitation, and that Jack Byrne, upon arrival in that year, supplied that ingredient in abundance.</p>	<p>GEICO 或许是一个例外，自 1976 年几乎破产的边缘东山再起，从经营阶层 Jack Byrne 上任的第一天起优异的表现，正是它能获得重生的最大因素。</p>
<p>But it also is true that the fundamental business advantage that GEICO had enjoyed - an advantage</p>	<p>当然即使身陷于财务与经营危机当中，GEICO 仍享有其最重要的产业竞</p>

<p>that previously had produced staggering success – was still intact within the company, although submerged in a sea of financial and operating troubles.</p>	<p>争优势也是重要关键。</p>
<p>GEICO was designed to be the low-cost operation in an enormous marketplace (auto insurance) populated largely by companies whose marketing structures restricted adaptation. Run as designed, it could offer unusual value to its customers while earning unusual returns for itself. For decades it had been run in just this manner. Its troubles in the mid-70s were not produced by any diminution or disappearance of this essential economic advantage.</p>	<p>身处于广大市场中(汽车保险)，不同于大部份行销组织僵化的同业，一直以来 GEICO 将自己定位为低营运成本的公司，所以能够在为客户创造价值的同时，也为自己赚进大把钞票，几十年来都是如此，而即使它在七 0 年代中期发生危机，也从未减损其在此方面的经济竞争优势。</p>
<p>GEICO’s problems at that time put it in a position analogous to that of American Express in 1964 following the salad oil scandal. Both were one-of-a-kind companies, temporarily reeling from the effects of a fiscal blow that did not destroy their exceptional underlying economics. The GEICO and American Express situations, extraordinary business franchises with a localized excisable cancer (needing, to be sure, a skilled surgeon), should be distinguished from the true “turnaround” situation in which the managers expect – and need – to pull off a corporate Pygmalion.</p>	<p>GEICO 的问题与 1964 年美国运通所爆发的色拉油丑闻事件类似，两家公司皆为一时之选，一时的打击并未毁掉其原本的经济基础，就像是一个身体健壮的人得到局部可切除的肿瘤，只要遇到一位经验丰富的医生，就能化险为夷。</p>
<p>Whatever the appellation, we are delighted with our GEICO holding which, as noted, cost us \$47 million. To buy a similar \$20 million of earning power in a business with first-class economic characteristics and bright prospects would cost a minimum of \$200 million (much more in some industries) if it had to be accomplished through negotiated purchase of an entire company. A 100% interest of that kind gives the owner the options of leveraging the purchase, changing managements, directing cash flow, and selling the business. It may also provide some excitement around corporate headquarters (less frequently mentioned).</p>	<p>不论怎么说，我们还是很高兴能够以 4,700 万美元的代价买到 GEICO 的持股，因为透过谈判购并方式想要买下一家类似具经济特质与光明前景，且每年可创造 2,000 万盈余的公司，至少得花上 2 亿美金(有些产业的要价可能还更高)，虽然 100%的持股更可使所有权人得以掌握公司的生杀大权，同时也会企业总部带来一些乐趣(这点通常比较少人会提到)。</p>
<p>We find it perfectly satisfying that the nature of our insurance business dictates we buy many minority portions of already well-run businesses</p>	<p>对于保险业规定，我们只能取得绩优企业的部份少数股权(以远低于买下整家企业的价格投资)，(这代表我们</p>

<p>(at prices far below our share of the total value of the entire business) that do not need management change, re-direction of cash flow, or sale. There aren't many Jack Byrnes in the managerial world, or GEICOs in the business world. What could be better than buying into a partnership with both of them?</p>	<p>不能更换经营阶层、无法对资金做重新配置甚至处份公司),我们从来就不会感到任何不妥,在企业经营的世界里, Jack Byrnes 或 GEICO 都算是少数,能够以伙伴的关系与它们共同合作有何不可呢?</p>
<p>Insurance Industry Conditions</p>	<p>保险产业现况</p>
<p>The insurance industry's underwriting picture continues to unfold about as we anticipated, with the combined ratio (see definition on page 37) rising from 100.6 in 1979 to an estimated 103.5 in 1980. It is virtually certain that this trend will continue and that industry underwriting losses will mount, significantly and progressively, in 1981 and 1982. To understand why, we recommend that you read the excellent analysis of property-casualty competitive dynamics done by Barbara Stewart of Chubb Corp. in an October 1980 paper. (Chubb's annual report consistently presents the most insightful, candid and well-written discussion of industry conditions; you should get on the company's mailing list.) Mrs. Stewart's analysis may not be cheerful, but we think it is very likely to be accurate.</p>	<p>保险产业的情况持续依我们先前所预期般地发展,综合比率(定义请参阅第37页)从1979年的100.6升高到1980年估计的103.5,可预期的是1981到1982年这个趋势将继续持续下去,业界的核保损失将向上攀升,想要了解个中原因的人,我建议你读读 Chubb 保险集团的年报,其对产险业竞争态势所作的精警分析,虽然报告不见得令人振奋,但绝对中肯。</p>
<p>And, unfortunately, a largely unreported but particularly pernicious problem may well prolong and intensify the coming industry agony. It is not only likely to keep many insurers scrambling for business when underwriting losses hit record levels - it is likely to cause them at such a time to redouble their efforts.</p>	<p>而不幸的是,一个尚未浮现但却非常棘手的问题使得保险业的阵痛将持续,它不但使得保险公司因核保损失创下历史新高而面临经营的困境,更有可能让业者苦心经营的努力事倍功半。</p>
<p>This problem arises from the decline in bond prices and the insurance accounting convention that allows companies to carry bonds at amortized cost, regardless of market value. Many insurers own long-term bonds that, at amortized cost, amount to two to three times net worth. If the level is three times, of course, a one-third shrink from cost in bond prices - if it were to be recognized on the books - would wipe out net worth. And shrink they have. Some of the largest and best known property-casualty companies</p>	<p>事情的起因在于债券价格下跌,而会计原则又允许保险业以摊销成本而非市价列示其帐面价值,结果导致许多业者以摊销成本记录的长期债券投资金额达到其净值的二、三倍之多,换言之,只要债券价格下跌超过三分之一,便很有可能把公司的净值全部吃光,这其中甚至包括好几家知名的大公司在内,当然债券价格也有可能回升,使得其部份,甚至全部的净值得以回复,但也没有人敢保证债券价</p>

<p>currently find themselves with nominal, or even negative, net worth when bond holdings are valued at market. Of course their bonds could rise in price, thereby partially, or conceivably even fully, restoring the integrity of stated net worth. Or they could fall further. (We believe that short-term forecasts of stock or bond prices are useless. The forecasts may tell you a great deal about the forecaster; they tell you nothing about the future.)</p>	<p>格不会继续下跌。(我们深信对股票或债券价格所作的短期预测根本是没有用的, 预测这件事或许能够让你更了解预测者本身, 但对于了解未来却是一点帮助也没有...。)</p>
<p>It might strike some as strange that an insurance company's survival is threatened when its stock portfolio falls sufficiently in price to reduce net worth significantly, but that an even greater decline in bond prices produces no reaction at all. The industry would respond by pointing out that, no matter what the current price, the bonds will be paid in full at maturity, thereby eventually eliminating any interim price decline. It may take twenty, thirty, or even forty years, this argument says, but, as long as the bonds don't have to be sold, in the end they'll all be worth face value. Of course, if they are sold even if they are replaced with similar bonds offering better relative value - the loss must be booked immediately. And, just as promptly, published net worth must be adjusted downward by the amount of the loss.</p>	<p>有点吊诡的是, 若持有的股票投资组合价格下跌会影响到保险业者的生存, 但若换作是债券价格下跌却是一点事都没有, 保险业者所持的理由是不管现在的市价是多少, 反正只要到期日前不卖出, 便能按照票面赎回, 所以短期间价格的波动并无太大影响, 就算是二十年、三十年或甚至是四十年后到期, 只要我不卖, 等时间一到, 就能够比票面金额收回, 反倒是若我现在就出售这些债券, 那么就算是再买进同类型价值更高的债券, 我反而要立即认列相关损失, 使得帐面净值因而大幅缩水。</p>
<p>Under such circumstances, a great many investment options disappear, perhaps for decades. For example, when large underwriting losses are in prospect, it may make excellent business logic for some insurers to shift from tax-exempt bonds into taxable bonds. Unwillingness to recognize major bond losses may be the sole factor that prevents such a sensible move.</p>	<p>但真正的情况却是, 业者很可能为避免认列损失而一直不敢出售债券, 其结果反而错失其它更好的投资机会。</p>
<p>But the full implications flowing from massive unrealized bond losses are far more serious than just the immobilization of investment intellect. For the source of funds to purchase and hold those bonds is a pool of money derived from policyholders and claimants (with changing faces) - money which, in effect, is temporarily</p>	<p>更严重的是, 保险公司资金主要是来自于保户所缴的保费, 由于产险的投保期间较短, 一旦保户规模缩减, 资金流动不足时, 将被迫出售部份债券使得损失浮上台面, 保险公司的净值立即大幅缩水。</p>

<p>on deposit with the insurer. As long as this pool retains its size, no bonds must be sold. If the pool of funds shrinks – which it will if the volume of business declines significantly – assets must be sold to pay off the liabilities. And if those assets consist of bonds with big unrealized losses, such losses will rapidly become realized, decimating net worth in the process.</p>	
<p>Thus, an insurance company with a bond market value shrinkage approaching stated net worth (of which there are now many) and also faced with inadequate rate levels that are sure to deteriorate further has two options. One option for management is to tell the underwriters to keep pricing according to the exposure involved – “be sure to get a dollar of premium for every dollar of expense cost plus expectable loss cost” .</p>	<p>因此保险公司在面临债券价格下跌，净值大幅缩水（目前确有许多业者是如此），同时市场费率又低到不合理时，通常有两种选择，一种是告诉核保部门，必须坚守费率底限，保费绝对不可以低于预估损失成本加上营业费用。</p>
<p>The consequences of this directive are predictable: (a) with most business both price sensitive and renewable annually, many policies presently on the books will be lost to competitors in rather short order; (b) as premium volume shrinks significantly, there will be a lagged but corresponding decrease in liabilities (unearned premiums and claims payable); (c) assets (bonds) must be sold to match the decrease in liabilities; and (d) the formerly unrecognized disappearance of net worth will become partially recognized (depending upon the extent of such sales) in the insurer’s published financial statements.</p>	<p>这种选择的结果相当明确：(a) 由于大部份的业务都是每年更新且对价格都相当敏感，所以很多保单在到期后都会流到竞争对手那边(b) 随着保费收入大幅缩水，相对应的负债科目也会慢慢减少(未到期保费及应付理赔款)(c) 资产(债券)必须跟着出售，以因应负债的减少(d) 原先台面下的未实现损失，将被迫认列在保险业者的财务报表之上(当然要看出售的多寡)。</p>
<p>Variations of this depressing sequence involve a smaller penalty to stated net worth. The reaction of some companies at (c) would be to sell either stocks that are already carried at market values or recently purchased bonds involving less severe losses. This ostrich-like behavior – selling the better assets and keeping the biggest losers – while less painful in the short term, is unlikely to be a winner in the long term.</p>	<p>此种令人沮丧的动作，对于净值影响程度不一，有些公司在(c)阶段的反应是出售成本与市价相当的股票，或是新进投资损失较小的债券，出售好的投资，留下烂的部份的这种鸵鸟心态，短期间或许较不觉得痛，但对于公司与产业长远的发展皆会产生重大的伤害。</p>
<p>The second option is much simpler: just keep writing business regardless of rate levels and</p>	<p>第二种选择比较简单，那就是不管保费水准有多低，将来要赔多少钱，都</p>

<p>whopping prospective underwriting losses, thereby maintaining the present levels of premiums, assets and liabilities – and then pray for a better day, either for underwriting or for bond prices. There is much criticism in the trade press of “cash flow” underwriting; i.e., writing business regardless of prospective underwriting losses in order to obtain funds to invest at current high interest rates. This second option might properly be termed “asset maintenance” underwriting – the acceptance of terrible business just to keep the assets you now have.</p>	<p>照单全收以维持现有保费收入水准，然后暗地里祈祷不要发生什么重大意外，或是期待债券价格早日回升，对于这样的做法，外界一直有相当大的批评。</p>
<p>Of course you know which option will be selected. And it also is clear that as long as many large insurers feel compelled to choose that second option, there will be no better day for underwriting. For if much of the industry feels it must maintain premium volume levels regardless of price adequacy, all insurers will have to come close to meeting those prices. Right behind having financial problems yourself, the next worst plight is to have a large group of competitors with financial problems that they can defer by a “sell-at-any-price” policy.</p>	<p>当然各位都晓得我们应该采取那一种做法，而且产业的趋势也很明确，那就是只要大部份的保险公司都被迫采取第二种做法，那么保险市场就不会有好转的一天，因为如果大部份的业者，不论费率是否合理，都以维持保费收入水准为第一优先，那么市场价格就一定不会好转，除了本身发生财务问题之外，我们最不愿意见到的就是市场上大部份的同业都因为财务问题而纷纷采取流血式的杀价竞争。</p>
<p>We mentioned earlier that companies that were unwilling – for any of a number of reasons, including public reaction, institutional pride, or protection of stated net worth – to sell bonds at price levels forcing recognition of major losses might find themselves frozen in investment posture for a decade or longer. But, as noted, that’s only half of the problem. Companies that have made extensive commitments to long-term bonds may have lost, for a considerable period of time, not only many of their investment options, but many of their underwriting options as well.</p>	<p>我们之前也曾提到，任何一家保险公司因为种种理由，诸如顾及公众反应、企业自尊心或是怕伤害到净值等原因，而不愿认赔出售债券者，终将发现自己被债券长期套牢而无法进行其它投资，而我们之前也提到，问题还不止于此，除了投资的选择被迫牺牲，甚至于连是否接受保单的选择也都荡然无存。</p>
<p>Our own position in this respect is satisfactory. We believe our net worth, valuing bonds of all insurers at amortized cost, is the strongest relative to premium volume among all large property-casualty stockholder-owned groups. When bonds are valued at market, our relative</p>	<p>至于我们本身采取的立场就相当令人安心，我们相信自己的净值相对于保费收入水准，依所有业者债券摊销成本制，是所有大型产险业者中最强的，甚至当债券价值以市价计时，我们的竞争优势更加明显，(当然在吹嘘</p>

<p>strength becomes far more dramatic. (But lest we get too puffed up, we remind ourselves that our asset and liability maturities still are far more mismatched than we would wish and that we, too, lost important sums in bonds because your Chairman was talking when he should have been acting.)</p>	<p>自夸的同时，我们还是必须提醒自己资产与负债部位的到期日仍不相称，而且本人也因为无法剑及履及的执行，而使得我们在债券方面的投资损失了不少钱)。</p>
<p>Our abundant capital and investment flexibility will enable us to do whatever we think makes the most sense during the prospective extended period of inadequate pricing. But troubles for the industry mean troubles for us. Our financial strength doesn't remove us from the hostile pricing environment now enveloping the entire property-casualty insurance industry. It just gives us more staying power and more options.</p>	<p>伯克希尔充足的资金与弹性的投资操作，将使得我们在面对市场不当定价的恶性竞争环境时，还能游刃有余，但是产业的问题就是我们的问题，我们坚强的财务实力，依旧无法使我们免于产业的杀价竞争，我们只不过是多了些持久力以及可供选择的空间。</p>
<p>Insurance Operations</p>	<p>保险业营运</p>
<p>The National Indemnity managers, led by Phil Liesche with the usual able assistance of Roland Miller and Bill Lyons, outdid themselves in 1980. While volume was flat, underwriting margins relative to the industry were at an all-time high. We expect decreased volume from this operation in 1981. But its managers will hear no complaints from corporate headquarters, nor will employment or salaries suffer. We enormously admire the National Indemnity underwriting discipline - embedded from origin by the founder, Jack Ringwalt - and know that this discipline, if suspended, probably could not be fully regained.</p>	<p>今年由 Phil Liesche 所领导的国家产险公司在核保部门 Roland 以及理赔部门 Bill Lyons 的协助下，不断地超越自我，虽然保费收入持平，但核保的利润率却创同业新高，虽然我们预期明年保费收入将减少，但身为总部的我们不会有任何的抱怨而他们的薪资考绩也不会受影响，对于公司创办人所定下的核保准则我们信奉不渝，而且相当清楚一旦失去就永难再回复。</p>
<p>John Seward at Home and Auto continues to make good progress in replacing a diminishing number of auto policies with volume from less competitive lines, primarily small-premium general liability. Operations are being slowly expanded, both geographically and by product line, as warranted by underwriting results.</p>	<p>John Seward 领导的家庭与汽车险公司则小有进展，我们将较不具竞争力的小额一般责任险转为金额较大的汽车保险，同时随着核保绩效的改进，营运规模，不论是在地区或是产品线，也在缓步提升中。</p>
<p>The reinsurance business continues to reflect the excesses and problems of the primary writers. Worse yet, it has the potential for magnifying such excesses. Reinsurance is characterized by extreme ease of entry, large premium payments in advance, and much-delayed loss reports and loss</p>	<p>再保业务部份由于进入障碍较小，还是持续受到供过于求的局面，加上初级保险业者面临的问题，事前可先收取巨额保费，但灾害真正发生与理赔时程却拉得很长，这种感觉有点像青少年第一次拥有自己的信用卡一样。</p>

<p>payments. Initially, the morning mail brings lots of cash and few claims. This state of affairs can produce a blissful, almost euphoric, feeling akin to that experienced by an innocent upon receipt of his first credit card.</p>	
<p>The magnetic lure of such cash-generating characteristics, currently enhanced by the presence of high interest rates, is transforming the reinsurance market into “amateur night”. Without a super catastrophe, industry underwriting will be poor in the next few years. If we experience such a catastrophe, there could be a bloodbath with some companies not able to live up to contractual commitments. George Young continues to do a first-class job for us in this business. Results, with investment income included, have been reasonably profitable. We will retain an active reinsurance presence but, for the foreseeable future, we expect no premium growth from this activity.</p>	<p>致命的吸引力使得大笔的资金拥入这个行业，目前的高利率环境更加深这样的现象，导致的结果是若某一年未发生大灾难，则往后几年的核保绩效便会变得很差，相反的，若有大灾难发生，则更大的灾难将会降临在保险公司身上，因为有些同业可能无法履行与客户当初签订的合约，而我们 George Young 在这一行的表现一向是一流的，在加计投资收益后，仍能微持合理的获利，我们将继续留在再保市场，但在可预见的未来，保费收入将很难有大幅的成长。</p>
<p>We continue to have serious problems in the Homestate operation. Floyd Taylor in Kansas has done an outstanding job but our underwriting record elsewhere is considerably below average. Our poorest performer has been Insurance Company of Iowa, at which large losses have been sustained annually since its founding in 1973. Late in the fall we abandoned underwriting in that state, and have merged the company into Cornhusker Casualty. There is potential in the homestate concept, but much work needs to be done in order to realize it.</p>	<p>在 Homestate 家计保险业务方面，我们持续面临重大的问题，除了 Kansas 的 Floyd Taylor 外，其余的核保表现均在同业水准之下，其中 Iowa 保险，自 1973 年成立以来，每年皆发生巨额损失，直到去年我们决定结束该州的业务，并将之并入 Cornhusker 产险，家计保险概念其实也很大的潜力，但还需要很多努力才有办法实现它。</p>
<p>Our Workers Compensation operation suffered a severe loss when Frank DeNardo died last year at 37. Frank instinctively thought like an underwriter. He was a superb technician and a fierce competitor; in short order he had straightened out major problems at the California Workers Compensation Division of National Indemnity. Dan Grossman, who originally brought Frank to us, stepped in immediately after Frank’s death to continue that operation, which now utilizes Redwood Fire and Casualty, another Berkshire subsidiary, as the insuring vehicle.</p>	<p>我们的劳工退休金业务在去年痛失英才，37 岁的 Frank 不幸去世，他天生就是个保险专家，积极进取，努力上进，在短短时间内便改正在国家产业退休金业务部门的缺失，当初介绍 Frank 加入的 Dan 立即接手其原有工作，并伯克希尔以另一家子公司 Redwood 火险为主体，承接业务。</p>

<p>Our major Workers Compensation operation, Cypress Insurance Company, run by Milt Thornton, continues its outstanding record. Year after year Milt, like Phil Liesche, runs an underwriting operation that far outpaces his competition. In the industry he is admired and copied, but not matched.</p>	<p>至于由 Milt 所领导的 Cypress 保险公司一直是我们在这项业务的主力，且表现一直相当优异，与 Phil Liesche 一样，广为同业所仰慕与模仿，但其优秀的表现却是同业无法比拟的。</p>
<p>Overall, we look for a significant decline in insurance volume in 1981 along with a poorer underwriting result. We expect underwriting experience somewhat superior to that of the industry but, of course, so does most of the industry. There will be some disappointments.</p>	<p>总之保险业务量在 1981 年将大幅下滑，整体核保表现也不会太好，虽然我们预期自己的绩效应该会比同业好许多，但其它同业也都这样认为，最后肯定有人会大失所望。</p>
<p>Textile and Retail Operations</p>	<p>纺织业及零售业营运</p>
<p>During the past year we have cut back the scope of our textile business. Operations at Waumbec Mills have been terminated, reluctantly but necessarily. Some equipment was transferred to New Bedford but most has been sold, or will be, along with real estate. Your Chairman made a costly mistake in not facing the realities of this situation sooner.</p>	<p>去年我们缩减在纺织业的营运规模，虽然不愿意但却不得不关闭 Waumbec 工厂，除了少数设备转移至 New Bedford 外，其余设备连同厂房都将处份掉，我本人由于无法早日面对事实而犯了重大的错误。</p>
<p>At New Bedford we have reduced the number of looms operated by about one-third, abandoning some high-volume lines in which product differentiation was insignificant. Even assuming everything went right - which it seldom did - these lines could not generate adequate returns related to investment. And, over a full industry cycle, losses were the most likely result.</p>	<p>而在 New Bedford 我们也淘汰了将近三分之一的织布机，保留适合少量多样型的机台，而即使一切顺利(这种情况很少)，这些生产线仍不具投资效益，就产业循环而言，损失将无可避免。</p>
<p>Our remaining textile operation, still sizable, has been divided into a manufacturing and a sales division, each free to do business independent of the other. Thus, distribution strengths and mill capabilities will not be wedded to each other. We have more than doubled capacity in our most profitable textile segment through a recent purchase of used 130-inch Saurer looms. Current conditions indicate another tough year in textiles, but with substantially less capital employed in the operation.</p>	<p>剩下的纺织事业，规模还不算小，将划分为制造与销售两部门，各自独立运作，两者才不致于绑在一起，由于新购进中古 130 吋针式织布机，将使得我们目前最具获利能力产品线的产能增加一倍，情势告诉我们纺织业又将面临艰困的一年，所幸我们在这一行所投入的资本已大幅减少。</p>
<p>Ben Rosner's record at Associated Retail Stores continues to amaze us. In a poor retailing year,</p>	<p>Ben 在联合零售商店的表现持续令我们惊艳，在零售业普遍惨淡的一年，</p>

<p>Associated' s earnings continued excellent - and those earnings all were translated into cash. On March 7, 1981 Associated will celebrate its 50th birthday. Ben has run the business (along with Leo Simon, his partner from 1931 to 1966) in each of those fifty years.</p>	<p>该公司盈余表现仍佳，且大部份皆为现金收入，而明年联合零售将迈入第五十个年头，而连同前任者 Simon(1931-1966)，两人合计经营这家公司整整有五十年了。</p>
<p>Disposition of Illinois National Bank and Trust of Rockford</p>	<p>伊利诺国家银行及 Rockford 信托处分案</p>
<p>On December 31, 1980 we completed the exchange of 41,086 shares of Rockford Bancorp Inc. (which owns 97.7% of Illinois National Bank) for a like number of shares of Berkshire Hathaway Inc.</p>	<p>1980 年底，我们终于完成了以伯克希尔约当的股份交换 41,086 股 Rockford Bancorp(其持有 97.7% 伊利诺国家银行股份)的动作。</p>
<p>Our method of exchange allowed all Berkshire shareholders to maintain their proportional interest in the Bank (except for me; I was permitted 80% of my proportional share). They were thus guaranteed an ownership position identical to that they would have attained had we followed a more conventional spinoff approach. Twenty-four shareholders (of our approximate 1300) chose this proportional exchange option.</p>	<p>交换的方式准许伯克希尔股东维持各自在该银行的权益(除了我本人仅能维持原来的 80%)，如此他们将可确保在该银行的权益与传统的分割方式一样受到保障，总计有 24 位股东(目前股东总人数为 1,300 人)选择了这种对等方式。</p>
<p>We also allowed overexchanges, and thirty-nine additional shareholders accepted this option, thereby increasing their ownership in the Bank and decreasing their proportional ownership in Berkshire. All got the full amount of Bancorp stock they requested, since the total shares desired by these thirty-nine holders was just slightly less than the number left available by the remaining 1200-plus holders of Berkshire who elected not to part with any Berkshire shares at all. As the exchanger of last resort, I took the small balance (3% of Bancorp' s stock). These shares, added to shares I received from my basic exchange allotment (80% of normal), gave me a slightly reduced proportional interest in the Bank and a slightly enlarged proportional interest in Berkshire.</p>	<p>另外股东们也可要求增加其在该银行的权益(相对地，其在伯克希尔的权益将减少)，所有提出此项要求的股东皆如愿拿到股票，因为这 39 位股东需求的股份数量刚好略低于其它 1,200 多位选择全数保留伯克希尔股份所释出的银行股份，剩下的中间差额则由本人承受(约占 Bancorp 3%的股份)，在加计先前基本 80%的分配额度后，最后的结果，本人在银行的权益稍微减少，而在伯克希尔的权益则略微增加。</p>
<p>Management of the Bank is pleased with the outcome. Bancorp will operate as an inexpensive and uncomplicated holding company owned by 65 shareholders. And all of those shareholders will have become Bancorp owners through a conscious</p>	<p>银行的经营团队对于这样的结果感到满意，Bancorp 将成为一个只有 65 位股东，组织单纯且不复杂的控股公司。</p>

affirmative decision.	
Financing	财务
In August we sold \$60 million of 12 3/4% notes due August 1, 2005, with a sinking fund to begin in 1991.	8 月份，我们发行了 12.75%，25 年期 (2005 年到期)，金额 6,000 万美元的公司债，依合约规定我们将于 1991 年开始提存备偿基金。
The managing underwriters, Donaldson, Lufkin & Jenrette Securities Corporation, represented by Bill Fisher, and Chiles, Heider & Company, Inc., represented by Charlie Heider, did an absolutely first-class job from start to finish of the financing.	这项融资案的主要承销商 Donaldson 自始至终皆提供我们一流的服务。
Unlike most businesses, Berkshire did not finance because of any specific immediate needs. Rather, we borrowed because we think that, over a period far shorter than the life of the loan, we will have many opportunities to put the money to good use. The most attractive opportunities may present themselves at a time when credit is extremely expensive - or even unavailable. At such a time we want to have plenty of financial firepower.	不像大部份的公司，伯克希尔并不会为了一些特定的短期资金需求而去融资，我们借钱反而是因为当我们觉得在一定期间内 (约略短于融资年限) 将有许多好的投资机会出现，最佳的投资机会大多是出现在市场银根最紧的时候，那时候你一定希望拥有庞大的火力。
Our acquisition preferences run toward businesses that generate cash, not those that consume it. As inflation intensifies, more and more companies find that they must spend all funds they generate internally just to maintain their existing physical volume of business. There is a certain mirage-like quality to such operations. However attractive the earnings numbers, we remain leery of businesses that never seem able to convert such pretty numbers into no-strings-attached cash.	对于购并的对象，我们偏爱那些会“产生现金”而非“消化现金”的公司。由于高通货膨胀的影响，越来越多的公司发现它们必须将所赚得的每一块钱再投入才能维持其原有的营运规模，就算这些公司帐面数字再好看，除非看到白花花的现金，我们对之仍保持高度警戒。
Businesses meeting our standards are not easy to find. (Each year we read of hundreds of corporate acquisitions; only a handful would have been of interest to us.) And logical expansion of our present operations is not easy to implement. But we'll continue to utilize both avenues in our attempts to further Berkshire's growth.	符合我们标准的公司并不容易发现，(每年我们研就上百件的购并案，其中仅有少数能引起我们的兴趣)，所以要让我们规模合理稳定扩充的想法并不容易落实，但我们仍将持续多方尝试以保持伯克希尔的成长。
Under all circumstances we plan to operate with plenty of liquidity, with debt that is moderate in size and properly structured, and with an abundance of capital strength. Our return on	无论如何，我们皆希望能够保持适当的流动性，负债比例与结构适当并保留充裕的资本实力，虽然这种保守的态度将使得我们的投资报酬率因此打

<p>equity is penalized somewhat by this conservative approach, but it is the only one with which we feel comfortable.</p>	<p>了点折扣,但这也是惟一能让我们感到安心的一种方式。</p>
<p>Gene Abegg, founder of our long-owned bank in Rockford, died on July 2, 1980 at the age of 82. As a friend, banker and citizen, he was unsurpassed.</p>	<p>Gene Abegg 我们长期投资的 Rockford 银行创办人,于七月二日逝世,享年八十二岁,身为一位挚友、银行家与杰出公民,他是无可超越的。</p>
<p>You learn a great deal about a person when you purchase a business from him and he then stays on to run it as an employee rather than as an owner. Before the purchase the seller knows the business intimately, whereas you start from scratch. The seller has dozens of opportunities to mislead the buyer - through omissions, ambiguities, and misdirection. After the check has changed hands, subtle (and not so subtle) changes of attitude can occur and implicit understandings can evaporate. As in the courtship-marriage sequence, disappointments are not infrequent.</p>	<p>当你向某个人买下一家公司时,你对这个人有了更多的了解,之后你又请他以伙计而非老板的身份继续经营这家公司。在买卖开始前,他对这家公司了若指掌,而你却一无所知,卖方有太多机会可以欺骗买方,而当交易完成后,微妙(但又不那么微妙)的态度开始改变而模糊的认知也会发酵,就像是求婚的过程一般,失望总是难免的。</p>
<p>From the time we first met, Gene shot straight 100% of the time - the only behavior pattern he had within him. At the outset of negotiations, he laid all negative factors face up on the table; on the other hand, for years after the transaction was completed he would tell me periodically of some previously undiscussed items of value that had come with our purchase.</p>	<p>而当我们第一次碰面, Gene 百分之百坦诚,就像是其为人一般,谈判的开始,他把公司所有负面的因素摊开在桌上,另一方面,在交易完成数年后,他还会定期地告知你当初交易时未讨论到的地方。</p>
<p>Though he was already 71 years of age when he sold us the Bank, Gene subsequently worked harder for us than he had for himself. He never delayed reporting a problem for a minute, but problems were few with Gene. What else would you expect from a man who, at the time of the bank holiday in 1933, had enough cash on the premises to pay all depositors in full? Gene never forgot he was handling other people's money. Though this fiduciary attitude was always dominant, his superb managerial skills enabled the Bank to regularly achieve the top position nationally in profitability.</p>	<p>而就算是当他把银行卖给我们时已高龄 71 岁, Gene 仍然兴勤工作更甚于以往,虽然极少发生问题,但一有问题便立刻报告毫不迟疑,你还能对这样的人多要求些什么呢?(早在 1933 年该银行所持有的现金便足以立即清偿所有存款),他永远记得他是在处理别人的钱财,虽然这种正直不阿的态度将永远安息,但他杰出的管理能力将使银行在全美获利能力的表现上继续名列前茅。</p>
<p>Gene was in charge of the Illinois National for close to fifty years - almost one-quarter of the lifetime of our country. George Mead, a wealthy</p>	<p>Gene 负责伊利诺国家银行的营运将近 50 年,约当美国历史的四分之一,当初是一位工业巨子 George Mead 从</p>

<p>industrialist, brought him in from Chicago to open a new bank after a number of other banks in Rockford had failed. Mr. Mead put up the money and Gene ran the show. His talent for leadership soon put its stamp on virtually every major civic activity in Rockford.</p>	<p>芝加哥把他找来 Rockford 开设银行，Mead 先生负责出钱，Gene 则负责出力，他的领导才能立即在 Rockford 地区各种社交活动中展现出来。</p>
<p>Dozens of Rockford citizens have told me over the years of help Gene extended to them. In some cases this help was financial; in all cases it involved much wisdom, empathy and friendship. He always offered the same to me. Because of our respective ages and positions I was sometimes the junior partner, sometimes the senior. Whichever the relationship, it always was a special one, and I miss it.</p>	<p>许多 Rockford 的居民告诉我这些年来 Gene 给予他们很多帮助，有时是金钱上的，但更多时候包含的是智能、同情与友谊，而我本身也从他身上获得许多，因为个别年纪与工作上的关系，我们益师益友，不论如何，这种关系相当特殊，我永远怀念他。</p>