

Buffett's Letters To Berkshire Shareholders 1989	巴菲特致股东的信 1989 年
<p>Our gain in net worth during 1989 was \$1.515 billion, or 44.4%. Over the last 25 years (that is, since present management took over) our per-share book value has grown from \$19.46 to \$4,296.01, or at a rate of 23.8% compounded annually.</p>	<p>本公司 1989 年的净值增加了 15 亿 1 千 5 百万美元,较去年增加了 44.4%,过去 25 年以来(也就是自从从现有经营阶层接手后),每股净值从 19 元成长到现在的 4,296 美元,年复合成长率约为 23.8%。</p>
<p>What counts, however, is intrinsic value - the figure indicating what all of our constituent businesses are rationally worth. With perfect foresight, this number can be calculated by taking all future cash flows of a business - in and out - and discounting them at prevailing interest rates. So valued, all businesses, from manufacturers of buggy whips to operators of cellular phones, become economic equals.</p>	<p>然而真正重要的还是实质价值-这个数字代表组合我们企业所有份子合理的价值,根据精准的远见,这个数字可由企业未来预计的现金流量(包含流进与流出),并以现行的利率予以折现,不管是马鞭的制造公司或是行动电话的业者都可以在同等的地位上,据以评估其经济价值。</p>
<p>Back when Berkshire's book value was \$19.46, intrinsic value was somewhat less because the book value was entirely tied up in a textile business not worth the figure at which it was carried. Now most of our businesses are worth far more than their carrying values. This agreeable evolution from a discount to a premium means that Berkshire's intrinsic business value has compounded at a rate that somewhat exceeds our 23.8% annual growth in book value.</p>	<p>当伯克希尔的帐面价值是 19.46 美元之时,由于主要的资产多属于纺织事业,所以实质的价值大概比帐面价值要少一点,但时至今日我们企业的价值却早已较帐面价值多的多,这代表着伯克希尔实质价值成长的速度要比帐面价值每年平均 23.8%的复合成长率还要再高一些。</p>
<p>The rear-view mirror is one thing; the windshield is another. A large portion of our book value is represented by equity securities that, with minor exceptions, are carried on our balance sheet at current market values. At yearend these securities were valued at higher prices, relative to their own intrinsic business values, than has been the case in the past. One reason is the buoyant 1989 stock market. More important, the virtues of these businesses have been widely recognized. Whereas once their stock prices were inappropriately low, they are not now.</p>	<p>后照镜是一回事,雨刷又是另外一回事,我们帐面价值大部分是反应我们所持有的有价证券,而这些有价证券除了少数的例外,又大多以市价在资产负债表上列示,在去年年底这些有价证券较之过去,又以比实质价值呈现更高的价格,一方面当然是因为 1989 年股市的飙涨,另一方面则是这些有价证券的价值得到大家的认同,也就是说过去他们的股价曾经相当的低,但这种情况如今已不复存在。</p>
<p>We will keep most of our major holdings, regardless of how they are priced relative to intrinsic business value. This 'til-death-do-us-part attitude, combined with</p>	<p>我们仍然会保有我们主要的持股,不管相较于实质价值,他们现在的市场价格是多少,我们对于他们至死不离的态度加上这些股份现在的价位,</p>

<p>the full prices these holdings command, means that they cannot be expected to push up Berkshire's value in the future as sharply as in the past. In other words, our performance to date has benefited from a double-dip: (1) the exceptional gains in intrinsic value that our portfolio companies have achieved; (2) the additional bonus we realized as the market appropriately "corrected" the prices of these companies, raising their valuations in relation to those of the average business. We will continue to benefit from good gains in business value that we feel confident our portfolio companies will make. But our "catch-up" rewards have been realized, which means we'll have to settle for a single-dip in the future.</p>	<p>意味着他们在未来可能无法再像先前那样将伯克希尔的净值大幅向上推升，换句话说，我们能有的表现主要受惠于两方面(1)我们旗下的公司所创造出的实质价值增长(2)由于市场对于这些公司的股价，相较于一般企业所做合理的修正所带来的额外红利。在未来我们有信心仍然可以享受公司所创造出来的价值，但是对于先前补涨的利益则因为大都已实现，这意味着我们将来只能靠前者来受惠。</p>
<p>We face another obstacle: In a finite world, high growth rates must self-destruct. If the base from which the growth is taking place is tiny, this law may not operate for a time. But when the base balloons, the party ends: A high growth rate eventually forges its own anchor.</p>	<p>此外我们还面临到另一项挑战，在有限的世界里，任何高成长的事物终将自我毁灭，若是成长的基础相对较小，则这项定律偶尔会被暂时打破，但是当基础膨胀到一定程度时，好戏就会结束，高成长终有一天会被自己所束缚。</p>
<p>Carl Sagan has entertainingly described this phenomenon, musing about the destiny of bacteria that reproduce by dividing into two every 15 minutes. Says Sagan: "That means four doublings an hour, and 96 doublings a day. Although a bacterium weighs only about a trillionth of a gram, its descendants, after a day of wild asexual abandon, will collectively weigh as much as a mountain...in two days, more than the sun - and before very long, everything in the universe will be made of bacteria." Not to worry, says Sagan: Some obstacle always impedes this kind of exponential growth. "The bugs run out of food, or they poison each other, or they are shy about reproducing in public."</p>	<p>Carl Sagan 曾经开玩笑地解释这种现象，假设有一种细菌每 15 分钟可以分裂一次，亦即代表每一小时复制四次，一天可复制 96 次，虽然单一个细菌其重量只有一兆分之一公克重，但是只要经过一天无止尽的无性生殖，其重量可能会比一座山还重，经过两天后，甚至会比太阳还重，要不了多久所有的宇宙都将由这种细菌所组成，不过 Sagan 又说，大家不必担心，上天一定会安排障碍来阻止其倍数成长，有可能他会耗尽食物，或是毒死自己，或是有可能羞于在大庭广众之下复制。</p>
<p>Even on bad days, Charlie Munger (Berkshire's Vice Chairman and my partner) and I do not think of Berkshire as a bacterium. Nor, to our unending sorrow, have we found a way to double its net worth every 15 minutes. Furthermore, we are not the least bit shy about reproducing - financially</p>	<p>即使是在最坏的情况下，查理孟格(伯克希尔的副主席兼主要合伙人)，与我都认为伯克希尔会像细菌一样无止尽地成长，当然更不可能像细菌那样找到每 15 分钟就能够复制一次的方法，虽然我们不会像细菌那般羞于在</p>

<p>- in public. Nevertheless, Sagan's observations apply. From Berkshire's present base of \$4.9 billion in net worth, we will find it much more difficult to average 15% annual growth in book value than we did to average 23.8% from the \$22 million we began with.</p>	<p>公开场合进行复制，不过 Sagan 的观察还是对的，相较于刚开始的 2,200 万，以伯克希尔目前的 49 亿美元的净值基础，我们实在很难像过去那样每年以 15% 以上的成长率增加。</p>
<p><b>Taxes</b></p>	<p>租税</p>
<p>Our 1989 gain of \$1.5 billion was achieved after we took a charge of about \$712 million for income taxes. In addition, Berkshire's share of the income taxes paid by its five major investees totaled about \$175 million.</p>	<p>事实上，1989 年伯克希尔 15 亿美元的增加净值还是已扣除 7.12 亿美元估计应付所得税后的净额，此外这还不包含其五个主要被投资公司合计已缴 1.75 亿美元的所得税。</p>
<p>Of this year's tax charge, about \$172 million will be paid currently; the remainder, \$540 million, is deferred. Almost all of the deferred portion relates to the 1989 increase in unrealized profits in our common stock holdings. Against this increase, we have reserved a 34% tax.</p>	<p>在今年的所得税费用中，大约有 1.72 亿美元是马上要支付的，剩下的 5.4 亿则可以记帐递延处理，大部分是由于 1989 年我们持有的股票未实现利益，以 34% 的预估税率计算出来的数字。</p>
<p>We also carry reserves at that rate against all unrealized profits generated in 1987 and 1988. But, as we explained last year, the unrealized gains we amassed before 1987 - about \$1.2 billion - carry reserves booked at the 28% tax rate that then prevailed.</p>	<p>另外我们也 1987 年及 1988 年的未实现资本利得依照前项税率补提准备，但如同去年解释过的，我们在 1987 年所累积的未实现利益约 12 亿美元仍依照当时 28% 的税率提列准备。</p>
<p>A new accounting rule is likely to be adopted that will require companies to reserve against all gains at the current tax rate, whatever it may be. With the rate at 34%, such a rule would increase our deferred tax liability, and decrease our net worth, by about \$71 million - the result of raising the reserve on our pre-1987 gain by six percentage points. Because the proposed rule has sparked widespread controversy and its final form is unclear, we have not yet made this change.</p>	<p>新的会计原则有可能会要求公司将所有的利得以现行的税率估算(不管实际可能会是多少)，若以 34% 来计(等于将税率提高 6 个百分点)，这样的规则可能会大幅增加我们帐列递延所得税的数字，并使我们的帐面净值减少约 7,100 万美元，由于新提出的规定引发相当大的争议，最后的结果尚难定论，所以目前公司帐上尚未做此反应。</p>
<p>As you can see from our balance sheet on page 27, we would owe taxes of more than \$1.1 billion were we to sell all of our securities at year-end market values. Is this \$1.1 billion liability equal, or even similar, to a \$1.1 billion liability payable to a trade creditor 15 days after the end of the year? Obviously not - despite the fact that both items have exactly the same</p>	<p>大家可以从资产负债表上看到，若是年底我们一口气将所有的有价证券按市价全部出清，则我们要支付的所得税将高达 11 亿美元，但这 11 亿的负债真的就跟 15 天后要付给厂商的货款，一样或是相近吗？很显然的并非如此，虽然在财务报表上计算的净值的方式都一样，只是很简单地减掉 11</p>

effect on audited net worth, reducing it by \$1.1 billion.	亿美元。
On the other hand, is this liability for deferred taxes a meaningless accounting fiction because its payment can be triggered only by the sale of stocks that, in very large part, we have no intention of selling? Again, the answer is no.	从另一个角度来看，难道这项估计所得税负债，会因为我们从来没有意愿要把股票卖掉，所以政府课不到所得税，就表示它不具重大的意义吗？答案很显然也不是。
In economic terms, the liability resembles an interest-free loan from the U.S. Treasury that comes due only at our election (unless, of course, Congress moves to tax gains before they are realized). This "loan" is peculiar in other respects as well: It can be used only to finance the ownership of the particular, appreciated stocks and it fluctuates in size - daily as market prices change and periodically if tax rates change. In effect, this deferred tax liability is equivalent to a very large transfer tax that is payable only if we elect to move from one asset to another. Indeed, we sold some relatively small holdings in 1989, incurring about \$76 million of "transfer" tax on \$224 million of gains.	就经济实质而言，这种所得税负债就好像是美国国库借给我们的无息贷款，且到期日由我们自己来决定，（当然除非国会把课税时点提早到未实现时），这种贷款还有一项很奇怪的特点，它只能被用来购买某些特定涨价的股票，而且额度会随时市场价格来变动，有时也会因为税率变动而改变，事实上这种递延所得税其实有点类似于资产移转时所缴的交易税，事实上我们在 1989 年只做了一小部份的变动，总共产生了 2.24 亿的资本利得，因此发生了 7,600 万的交易税。
Because of the way the tax law works, the Rip Van Winkle style of investing that we favor - if successful - has an important mathematical edge over a more frenzied approach. Let's look at an extreme comparison.	由于税法运作的方式，如果情况许可的话，我们偏爱李伯大梦式的投资，因为较之疯狂短线进出的方法，它有一个很重要的利基点，让我们举一个很极端的例子来做说明。
Imagine that Berkshire had only \$1, which we put in a security that doubled by yearend and was then sold. Imagine further that we used the after-tax proceeds to repeat this process in each of the next 19 years, scoring a double each time. At the end of the 20 years, the 34% capital gains tax that we would have paid on the profits from each sale would have delivered about \$13,000 to the government and we would be left with about \$25,250. Not bad. If, however, we made a single fantastic investment that <i>itself</i> doubled 20 times during the 20 years, our dollar would grow to \$1,048,576. Were we then to cash out, we would pay a 34% tax of roughly \$356,500 and be left with about \$692,000.	假设伯克希尔只有 1 块美金的投资，但它每年却可以有一倍的报酬，假设我们将卖掉后所得的资金，用同样的方式再重复 19 年，结果 20 年下来，依照 34% 的税率总共贡献给国库 13,000 美元，而我们自己则可以拿到 25,250 美元，看起来还不错，然而要是我们简单一点，只做一项不变的投资，但是它同样可以赚每年一倍，则最后的金额却高达 1,048,576 美元，在扣除 34% 356,500 的所得税之后，实得约 692,000 美元。
The sole reason for this staggering difference in results would be the timing of tax payments.	之所以会有如此大的差异唯一的理由就是所得税支付的时点，有趣的是政

<p>Interestingly, the government would gain from Scenario 2 in exactly the same 27:1 ratio as we – taking in taxes of \$356,500 vs. \$13,000 – though, admittedly, it would have to wait for its money.</p>	<p>府从后面那种情况所抽的税金还比前者高，当然政府必须等到最后才能拿到这笔税金。</p>
<p>We have not, we should stress, adopted our strategy favoring long-term investment commitments because of these mathematics. Indeed, it is possible we could earn greater after-tax returns by moving rather frequently from one investment to another. Many years ago, that's exactly what Charlie and I did.</p>	<p>必须强调的是我们并不是因为这种简单的算术就倾向采用长期投资的态度，没错经常性的变动有可能会使我们的税后报酬高一些，事实上在几年之前，查理跟我就是这样在做的。</p>
<p>Now we would rather stay put, even if that means slightly lower returns. Our reason is simple: We have found splendid business relationships to be so rare and so enjoyable that we want to retain all we develop. This decision is particularly easy for us because we feel that these relationships will produce good – though perhaps not optimal – financial results. Considering that, we think it makes little sense for us to give up time with people we know to be interesting and admirable for time with others we do not know and who are likely to have human qualities far closer to average. That would be akin to marrying for money – a mistake under most circumstances, insanity if one is already rich.</p>	<p>但现在我们觉得一动不如一静，虽然这样的投资报酬看起来可能会少一点，其中的理由很简单，我们已经找到相当难得的商业合作关系，并珍惜我们彼此间所发展出来的情感，做这种决定对我们来说一点都不困难，因为我们相信这样的关系一定会让我们有一个满意的投资成果，虽然它可能不是最佳的。也因此我们觉得实在没有意义要舍弃原来我们熟悉欣赏的人，而把时间浪费在我们不认识且人格可能会在水准以下的人身上，那不等于一个有钱人竟然还为了金钱而结婚，这未免有些精神错乱。</p>
<p><b>Sources of Reported Earnings</b></p>	<p>帐列盈余的来源</p>
<p>The table below shows the major sources of Berkshire's reported earnings. In this presentation, amortization of Goodwill and other major purchase-price accounting adjustments are not charged against the specific businesses to which they apply, but are instead aggregated and shown separately. This procedure lets you view the earnings of our businesses as they would have been reported had we not purchased them. I've explained in past reports why this form of presentation seems to us to be more useful to investors and managers than one utilizing generally accepted accounting principles (GAAP), which require purchase-price adjustments to be made on a business-by-business basis. The total net earnings we show in the table</p>	<p>下表显示伯克希尔帐列盈余的主要来源，在这张表中商誉的摊销数与购买法会计调整数会从个别被投资公司分离出来，单独加总列示，之所以这样做是为了让旗下各事业的盈余状况，不因我们的投资而有所影响，过去我一再地强调我们认为这样的表达方式，较之一般公认会计原则要求以个别企业基础做调整，不管是对投资者或是管理者来说，更有帮助，当然最后损益加总的数字仍然会与经会计师查核的数字一致。</p>

<p>are, of course, identical to the GAAP total in our audited financial statements.</p>	
<p>Further information about these businesses is given in the Business Segment section on pages 37-39, and in the Management's Discussion section on pages 40-44. In these sections you also will find our segment earnings reported on a GAAP basis. For information on Wesco's businesses, I urge you to read Charlie Munger's letter, which starts on page 54. In addition, we have reprinted on page 71 Charlie's May 30, 1989 letter to the U. S. League of Savings Institutions, which conveyed our disgust with its policies and our consequent decision to resign.</p>	<p>年报中还有企业个别部门的信息，有关 Wesco 公司的信息，我强烈建议大家看看查理孟格所写的年报，里头包含查理在 1989 年 5 月写给美国储贷联盟的一封公开信，信中传达对于其推行政策的不满并做出辞去在其组织中的职位。</p>
<p>We refer you also to pages 45-51, where we have rearranged Berkshire's financial data into four segments. These correspond to the way Charlie and I think about the business and should help you calculate Berkshire's intrinsic value. Shown on these pages are balance sheets and earnings statements for: (1) our insurance operations, with their major investment positions itemized; (2) our manufacturing, publishing and retailing businesses, leaving aside certain non-operating assets and purchase-price accounting adjustments; (3) our subsidiaries engaged in finance-type operations, which are Mutual Savings and Scott Fetzer Financial; and (4) an all-other category that includes the non-operating assets (primarily marketable securities) held by the companies in segment (2), all purchase price accounting adjustments, and various assets and debts of the Wesco and Berkshire parent companies.</p>	<p>在后面我会提到重新将伯克希尔的部门分类为四大项，这是查理跟我认为可以帮助大家计算本公司实质价值的最好方式，以下的资产负债表与盈余表就是依此分类表示(1) 保险事业，并将主要投资部位归类(2) 制造、出版与零售事业，扣除非本业资产与购买法的会计调整(3) 金融业的子公司—诸如联合储贷与史考特飞兹财务公司(4) 其它项目，包含前述非营业资产(主要是有价证券投资)与购买法调整，还有 Wesco 与伯克希尔母公司一些其它的资产与负债。</p>
<p>If you combine the earnings and net worths of these four segments, you will derive totals matching those shown on our GAAP statements. However, I want to emphasize that this four-category presentation does not fall within the purview of our auditors, who in no way bless it.</p>	<p>如果你将这四个部门的盈余与净值加总，会得到与经会计师依公认会计原则查核的数字一致，然而我还是必须强调这种表达方式并未经过会计师的检视，我想他宁可选择不要看的好。</p>
<p>In addition to our reported earnings, we also benefit from significant earnings of investees</p>	<p>除了帐列盈余数字之外，实际上我们受惠于会计原则不能认列的盈余，后</p>

<p>that standard accounting rules do not permit us to report. On page 15, we list five major investees from which we received dividends in 1989 of about \$45 million, after taxes. However, our share of the <i>retained</i> earnings of these investees totaled about \$212 million last year, not counting large capital gains realized by GEICO and Coca-Cola. If this \$212 million had been distributed to us, our own operating earnings, after the payment of additional taxes, would have been close to \$500 million rather than the \$300 million shown in the table.</p>	<p>面我烈示出五家主要被投资公司在1989年收到的税后现金股利收入合计是4,500万美元,然而若依照投资比例我们可以分得的税后盈余却高达2.12亿美元,这还不包含我们在GEICO与Coca-Cola身上所获得的资本利得,而若将这应得的2.12亿盈余分给我们,则在扣除应付的所得税之后,公司帐列的盈余可能会大幅增加为5亿美元,而不是现在的3亿美元。</p>
<p>The question you must decide is whether these undistributed earnings are as valuable to us as those we report. We believe they are - and even think they may be more valuable. The reason for this a-bird-in-the-bush-may-be-worth-two-in-the-hand conclusion is that earnings retained by these investees will be deployed by talented, owner-oriented managers who sometimes have better uses for these funds in their own businesses than we would have in ours. I would not make such a generous assessment of most managements, but it is appropriate in these cases.</p>	<p>你应该判断的关键在于这些未分配的盈余与我们帐上已经列示的盈余同样的珍贵,甚至我们相信他们以后可能还更有价值,这一鸟在林更是两鸟在手的道理,就像是与其把盈余交到我们手中,还不如留给我们信任有才干的经理人继续运用发挥,通常我对一般的经理人不会有这么高的评价,但以这几家公司来说,的确是实至名归。</p>
<p>In our view, Berkshire's fundamental earning power is best measured by a "look-through" approach, in which we append our share of the operating earnings retained by our investees to our own reported operating earnings, excluding capital gains in both instances. For our intrinsic business value to grow at an average of 15% per year, our "look-through" earnings must grow at about the same pace. We'll need plenty of help from our present investees, and also need to add a new one from time to time, in order to reach this 15% goal.</p>	<p>就我们的观点,伯克希尔的基本获利能力可以用直接法来衡量,也就是我们将被投资公司真正应分给我们的盈余加到帐列的营业利益之上,同时扣除我们在这些投资已实现的资本利得,所以如果说我们想要让企业的实质价值每年平均以15%的速度成长,我们的直接盈余也必须要以同等的速度增加,因此我们相当需要现有的被投资公司给予我们更多的支持,同时也需要时时增加新进的成员才有办法达到这15%的目标。</p>
<p><b>Non-Insurance Operations</b></p>	<p>非保险营运</p>
<p>In the past, we have labeled our major manufacturing, publishing and retail operations "The Sainted Seven." With our acquisition of Borsheim's early in 1989, the challenge was to find a new title both alliterative and</p>	<p>在过去我们将主要的制造、出版与零售业昵称为七个圣徒,在1989年波仙珠宝加入后,马上面临的一个问题就是要找到一个贴切又好听的名词,但到目前为止我们还没有想到,现在姑</p>

appropriate. We failed: Let's call the group "The Sainted Seven Plus One."	且将他们称作为“七加一个圣徒”吧。
This divine assemblage – Borsheim's, The Buffalo News, Fechheimer Bros., Kirby, Nebraska Furniture Mart, Scott Fetzer Manufacturing Group, See's Candies, World Book – is a collection of businesses with economic characteristics that range from good to superb. Its managers range from superb to superb.	这神圣的组合-波仙珠宝、水牛城日报、费区海默、寇比吸尘器、内布拉斯加家具、史考特费兹、喜斯糖果与世界百科全书等公司，可以说是模范企业的绝佳组合，他们的管理人也可以说是好的不能再好了。
Most of these managers have no need to work for a living; they show up at the ballpark because they like to hit home runs. And that's exactly what they do. Their combined financial statements (including those of some smaller operations), shown on page 49, illustrate just how outstanding their performance is. On an historical accounting basis, after-tax earnings of these operations were 57% on average equity capital. Moreover, this return was achieved with no net leverage: Cash equivalents have matched funded debt. When I call off the names of our managers – the Blumkin, Friedman and Heldman families, Chuck Huggins, Stan Lipsey, and Ralph Schey – I feel the same glow that Miller Huggins must have experienced when he announced the lineup of his 1927 New York Yankees.	大部分的管理人根本就不需要为了讨生活而工作，他们参加球队的原因只是为了要击出全垒打，事实上这正是他们常常有的表现，他们合并的财务报表(加上一些较小的事业)，显示他们的表现是如此的优异，以历史投资成本做基准，他们现在每年的税后盈余高达平均股东权益的57%，更甚者，他们并不靠举债，帐上所拥有的现金就足以清偿所有的借款，当我念到这些管理人的名字 – the Blumkin, Friedman, Heldman families, Chuck Huggins, Stan Lipsey 与 Ralph Schey，这感觉就好像是名教练 Miller Huggins 在宣布1927纽约洋基队的先发阵容一样。
Let's take a look, business by business:	现在让我们逐一检视。
o In its first year with Berkshire, Borsheim's met all expectations. Sales rose significantly and are now considerably better than twice what they were four years ago when the company moved to its present location. In the six years prior to the move, sales had also doubled. Ike Friedman, Borsheim's managing genius – and I mean that – has only one speed: fast-forward.	在波仙珠宝加入伯克希尔的第一年，它达到我们所有的预期目标，营业额大幅成长，较四年前刚搬到现址的时候要好上一倍，事实上在搬来之前的六年前，它的业绩早已成长了一倍，Ike Friedman 波仙珠宝的管理天才，只有一种速度，那就是全速前进！ on seasonally-busy days.
If you haven't been there, you've never seen a jewelry store like Borsheim's. Because of the huge volume it does at one location, the store can maintain an enormous selection across all price ranges. For the same reason, it can hold its expense ratio to about one-third that prevailing at jewelry stores offering comparable merchandise. The store's tight control of expenses, accompanied by its unusual buying	如果你还没有到过那里，你一定没有看过有珠宝店像波仙那样，由于销量非常大，所以在那里你可以看到各式各样、各种价格的种类，同样的理由，它的营业费用开销大概只有一般同类型珠宝店的三分之一，对于费用的严格控管，加上优异的采购能力，使得它所贩售的商品要比其它珠宝店要来的便宜许多，而便宜的价格又吸引更多



<p>power, enable it to offer prices far lower than those of other jewelers. These prices, in turn, generate even more volume, and so the circle goes 'round and 'round. The end result is store traffic as high as 4,000 people</p>	<p>多的顾客上门，良性循环的结果，使得该店在忙季的单日人潮流量高达四千人。</p>
<p>Ike Friedman is not only a superb businessman and a great showman but also a man of integrity. We bought the business without an audit, and all of our surprises have been on the plus side. "If you don't know jewelry, know your jeweler" makes sense whether you are buying the whole business or a tiny diamond.</p>	<p>Ike Friedman 不但是个优秀的商人、表演者，更是品格高尚的人，买下这家店时，我们没有查帐，事后所有的惊奇完全都是正面的，有句话说不懂珠宝没有关系，但你一定要有认识的珠宝商，这句话真的好有道理，不管是你要买一颗小小的钻石或是要买下一整家店都一样。</p>
<p>A story will illustrate why I enjoy Ike so much: Every two years I'm part of an informal group that gathers to have fun and explore a few subjects. Last September, meeting at Bishop's Lodge in Santa Fe, we asked Ike, his wife Roz, and his son Alan to come by and educate us on jewels and the jewelry business.</p>	<p>有一段故事可以说明为何我个人如此喜爱 Ike，每两年我都会参加一个非正式的聚会，大家一起同乐并探索新事物，去年九月，在圣塔菲与主教会面，我邀请 Ike 跟他的太太与儿子为大家讲解珠宝。</p>
<p>Ike decided to dazzle the group, so he brought from Omaha about \$20 million of particularly fancy merchandise. I was somewhat apprehensive - Bishop's Lodge is no Fort Knox - and I mentioned my concern to Ike at our opening party the evening before his presentation. Ike took me aside. "See that safe?" he said. "This afternoon we changed the combination and now even the hotel management doesn't know what it is." I breathed easier. Ike went on: "See those two big fellows with guns on their hips? They'll be guarding the safe all night." I now was ready to rejoin the party. But Ike leaned closer: "And besides, Warren," he confided, "the jewels aren't in the safe."</p>	<p>Ike 为了加深大家的印象，所以特地从奥玛哈带了总值超过 2,000 万美元的各式珠宝，当时我个人有点担心，因为主教的住所并非像福克斯堡那般坚固，所以当晚在活动开始之前，我特别向 Ike 表达个人的关切，Ike 把我拉到一旁说，看到那保险箱没?? 下午时我们早已掉过包，所以根本没有人可能分得清真或假，听到这话，我放心多了，Ike 接着又说，看到旁边那两个腰配枪枝的彪形大汉没?? 他们会整晚守护着这只保险箱，正当我舒口气准备会到宴会中时，Ike 小声说到更重要的，真正的珠宝并不在保险箱里！</p>
<p>How can we miss with a fellow like that - particularly when he comes equipped with a talented and energetic family, Alan, Marvin Cohn, and Don Yale.</p>	<p>我们怎么能够错过这样一号人物呢?? 尤其是当他背后还有一个兼具才能与活力的家族。</p>
<p>o At See's Candies we had an 8% increase in pounds sold, even though 1988 was itself a record year. Included in the 1989 performance were excellent same-store poundage gains, our first in many years.</p>	<p>喜斯糖果去年糖果的销售磅数再创新高，比前一年度又增加了 8%，而且单店的平均销售磅数经过好几年来，首次呈现正成长。</p>

<p>Advertising played an important role in this outstanding performance. We increased total advertising expenditures from \$4 million to \$5 million and also got copy from our agency, Hal Riney &amp; Partners, Inc., that was 100% on the money in conveying the qualities that make See's special.</p>	<p>广告在这家杰出的企业中扮演着很重要的角色，去年我们的广告预算从原先的 400 万增加到 500 万美元，透过我们的广告代理商 Hal Riney 将钱百分之百花在传达喜斯糖果之所以能够如此特别的品质之上。</p>
<p>In our media businesses, such as the Buffalo News, we sell advertising. In other businesses, such as See's, we are buyers. When we buy, we practice exactly what we preach when we sell. At See's, we more than tripled our expenditures on newspaper advertising last year, to the highest percentage of sales that I can remember. The payoff was terrific, and we thank both Hal Riney and the power of well-directed newspaper advertising for this result.</p>	<p>在我们的媒体事业，像是水牛城报纸，我们贩售广告，在其它的事业，像是喜斯糖果，我们是广告客户，反而变成买主，然而当我们买广告时，我们做事的方式跟我们当初在卖广告的诉求是一致的，去年喜斯糖果在报纸广告上的花费增加了有三倍之多，是我印象之中占营业额的最高比例，不过所得到的回报却更是惊人，对于能有这样的成绩，我们相当感谢 Hal Riney 与报纸的宣传效果。</p>
<p>See's splendid performances have become routine. But there is nothing routine about the management of Chuck Huggins: His daily involvement with all aspects of production and sales imparts a quality-and-service message to the thousands of employees we need to produce and distribute over 27 million pounds of candy annually. In a company with 225 shops and a massive mail order and phone business, it is no small trick to run things so that virtually every customer leaves happy. Chuck makes it look easy.</p>	<p>喜斯杰出的表现好象变得很自然，但 Chuck Huggins 的管理却绝对不是侥幸，每天他都全心全意专注于生产与销售各个环节，将品质与服务的观念传达给公司上上下下几千位员工，每年销售超过 2,700 万磅的糖果，在一家拥有 225 家店面，再加上一个邮购与电话中心，要让每个客户都能够满心欢喜的离去，实在不是一件简单的事，不过这差事到了 Chuck 的手上，总是让人感觉轻松自在。</p>
<p>o The Nebraska Furniture Mart had record sales and excellent earnings in 1989, but there was one sad note. Mrs. B - Rose Blumkin, who started the company 52 years ago with \$500 - quit in May, after disagreeing with other members of the Blumkin family/management about the remodeling and operation of the carpet department.</p>	<p>内布拉斯加家具店的业绩与盈余在 1989 年又创新高，但是这件随着一项坏消息，52 年前以 500 美元创立这家店的 B 太太，由于与家族其它成员在内部改装与地毯部门的营运上意见不合，在五月决定离职。</p>
<p>Mrs. B probably has made more smart business decisions than any living American, but in this particular case I believe the other members of the family were entirely correct: Over the past three years, while the store's other departments increased sales by 24%, carpet sales declined by 17% (but not because of any lack of sales ability by Mrs. B, who has always personally sold far more</p>	<p>B 太太可能是现存美国人中最聪明的生意人，但在这件事上我却必须站在家族其它成员的这一边，过去三年来，当店内其它部门营收平均成长 24% 之时，地毯销售却减少 17%，（这并不是代表 B 太太的销售技巧退步，因为她个人卖的商品绝对比店内其它营业员要多的多）。</p>

merchandise than any other salesperson in the store).	
You will be pleased to know that Mrs. B continues to make Horatio Alger's heroes look like victims of tired blood. At age 96 she has started a new business selling - what else? - carpet and furniture. And as always, she works seven days a week.	大家应该很高兴 B 太太让 Horatio Alger 笔下的英雄看起来像是浴血奋战后的失败者，以 96 岁的高龄，她却执意再另创新事业，而且还是一样，卖家具跟地毯，同样地，每个礼拜工作七天。
At the Mart Louie, Ron, and Irv Blumkin continue to propel what is by far the largest and most successful home furnishings store in the country. They are outstanding merchants, outstanding managers, and a joy to be associated with. One reading on their acumen: In the fourth quarter of 1989, the carpet department registered a 75.3% consumer share in the Omaha market, up from 67.7% a year earlier and over six times that of its nearest competitor.	在原来的家具店，B 太太的子孙们还是继续支撑这家全美最大也最成功的家具事业，他们实在是相当优秀的生意人，管理者，跟他们一起相处实在是很愉快的一件事。有一件事可以显示他们的聪明才智，在 1989 年第四季，地毯部门在奥玛哈地区的市场占有率从前一年度的 67.7% 增加到 75.3%，相当于第二名竞争者的六倍。
NFM and Borsheim's follow precisely the same formula for success: (1) unparalleled depth and breadth of merchandise at one location; (2) the lowest operating costs in the business; (3) the shrewdest of buying, made possible in part by the huge volumes purchased; (4) gross margins, and therefore prices, far below competitors'; and (5) friendly personalized service with family members on hand at all times.	NFM 与波仙遵循的是相同的成功模式 (1) 商品种类齐全、应有尽有 (2) 营运成本极低 (3) 大量采购进货成本低 (4) 毛利高但售价因销量压低 (5) 亲切的服务与家族式的管理。
Another plug for newspapers: NFM increased its lineage in the local paper by over 20% in 1989 - off a record 1988 - and remains the paper's largest ROP advertiser by far. (ROP advertising is the kind printed in the paper, as opposed to that in preprinted inserts.) To my knowledge, Omaha is the only city in which a home furnishings store is the advertising leader. Many retailers cut space purchases in 1989; our experience at See's and NFM would indicate they made a major mistake.	另外提供一则新闻插播，NFM 在 1989 年增加 20% 的报纸广告量，依旧是当地报纸的最大广告客户，(ROP 是指印在报纸上的广告，与事先印好的夹报有别)，就我所知，奥玛哈是唯一一个以家具业者为最大报纸广告客户的地区，许多客户在 1989 年都大砍广告量，但是就我们在喜斯糖果与 NFM 的经验来说，这实在是个天大的错误。
o The Buffalo News continued to star in 1989 in three important ways: First, among major metropolitan papers, both daily and Sunday, the News is number one in household penetration - the percentage of local households that purchase it each day. Second, in "news hole" - the portion	水牛城日报在 1989 年有三点特别值得一提，首先在所有主要的都会报纸中 (不管是平时或是假日)，水牛城的家庭渗透率是最高的 (即当地家庭每天订购报纸的户数)，第二是新闻比率 (报纸所有版面中，新闻所占的比率)，

<p>of the paper devoted to news – the paper stood at 50.1% in 1989 vs. 49.5% in 1988, a level again making it more news-rich than any comparable American paper. Third, in a year that saw profits slip at many major papers, the News set its seventh consecutive profit record.</p>	<p>相较于 1988 年的 49.5%，1989 年则是 50.1%，这比率代表水牛城报纸的新闻内容要比其它同类型的报纸要来的丰富许多，第三在同业获利频频下滑之际，水牛城的获利连续第七年成长。</p>
<p>To some extent, these three factors are related, though obviously a high-percentage news hole, by itself, reduces profits significantly. A large and intelligently-utilized news hole, however, attracts a wide spectrum of readers and thereby boosts penetration. High penetration, in turn, makes a newspaper particularly valuable to retailers since it allows them to talk to the entire community through a single “megaphone.” A low-penetration paper is a far less compelling purchase for many advertisers and will eventually suffer in both ad rates and profits.</p>	<p>某种程度而言，这三个因素是相关的，虽然很明显的高新闻比率会大幅减少获利，一个精彩丰富的新闻能够吸引广大的读者，从而增加渗透率，而高的渗透率回头来又会使得报纸成为广告商喜爱的对象，因为这等于让他们可以透过一个单一的管道，对整个社区进行宣传，相对的一家渗透率低的报纸对于广告商的吸引力就大大的降低，到最后一定会使得广告费收入与获利节节下滑。</p>
<p>It should be emphasized that our excellent penetration is neither an accident nor automatic. The population of Erie County, home territory of the News, has been falling – from 1,113,000 in 1970 to 1,015,000 in 1980 to an estimated 966,000 in 1988. Circulation figures tell a different story. In 1975, shortly before we started our Sunday edition, the Courier-Express, a long-established Buffalo paper, was selling 207,500 Sunday copies in Erie County. Last year – with population at least 5% lower – the News sold an average of 292,700 copies. I believe that in no other major Sunday market has there been anything close to that increase in penetration.</p>	<p>必须强调的是我们的渗透率并不是个意外抑或是自然而然的一件事，以水牛城报纸的大本营 Erie 市来说，当地的人口数从 1970 年的 111 万人一路减少到 1980 年的 101 万，乃至于 1988 年的 96.6 万人，但报纸发行量的变化却完全相反，1975 年在我们刚准备开始发行周日版之前，Courier-Express 一家水牛城当地相当悠久的报纸每周的发行量约为 20 万份，去年在总人口比当初还少 5% 的情况下，水牛城的发行份数却将近有 30 万份，我相信在美国没有其它地区能够像我们这样成长的。</p>
<p>When this kind of gain is made – and when a paper attains an unequalled degree of acceptance in its home town – someone is doing something right. In this case major credit clearly belongs to Murray Light, our long-time editor who daily creates an informative, useful, and interesting product. Credit should go also to the Circulation and Production Departments: A paper that is frequently late, because of production problems or distribution weaknesses, will lose customers, no matter how strong its editorial content.</p>	<p>当我们能够如此成长同时又得到家乡父老如此的支持，一定有人居功厥伟，我想总编辑 Murray Light 应该是当之无愧，是他日复一日创造出如此发人深省、有用且有趣的产品，当然发行与生产部门也一样功不可没，一家报纸若是因为印刷或配送问题而时常误点，不管他的内容有多精彩丰富，一定会影响客户订阅的意愿的。</p>

<p>Stan Lipsey, publisher of the News, has produced profits fully up to the strength of our product. I believe Stan's managerial skills deliver at least five extra percentage points in profit margin compared to the earnings that would be achieved by an average manager given the same circumstances. That is an amazing performance, and one that could only be produced by a talented manager who knows - and cares - about every nut and bolt of the business.</p>	<p>Stan Lipsey 报纸的发行人，利用获利来加强我们的产品竞争力，我相信 Stan 管理能力至少让我们报纸的营业利益增加五个百分点以上，这真是令人赞叹的表现，这只有完全熟悉企业大大小小事物的优秀经理人才有办法做到这样的成绩。</p>
<p>Stan's knowledge and talents, it should be emphasized, extend to the editorial product. His early years in the business were spent on the news side and he played a key role in developing and editing a series of stories that in 1972 won a Pulitzer Prize for the Sun Newspaper of Omaha. Stan and I have worked together for over 20 years, through some bad times as well as good, and I could not ask for a better partner.</p>	<p>Stan 的知识与才能也延伸到编辑出版之上，早期他个人的生涯多花在新闻采访之上，曾经花了相当多的时间报导一系列的故事，并在 1972 年为奥玛哈太阳报赢得新闻界的最高荣誉-普立兹奖，Stan 与我已经共事长达 20 年之久，一起经历各种风雨、患难与共，实在很难再找到像他这么好的伙伴。</p>
<p>o At Fechheimer, the Heldman clan - Bob, George, Gary, Roger and Fred - continue their extraordinary performance. Profits in 1989 were down somewhat because of problems the business experienced in integrating a major 1988 acquisition. These problems will be ironed out in time. Meanwhile, return on invested capital at Fechheimer remains splendid.</p>	<p>在费区海默，Heldman 家族继续他们不凡的表现，1989 年的获利因为 1988 年的一件大的购并案出了点问题而略受影响，所幸问题及时获得解决，所以费区海默的投资报酬还是相当不错。</p>
<p>Like all of our managers, the Heldmans have an exceptional command of the details of their business. At last year's annual meeting I mentioned that when a prisoner enters San Quentin, Bob and George probably know his shirt size. That's only a slight exaggeration: No matter what area of the country is being discussed, they know exactly what is going on with major customers and with the competition.</p>	<p>像我们其它的管理人，Heldmans 家族对于其事业的了解钜细靡遗，去年的年度股东会时我曾经半开玩笑的说，只要犯人一进到监狱，Bob 就可以马上只到他的身材 Size 是多少，不管你跟他们提到全美那一个地区，他们都相当清楚当地的市场与竞争对手的状况。</p>
<p>Though we purchased Fechheimer four years ago, Charlie and I have never visited any of its plants or the home office in Cincinnati. We're much like the lonesome Maytag repairman: The Heldman managerial product is so good that a service call is never needed.</p>	<p>虽然我们是在四年之前买下费区海默的，但查理跟我却从来没有去参观过他们的工厂或是位在辛辛那提的总部，我们有点像是无聊的 Maytag 维修工人，由 Heldman 所管理的东西因为太好根本不会坏，以致于我们从来没有接过叫修的电话。</p>
<p>o Ralph Schey continues to do a superb job in</p>	<p>Ralph Schey 还是继续发挥他的长才，</p>

<p>managing our largest group – World Book, Kirby, and the Scott Fetzer Manufacturing Companies. Aggregate earnings of these businesses have increased every year since our purchase and returns on invested capital continue to be exceptional. Ralph is running an enterprise large enough, were it standing alone, to be on the Fortune 500. And he’s running it in a fashion that would put him high in the top decile, measured by return on equity.</p>	<p>为我们管理-世界百科全书、寇比吸尘器与史考特飞兹所组成的大集团，自从我们买下这些企业以来，他们的总盈余年年都成长，投资的报酬相当可观，Ralph 所领导的企业集团真是够大，单单他旗下事业加总起来就足以名列财星五百大，而若以投资报酬的角度来看，大概可以让他排在前十名。</p>
<p>For some years, World Book has operated out of a single location in Chicago’s Merchandise Mart. Anticipating the imminent expiration of its lease, the business is now decentralizing into four locations. The expenses of this transition are significant; nevertheless profits in 1989 held up well. It will be another year before costs of the move are fully behind us.</p>	<p>有好几年，世界百科全书只在芝加哥的一个商业广场集中营运，有鉴于租约即将到期，未来它将分散成四个据点，搬迁的费用相当的庞大，不过尽管如此 1989 年的获利还是会增加，这项搬迁的费用要经过好几年的时间才会慢慢地消化吸收掉。</p>
<p>Kirby’s business was particularly strong last year, featuring large gains in export sales. International business has more than doubled in the last two years and quintupled in the past four; its share of unit sales has risen from 5% to 20%. Our largest capital expenditures in 1989 were at Kirby, in preparation for a major model change in 1990.</p>	<p>寇比的生意去年特别的旺，尤其是在外销方面的成长惊人，近两年来的业绩已成长了一倍，累计四年来成长了四倍，市场占有率从 5% 增加到 20%，我们 1989 年最大的资本支出就花在寇比身上，预计在 1990 年会有一次大改款。</p>
<p>Ralph’s operations contribute about 40% of the total earnings of the non-insurance group whose results are shown on page 49. When we bought Scott Fetzer at the start of 1986, our acquisition of Ralph as a manager was fully as important as our acquisition of the businesses. In addition to generating extraordinary earnings, Ralph also manages capital extremely well. These abilities have produced funds for Berkshire that, in turn, have allowed us to make many other profitable commitments.</p>	<p>Ralph 的事业部门所贡献的盈余大概占非保险部门的四成左右，当我们在 1986 年初买下史考特飞兹时，能将 Ralph 一并挖过来当经理人，跟我们当初买下这家公司一样地重要，除了贡献可观的盈余之外，Ralph 管理资金也是一把罩。这些能力使得伯克希尔能够获得源源不绝的资金，让我们回头可以再做更多更好的投资。</p>
<p>And that completes our answer to the 1927 Yankees.</p>	<p>以上就是我们的职棒先发阵容！</p>
<p><b>Insurance Operations</b></p>	<p>保险事业营运</p>
<p>The combined ratio represents total insurance costs (losses incurred plus expenses) compared to revenue from premiums: A ratio below 100 indicates an underwriting profit, and one above</p>	<p>综合比率代表保险的总成本(理赔损失加上费用)占保费收入的比例，比率在 100 以下代表有承保的损失，在 100 以上则代表有承保的获利综合比率代</p>

<p>100 indicates a loss. When the investment income that an insurer earns from holding policyholders' funds ("the float") is taken into account, a combined ratio in the 107-111 range typically produces an overall breakeven result, exclusive of earnings on the funds provided by shareholders.</p>	<p>表的是保险的总成本(损失加上费用)占保费收入的比率, 100 以下代表会有承销利益, 100 以上代表会有承销损失, 若把持有保费收入浮存金(扣除股东权益部份所产生的盈余)所产生的投资收益列入考量, 损益两平的范围大概是在 107-111 之间。</p>
<p>For the reasons laid out in previous reports, we expect the industry's incurred losses to grow by about 10% annually, even in years when general inflation runs considerably lower. (Actually, over the last 25 years, incurred losses have grown at a still faster rate, 11%.) If premium growth meanwhile materially lags that 10% rate, underwriting losses will mount, though the industry's tendency to underreserve when business turns bad may obscure their size for a time.</p>	<p>基于前几次年报所说明的理由, 即使是通货膨胀在这几年来相对温和, 我们预期保险业每年损失增加的比率约在 10%左右, 若是保费收入成长没有到达 10%以上, 损失一定会增加, (事实上过去 25 年以来, 理赔损失系以 11%的速度在成长), 虽然保险公司在景气不好时, 会习惯性地损失暂时隐藏起来。</p>
<p>Last year we said the climb in the combined ratio was "almost certain to continue - and probably will accelerate - for at least two more years." This year we will not predict acceleration, but otherwise must repeat last year's forecast. Premium growth is running far below the 10% required annually. Remember also that a 10% rate would only stabilize the combined ratio, not bring it down.</p>	<p>去年我们曾说若综合比率八成会继续上升, 甚至在未来两年内还会加速, 今年我们不再做加速的预期, 不然的话还会再重复去年的预测, 保费收入成长的幅度远低于每年最低 10%成长的要求, 而且大家要记住, 10%只表示能抑止综合比率上升的情况, 却不能使它下降。</p>
<p>The increase in the combined ratio in 1989 was a little more than we had expected because catastrophes (led by Hurricane Hugo) were unusually severe. These abnormalities probably accounted for about two points of the increase. If 1990 is more of a "normal" year, the combined ratio should rise only minimally from the catastrophe-swollen base of 1989. In 1991, though, the ratio is apt to climb by a greater degree.</p>	<p>1989 年的综合比率增加的幅度略高于我们的预期, 原因在于意外灾害(主要是 Hugo 飓风)特别严重, 这部份造成的影响大约占了 2 个百分点, 假若 1990 年能够回到正常情况, 相较于 1989 年略微膨胀的基础, 综合比率可能只会增加一点点, 然后到了 1991 年可能又会提高增加的幅度。</p>
<p>Commentators frequently discuss the "underwriting cycle" and speculate about its next turn. If that term is used to connote rhythmic qualities, it is in our view a misnomer that leads to faulty thinking about the industry's fundamental economics.</p>	<p>产业评论家常常会讨论到承保循环并预测它下一次反转的时点, 若那个名词是用来暗示有节奏性的本质, 则我们认为那他们就有点张冠李戴的把这个产业情况搞错了。</p>
<p>The term was appropriate some decades ago when</p>	<p>这个名词在几十年前当产业界与政府</p>

<p>the industry and regulators cooperated to conduct the business in cartel fashion. At that time, the combined ratio fluctuated rhythmically for two reasons, both related to lags. First, data from the past were analyzed and then used to set new "corrected" rates, which were subsequently put into effect by virtually all insurers. Second, the fact that almost all policies were then issued for a one-to three-year term - which meant that it took a considerable time for mispriced policies to expire - delayed the impact of new rates on revenues. These two lagged responses made combined ratios behave much like alternating current. Meanwhile, the absence of significant price competition guaranteed that industry profits, averaged out over the cycle, would be satisfactory.</p>	<p>单位通力合作维持一个类似卡特尔组织时或许还适用，在那个年代，综合比率只因两个原因上下变动，两者都具有递延性，第一是过去的信息会被分析然而据以订定新的费率，一体适用于所有的保险业者之上；第二所有的保单通常是一次以三年为期，这代表着一张有问题的保单通常要花三年才能解决，所以新费率的实施影响有其递延性，这两个因素使得综合比率的变化有脉络可循，同时没有价格的竞争通常就保证可以有稳定的获利，意味着整个循环下来可以获致满意的报酬。</p>
<p>The cartel period is long gone. Now the industry has hundreds of participants selling a commodity-like product at independently-established prices. Such a configuration - whether the product being sold is steel or insurance policies - is certain to cause subnormal profitability in all circumstances but one: a shortage of usable capacity. Just how often these periods occur and how long they last determines the average profitability of the industry in question.</p>	<p>不过卡特尔的年代早已过去，现在的产业有几百家公司在销售同一种商品，价格各自独立，在这种情况下，不管所卖的商品是钢铁或是保单，除了产能短缺的情况之外，整体同业的获利一定很可怜，不过却须视所处产业的获利情况来决定短缺情况的发生时点与期间长短。</p>
<p>In most industries, capacity is described in physical terms. In the insurance world, however, capacity is customarily described in financial terms; that is, it's considered appropriate for a company to write no more than X dollars of business if it has Y dollars of net worth. In practice, however, constraints of this sort have proven ineffective. Regulators, insurance brokers, and customers are all slow to discipline companies that strain their resources. They also acquiesce when companies grossly overstate their true capital. Hence, a company can write a great deal of business with very little capital if it is so inclined. At bottom, therefore, the amount of industry capacity at any particular moment primarily depends on the mental state of</p>	<p>在大部分的产业，产能是以具体的事物来呈现，不过在保险的世界里，产能所代表的却是指财务数字，亦即假设一家公司的净值有 Y，那么他可以承接的保单大概就只能有 X，就实务而言，做这样的限制其实效果相当有限，主管机关、保险掮客与客户对于其节制背后的保险公司的反应都很慢，而且就算真正的资本有被夸大的情况，他们也给予姑息，因此一家资本额不大的保险公司若他们愿意，照样可以接下一大堆保单，因此整个保险业的供给能量，主要还是视保险公司经理人本身的心态而定。</p>



insurance managers.	
All this understood, it is not very difficult to prognosticate the industry's profits. Good profits will be realized only when there is a shortage of capacity. Shortages will occur only when insurers are frightened. That happens rarely – and most assuredly is not happening now.	在了解内情之后，大家不难预知这个产业未来的获利情况，获利要好只有当供给短缺时才有可能发生，而供给短缺只有当保险业者感到害怕时才有可能发生，而偏偏这种情况又很少见，且可以确定短期之内不会出现。
Some analysts have argued that the more onerous taxes recently imposed on the insurance industry and 1989's catastrophes – Hurricane Hugo and the California earthquake – will cause prices to strengthen significantly. We disagree. These adversities have not destroyed the eagerness of insurers to write business at present prices. Therefore, premium volume won't grow by 10% in 1990, which means the negative underwriting trend will not reverse.	有些分析师认为最近刚实施的保险业新税法过于繁重，同时加上 Hugo 飓风与加州的地震，将会是保险费率大幅提高，我们并不认同这样的看法，因为这些负面的因素并不会迫使同业不以现在的价格接受保单，因此 1990 年的保费收入应该无法成长 10% 以上，也就是说整体的承保绩效可能还会继续恶化。
The industry will meantime say it needs higher prices to achieve profitability matching that of the average American business. Of course it does. So does the steel business. But needs and desires have nothing to do with the long-term profitability of industries. Instead, economic fundamentals determine the outcome. Insurance profitability will improve only when virtually all insurers are turning away business <i>despite</i> higher prices. And we're a long way from that point.	业者同时也会宣称保险业需要调高价格才能维持一般美国企业的获利水平，当然事实确是如此，钢铁业也一样，但需要与想要与产业长期的获利并无绝对相关，反而是经济实质现况才是决定结果的关键因素，保险业的获利要改进，只有靠所有业者通力合作，除非价格合理否则就不接生意，但现在离那样的情况还很远。
Berkshire's premium volume may drop to \$150 million or so in 1990 (from a high of \$1 billion in 1986), partly because our traditional business continues to shrink and partly because the contract under which we received 7% of the business of Fireman's Fund expired last August. Whatever the size of the drop, it will not disturb us. We have no interest in writing insurance that carries a mathematical expectation of loss; we experience enough disappointments doing transactions we believe to carry an expectation of profit.	伯克希尔 1990 年的保费收入可能会降至 1.5 亿美元左右，(相较于 1986 年的 10 亿美元高点)，一方面是因为我们传统的业务持续在萎缩，一方面是消防人员退休基金这项业务在去年八月已到期，但不管业务量减少多少，一点都不影响我们，我们完全没有兴趣去接那种一看就会赔钱的保单，光是那些看起来有赚头的生意就够我们受的了。
However, our appetite for appropriately-priced business is ample, as one tale from 1989 will tell. It concerns "CAT covers," which are reinsurance contracts that primary insurance	然而我们对于价格合理的生意胃口却很足够，1989 年有一件事可以说明，那就是 CAT 防护，也就是一般保险公司(也包含再保公司本身)都会向再保

<p>companies (and also reinsurers themselves) buy to protect themselves against a single catastrophe, such as a tornado or hurricane, that produces losses from a large number of policies. In these contracts, the primary insurer might retain the loss from a single event up to a maximum of, say, \$10 million, buying various layers of reinsurance above that level. When losses exceed the retained amount, the reinsurer typically pays 95% of the excess up to its contractual limit, with the primary insurer paying the remainder. (By requiring the primary insurer to keep 5% of each layer, the reinsurer leaves him with a financial stake in each loss settlement and guards against his throwing away the reinsurer's money.)</p>	<p>公司签约买下再保合约，来免于承担像是龙卷风或是飓风等单一意外事件所可能引发巨额损失的风险，在这些再保合约中，原始的保险公司可能会保留一个单一的损失上限，例如 1,000 万美金，然后在此之上买进好几层的再保险，当损失超过自留的部份时，再保公司依规定就要支付超过的部份，最高比例可达 95%，(之所以要求保险公司本身每层保留 5%，是为了让保险公司与再保公司站在同一阵线，避免保险公司慷再保公司之凯)。</p>
<p>CAT covers are usually one-year policies that also provide for one automatic reinstatement, which requires a primary insurer whose coverage has been exhausted by a catastrophe to buy a second cover for the balance of the year in question by paying another premium. This provision protects the primary company from being "bare" for even a brief period after a first catastrophic event. The duration of "an event" is usually limited by contract to any span of 72 hours designated by the primary company. Under this definition, a wide-spread storm, causing damage for three days, will be classified as a single event if it arises from a single climatic cause. If the storm lasts four days, however, the primary company will file a claim carving out the 72 consecutive hours during which it suffered the greatest damage. Losses that occurred outside that period will be treated as arising from a separate event.</p>	<p>CAT 防护的保单通常是一年期，一般可以自动延长一年，这样的条款主要是保护保险公司避免因重大灾害发生后，投保的空窗期，事件发生的持续期间通常由合约限定在 72 小时以内，在这种定义之下，一场持续三天的大风暴所造成的损害，可被归类为单一事件。要是大风暴持续四天以上，则保险公司可以切割出其受害最惨重的 72 小时，超过的部份则必须视为另一个独立的事件。</p>
<p>In 1989, two unusual things happened. First, Hurricane Hugo generated \$4 billion or more of insured loss, at a pace, however, that caused the vast damage in the Carolinas to occur slightly more than 72 hours after the equally severe damage in the Caribbean. Second, the California earthquake hit within weeks, causing insured damage that was difficult to estimate, even well</p>	<p>1989 年有两件特殊的事件发生，第一 Hugo 飓风造成 40 亿美元的损失，不过之后不久 72 小时，又在加勒比海发生相同规模的灾害；第二加州大地震在几个礼拜内又接连发生，造成难以估计的损失，受到这两个事件严重的打击，或者应该说是三个，许多有买 CAT 防身的保险公司及再保公司，立</p>

<p>after the event. Slammed by these two - or possibly three - major catastrophes, some primary insurers, and also many reinsurers that had themselves bought CAT protection, either used up their automatic second cover or became uncertain as to whether they had done so.</p>	<p>刻使用第二次投保权。</p>
<p>At that point sellers of CAT policies had lost a huge amount of money - perhaps twice because of the reinstatements - and not taken in much in premiums. Depending upon many variables, a CAT premium might generally have run 3% to 15% of the amount of protection purchased. For some years, we've thought premiums of that kind inadequate and have stayed away from the business.</p>	<p>在当时许多卖 CAT 保单的业者亏了一屁股，尤其是第二次投保部份，根本收不到足够的保费，由于有许多变量，保费通常会是在保额的 3%到 15%不等，有好几年，我们认为这种保费收入并不合理，所以没有介入这个市场。</p>
<p>But because the 1989 disasters left many insurers either actually or possibly bare, and also left most CAT writers licking their wounds, there was an immediate shortage after the earthquake of much-needed catastrophe coverage. Prices instantly became attractive, particularly for the reinsurance that CAT writers themselves buy. Just as instantly, Berkshire Hathaway offered to write up to \$250 million of catastrophe coverage, advertising that proposition in trade publications. Though we did not write all the business we sought, we did in a busy ten days book a substantial amount.</p>	<p>但是 1989 年的大灾害使得许多 CAT 业者穷于填补保险客户的伤口，使得地震灾后保单供给发生短缺，保费价格很快地就回到相当吸引人的水准，尤其是再保公司本身自己所买的保单，若有需要，伯克希尔可以马上就签下 2.5 亿美元以上的保单，虽然并不是所有上门的生意都接，但忙个十天下来所签的保单金额也是相当可观。</p>
<p>Our willingness to put such a huge sum on the line for a loss that could occur tomorrow sets us apart from any reinsurer in the world. There are, of course, companies that sometimes write \$250 million or even far more of catastrophe coverage. But they do so only when they can, in turn, reinsure a large percentage of the business with other companies. When they can't "lay off" in size, they disappear from the market.</p>	<p>世界上再没有其它再保公司会像我们一样，愿意一口气接受如此大金额的投保，当然也有保险公司偶尔会愿意接下二亿五美金的灾害理赔保险，但是其提通常是他们可以再向其它保险公司分保出去，当他们找不到分散风险的再保公司时，他们会马上退出市场。</p>
<p>Berkshire's policy, conversely, is to retain the business we write rather than lay it off. When rates carry an expectation of profit, we want to assume as much risk as is prudent. And in our case, that's a lot.</p>	<p>相反地伯克希尔的政策则是保留大部分的保额而不是把他们给分配掉，当保险费率看起来有利可图，我们很愿意承担更多的风险，以外界的标准而言，那应该是个大数字。</p>
<p>We will accept more reinsurance risk for our own account than any other company because of two factors: (1) by the standards of regulatory</p>	<p>我们之所以愿意承担比一般保险公司更多的风险，主要有两个原因：(1) 以会计原则的规范标准，我们的保险</p>

<p>accounting, we have a net worth in our insurance companies of about \$6 billion - the second highest amount in the United States; and (2) we simply don't care what earnings we report quarterly, or even annually, just as long as the decisions leading to those earnings (or losses) were reached intelligently.</p>	<p>公司净值高达 60 亿美金, 位居全美第二 (2) 我们并不在乎每季的短期盈余数字, 就算是每年也无所谓, 只要长期而言, 这些决策是基于稳健获利的立场所作的明智决定。</p>
<p>Obviously, if we write \$250 million of catastrophe coverage and retain it all ourselves, there is some probability that we will lose the full \$250 million in a single quarter. That probability is low, but it is not zero. If we had a loss of that magnitude, our after-tax cost would be about \$165 million. Though that is far more than Berkshire normally earns in a quarter, the damage would be a blow only to our pride, not to our well-being.</p>	<p>很明显地如此我们接下二亿五的灾害保险, 并自留大部分的保额, 很有可能我们会在一夕之间损失这二亿五, 这种机率虽然很低, 却并不表示没有可能, 若真的发生那样的损失, 我们的税后损失大概会是 1.65 亿, 相较于伯克希尔每季所赚的盈余来说, 只能算是个小数字, 虽然我们会丢了面子, 但还不至于失了里子。</p>
<p>This posture is one few insurance managements will assume. Typically, they are willing to write scads of business on terms that almost guarantee them mediocre returns on equity. But they do not want to expose themselves to an embarrassing single-quarter loss, even if the managerial strategy that causes the loss promises, over time, to produce superior results. I can understand their thinking: What is best for their owners is not necessarily best for the managers. Fortunately Charlie and I have both total job security and financial interests that are identical with those of our shareholders. We are willing to <i>look</i> foolish as long as we don't feel we have <i>acted</i> foolishly.</p>	<p>这种态度在保险业界来说实在是少之又少, 通常一般的保险公司会愿意接下很多的保单以确定公司每年可以获得一定的利益, 但他们却不愿意公司在某一个单季发生大额的损失, 虽然这种短期损失可以获致更长远的利益; 我想我能够体谅他们的立场, 对股东最有利的事并不一定对经理人最好, 很幸运的查理跟我的工作保障与身家利益与所有的股东皆一致, 我们愿意被人当作是傻子, 只要我们自己知道我们不是个傻子。</p>
<p>Our method of operation, incidentally, makes us a stabilizing force in the industry. We add huge capacity when capacity is short and we become less competitive only when capacity is abundant. Of course, we don't follow this policy in the interest of stabilization - we follow it because we believe it to be the most sensible and profitable course of action. Nevertheless, our behavior steadies the market. In this case, Adam Smith's invisible hand works as advertised.</p>	<p>事实上我们这样的经营策略让我们成为市场上的稳定力量, 当供给短缺时, 我们可以马上进场满足大家的需求, 而当市场过于饱和时, 我们又会立即退出市场观望, 当然我们这样的做法并不只是为了达到市场的稳定而已, 我们之所以会这样做是因为我们认为这样才是最合理、对大家最有利的做法, 当然这样的做法间接达到稳定市场的效果, 也符合亚当·史密斯所提市场有一只看不见的手的说法。</p>
<p>Currently, we hold an exceptional amount of float</p>	<p>现阶段相较于保费收入, 我们自留的</p>

<p>compared to premium volume. This circumstance should produce quite favorable insurance results for us during the next few years as it did in 1989. Our underwriting losses should be tolerable and our investment income from policyholder funds large. This pleasant situation, however, will gradually deteriorate as our float runs off.</p>	<p>大部分的浮存金，这样的情形应该可以让我们往后几年的获利像 1989 年那样不错的结果，承保损失应该还可以接受，相较之下我们靠投资所赚得的利益却更为惊人，只是这种好现象可能会随着浮存金的流失而渐渐光芒不再。</p>
<p>At some point, however, there will be an opportunity for us to write large amounts of profitable business. Mike Goldberg and his management team of Rod Eldred, Dinos Iordanou, Ajit Jain, Phil Urban, and Don Wurster continue to position us well for this eventuality.</p>	<p>不过在其它方面，还是有机会能够让我们找到大额且有利可图的生意，Mike Goldberg 与其经营团队，长期而言可以为我们创造有利的地位。</p>
<p><b>Marketable Securities</b></p>	<p>有价证券投资</p>
<p>In selecting marketable securities for our insurance companies, we generally choose among five major categories: (1) long-term common stock investments, (2) medium-term fixed income securities, (3) long-term fixed income securities, (4) short-term cash equivalents, and (5) short-term arbitrage commitments.</p>	<p>在为我们的保险事业选择有价证券投资之时，我们主要有五种选择(1)长期股票投资(2)长期固定收益债券(3)中期固定收益债券(4)短期约当现金(5)短期套利交易。</p>
<p>We have no particular bias when it comes to choosing from these categories; we just continuously search among them for the highest after-tax returns as measured by "mathematical expectation," limiting ourselves always to investment alternatives we think we understand. Our criteria have nothing to do with maximizing immediately reportable earnings; our goal, rather, is to maximize eventual net worth.</p>	<p>对于这五种类型的交易，我们没有特别的偏好，我们只是持续不断地寻找最高的税后报酬预计的数学期望值，且仅限于我们自认为了解熟悉的投资，我们无意让与短期的帐面盈余好看，我们的目标是让长期的净值极大化。</p>
<p>This list of companies is the same as last year's and in only one case has the number of shares changed: Our holdings of Coca-Cola increased from 14,172,500 shares at the end of 1988 to 23,350,000.</p>	<p>表上的投资组合与去年几乎相同，只有一项投资的持股有变动，我们将可口可乐的持股数由去年的 1,417 万股提高到今年的 2,335 万股。</p>
<p>This Coca-Cola investment provides yet another example of the incredible speed with which your Chairman responds to investment opportunities, no matter how obscure or well-disguised they may be. I believe I had my first Coca-Cola in either 1935 or 1936. Of a certainty, it was in 1936 that I started buying Cokes at the rate of six for 25 cents from Buffett &amp; Son, the family grocery store, to sell around the neighborhood for 5</p>	<p>这次的可口可乐投资，提供了一个机会来证明你们的董事长快速反应投资机会，不管这些机会是如何的不明确或是被隐藏，我记得我是在 1935 年或 1936 年第一次喝到可口可乐的，不过可以确定的是，我从 1936 年开始以 25 分钱半打从巴菲特兄弟杂货店批发后，在以每罐 5 分钱卖给邻居街坊，作为我个人从事高毛利零售业的开</p>

<p>cents each. In this excursion into high-margin retailing, I duly observed the extraordinary consumer attractiveness and commercial possibilities of the product.</p>	<p>端，我也深深观察到这项产品给消费者特殊的吸引力及背后所代表庞大的商机。</p>
<p>I continued to note these qualities for the next 52 years as Coke blanketed the world. During this period, however, I carefully avoided buying even a single share, instead allocating major portions of my net worth to street railway companies, windmill manufacturers, anthracite producers, textile businesses, trading-stamp issuers, and the like. (If you think I'm making this up, I can supply the names.) Only in the summer of 1988 did my brain finally establish contact with my eyes.</p>	<p>在往后的 52 年内当可口可乐席卷全世界的同时，我也持续地注意到这种特质，然而在同一段期间，由于我个人过于小心谨慎以致于竟然连一股都没有买，反而将大部分的个人资产投注在街车公司、纺织公司、煤炭公司与邮票公司之类的股票之上，(如果你认为这是我编造的笑话，我可以再告诉大家确实的公司名称)，终于到了 1988 年的夏天，我的大脑与眼睛完成了联机动作。</p>
<p>What I then perceived was both clear and fascinating. After drifting somewhat in the 1970's, Coca-Cola had in 1981 become a new company with the move of Roberto Goizueta to CEO. Roberto, along with Don Keough, once my across-the-street neighbor in Omaha, first rethought and focused the company's policies and then energetically carried them out. What was already the world's most ubiquitous product gained new momentum, with sales overseas virtually exploding.</p>	<p>一时之间，我的观感与眼界大开，在 1970 年代一度萎靡不振之后，可口可乐在 1981 年新任总裁古崔塔的带领下，焕然一新，古崔塔加上 Don Keough(曾经是我在奥玛哈的对街邻居)，经过思考并厘清公司的政策后，切实地加以执行，使得本来就已是全世界最独一无二的产品又平添新动力，尤其是来自海外的营收更呈现爆炸性的成长。</p>
<p>Through a truly rare blend of marketing and financial skills, Roberto has maximized both the growth of his product and the rewards that this growth brings to shareholders. Normally, the CEO of a consumer products company, drawing on his natural inclinations or experience, will cause either marketing or finance to dominate the business at the expense of the other discipline. With Roberto, the mesh of marketing and finance is perfect and the result is a shareholder's dream.</p>	<p>利用其行销与财务方面的两把利刃，古崔塔将可口可乐产品的成长与股东的利益极大化，通常一家消费性商品的 CEO，基于个人过去的经验与个性，会偏向公司的行销或财务任何一边，但是古崔塔却能够将两者调和到极致的境界，这样的结果实在是股东们前世修来的好福气。</p>
<p>Of course, we should have started buying Coke much earlier, soon after Roberto and Don began running things. In fact, if I had been thinking straight I would have persuaded my grandfather to sell the grocery store back in 1936 and put all of the proceeds into Coca-Cola stock. I've learned my lesson: My response time to the next</p>	<p>当然我们应该在古崔塔与 Don 开始接掌公司时，就早点买进该公司的股票，事实上，要是我有足够的远见，早在 1936 年我就应该说服我爷爷干脆卖掉杂货店，然后将钱全部用来买进可口可乐的股票，这次我终于学到了教训，不过照这种情况看来，距离下一</p>

glaringly attractive idea will be slashed to well under 50 years.	次我灵光一现的时间，可能要再等上个 50 年以上吧！
As I mentioned earlier, the yearend prices of our major investees were much higher relative to their intrinsic values than theretofore. While those prices may not yet cause nosebleeds, they are clearly vulnerable to a general market decline. A drop in their prices would not disturb us at all - it might in fact work to our eventual benefit - but it <i>would</i> cause at least a one-year reduction in Berkshire's net worth. We think such a reduction is almost certain in at least one of the next three years. Indeed, it would take only about a 10% year-to-year decline in the aggregate value of our portfolio investments to send Berkshire's net worth down.	就像是我上次所提到的，相较于过去，我们这些被投资公司的股价已高于其实质价值，虽然目前以这种价位不会造成我们流鼻血，但难免会受到大盘波动的影响，当然股价下挫一点都不会造成我们的困扰，甚至反而对我们有利，但不可避免地可能会造成伯克希尔年度净值的减少，只要在未来的两、三年间，我们的投资组合市值平均每年减少 10%，就有可能会发生这种状况。
We continue to be blessed with extraordinary managers at our portfolio companies. They are high-grade, talented, and shareholder-oriented. The exceptional results we have achieved while investing with them accurately reflect their exceptional personal qualities.	我们持续受惠于这些被投资公司经理人，他们高品格、能力佳且设身处地为股东着想，我们能够有这么好的投资绩效，可以说是完全仰赖这些经理人不凡的人格特质。
o We told you last year that we expected to do little in arbitrage during 1989, and that's the way it turned out. Arbitrage positions are a substitute for short-term cash equivalents, and during part of the year we held relatively low levels of cash. In the rest of the year we had a fairly good-sized cash position and even so chose not to engage in arbitrage. The main reason was corporate transactions that made no economic sense to us; arbitraging such deals comes too close to playing the greater-fool game. (As Wall Streeter Ray DeVoe says: "Fools rush in where angels fear to trade.") We will engage in arbitrage from time to time - sometimes on a large scale - but only when we like the odds.	去年我曾向各位报告今年可能会减少在套利投资方面的活动，结果正是如此，套利投资是短期资金的替代去处，有时我们手头上没有太多的现金，就算是有我们也宁愿选择不参与套利，主要的原因是因为最近这些企业活动实在是没有太大的经济意义，从事这类的套利交易就好像是在比谁比较笨，华尔街人士 Ray DeVoe 所说天使回避但傻瓜趋之若鹜，我们三不五时会从事大型的套利交易，但只有当我们觉得胜算颇大时，才会考虑进场。
o Leaving aside the three convertible preferreds discussed in the next section, we substantially reduced our holdings in both medium- and long-term fixed-income securities. In the long-terms, just about our only holdings have been Washington Public Power Supply Systems (WPPSS) bonds carrying coupons ranging from low	除了后面会提到的三项可转换特别股投资之外，我们大幅减少在中长期的固定收益债券部位，尤其是长期部份，大概就只剩下华盛顿公用电力系统债券，去年我们处分了部份当初以相当低折价买进的低收益债券，处分价格与一般信用评等佳的债券差不多，是

<p>to high. During the year we sold a number of the low-coupon issues, which we originally bought at very large discounts. Many of these issues had approximately doubled in price since we purchased them and in addition had paid us 15%-17% annually, tax-free. Our prices upon sale were only slightly cheaper than typical high-grade tax-exempts then commanded. We have kept all of our high-coupon WPPSS issues. Some have been called for redemption in 1991 and 1992, and we expect the rest to be called in the early to mid-1990s.</p>	<p>原始投资成本的一倍，外加每年 15% 到 17% 的免税利息，至于高收益的债券则予以保留，有些即将在 1991 年或 1992 年到期，剩下的则会在 1990 年中期到期赎回。</p>
<p>We also sold many of our medium-term tax-exempt bonds during the year. When we bought these bonds we said we would be happy to sell them - regardless of whether they were higher or lower than at our time of purchase - if something we liked better came along. Something did - and concurrently we unloaded most of these issues at modest gains. Overall, our 1989 profit from the sale of tax-exempt bonds was about \$51 million pre-tax.</p>	<p>同时我们也卖了不少中期的免税债券，当初买下这些债券时就曾说过，只要时机成熟找到更好的投资标的，我们会很高兴地把他们给处分掉，不管届时的价格是高或是低于我们的投资成本，如今时机确实成熟了，所以我们便将大部分的债券出清，所得的报酬还算不错，总结下来我们 1989 年从出售免税债券所获得的税前收益大概在 5,100 万左右。</p>
<p>o The proceeds from our bond sales, along with our excess cash at the beginning of the year and that generated later through earnings, went into the purchase of three convertible preferred stocks. In the first transaction, which took place in July, we purchased \$600 million of The Gillette Co. preferred with an 8 3/4% dividend, a mandatory redemption in ten years, and the right to convert into common at \$50 per share. We next purchased \$358 million of USAir Group, Inc. preferred stock with mandatory redemption in ten years, a dividend of 9 1/4%, and the right to convert into common at \$60 per share. Finally, late in the year we purchased \$300 million of Champion International Corp. preferred with mandatory redemption in ten years, a 9 1/4% dividend, and the right to convert into common at \$38 per share.</p>	<p>我们将出售债券所得的收入连同期初帐上的现金与年中所赚取的盈余，通通买进三种可转换特别股，第一种是在 7 月我们投资 6 亿美金在吉列刮胡刀年利率 8 又 3/4% 十年强制赎回的可转换特别股，转换价格订为 50 美元；之后我们又花了 3.58 亿美金投资美国航空年利率 9 又 1/4% 十年强制赎回的可转换特别股，转换价格订为 60 美元；最后我们在年底又以 3 亿美金投资冠军企业年利率 9 又 1/4% 十年强制赎回的可转换特别股，转换价格订为 38 美元。</p>
<p>Unlike standard convertible preferred stocks, the issues we own are either non-salable or non-convertible for considerable periods of time and there is consequently no way we can gain from</p>	<p>不像一般的可转换特别股，这次我们所拥有的在限定时间内不得出售或转换的，所以短期间我们要靠普通股反转而获利的机会不大，我并且已经加</p>



<p>short-term price blips in the common stock. I have gone on the board of Gillette, but I am not on the board of USAir or Champion. (I thoroughly enjoy the boards I am on, but can't handle any more.)</p>	<p>入吉列的董事会，至于美国航空或是 Champion 公司则没有，（我很喜欢现有加入的董事会，但可是由于分身乏术可能无法再加入其它公司的董事会）。</p>
<p>Gillette's business is very much the kind we like. Charlie and I think we understand the company's economics and therefore believe we can make a reasonably intelligent guess about its future. (If you haven't tried Gillette's new Sensor razor, go right out and get one.) However, we have no ability to forecast the economics of the investment banking business (in which we have a position through our 1987 purchase of Salomon convertible preferred), the airline industry, or the paper industry. This does not mean that we predict a negative future for these industries: we're agnostics, not atheists. Our lack of strong convictions about these businesses, however, means that we must structure our investments in them differently from what we do when we invest in a business appearing to have splendid economic characteristics.</p>	<p>吉列这家公司与我们喜爱的类型非常相近，查理跟我都熟悉这个产业的环境，因此我们相信可以对这家公司的未来做一个合理的预估，（若是没有试过吉列新的感应式刮胡刀，赶紧去买一个来试试！），但是我们就没法子来预测投资银行业、航空业或是造纸业的未来前景，（我们在 1987 年买下所罗门公司的可转换债券），当然这并不表示他们的未来就是个负数，基本上我们是不可知论者，而不是无神论者。所以由于我们在这些产业上缺乏强而有力的论点支持我们，因此我们在这些产业上所采的投资方式就必须与那些显而易见的好公司好产业有所不同。</p>
<p>In one major respect, however, these purchases are not different: We only want to link up with people whom we like, admire, and trust. John Gutfreund at Salomon, Colman Mockler, Jr. at Gillette, Ed Colodny at USAir, and Andy Sigler at Champion meet this test in spades.</p>	<p>不过在另一方面，有一点还是很重要，我们只跟我们喜欢、欣赏且信任的人打交道，像是所罗门的 John Gutfreund、吉列的 Colman Mockler 二世、美国航空的 Ed Colodny 与 Champion 企业的 Andy Sigler 都算是符合我们的标准。</p>
<p>They in turn have demonstrated some confidence in us, insisting in each case that our preferreds have unrestricted voting rights on a fully-converted basis, an arrangement that is far from standard in corporate finance. In effect they are trusting us to be intelligent owners, thinking about tomorrow <i>instead</i> of today, just as we are trusting them to be intelligent managers, thinking about tomorrow <i>as well</i> as today.</p>	<p>同时他们对我们也相当的信任，坚持给我们无限制的转换权利，这在一般美国大企业融资案里头并不多见，事实上他们相信我们是聪明的老板，看的是未来而不是现在，就像我们相信他们是聪明的经理人一样，不但会看未来同时也会顾及现在。</p>
<p>The preferred-stock structures we have negotiated will provide a mediocre return for us if industry economics hinder the performance of our investees, but will produce reasonably</p>	<p>这种可转换特别股的投资方式可以确保即便是我们的被投资公司面临产业前景不佳的环境时，仍能确保我们可以得到稳定的收益，同时若被投资公</p>

<p>attractive results for us if they can earn a return comparable to that of American industry in general. We believe that Gillette, under Colman's management, will far exceed that return and believe that John, Ed, and Andy will reach it unless industry conditions are harsh.</p>	<p>司表现不错时，我们又可以获得比投资一般美国企业更好的报酬，我们相信吉列在 Colman 的领导之下，一定会有不错的表现，另外 John 与 Andy 即使是面临产业不佳的前景，应该也不会让我们失望。</p>
<p>Under almost any conditions, we expect these preferreds to return us our money plus dividends. If that is all we get, though, the result will be disappointing, because we will have given up flexibility and consequently will have missed some significant opportunities that are bound to present themselves during the decade. Under that scenario, we will have obtained only a preferred-stock yield during a period when the typical preferred stock will have held no appeal for us whatsoever. The only way Berkshire can achieve satisfactory results from its four preferred issues is to have the common stocks of the investee companies do well.</p>	<p>不管在任何情况之下，我们预期这些可转换特别股都可以让我们收回本金加上股利无虞，然而若是我们真的只能收回这些，那么这样的结果毋宁是相当令我们失望的，因为我们必须被迫牺牲流动性，这可能会让我们在往后的十年内错失更好的投资机会，在这种情况下，我们就只能获得一般特别股所能获得的利益，而后者却是我们根本就不会想要去投资的，所以唯一对伯克希尔最有益处的是我们的被投资公司本身的普通股也能有优异的表现。</p>
<p>Good management and at least tolerable industry conditions will be needed if that is to happen. But we believe Berkshire's investment will also help and that the other shareholders of each investee will profit over the years ahead from our preferred-stock purchase. The help will come from the fact that each company now has a major, stable, and interested shareholder whose Chairman and Vice Chairman have, through Berkshire's investments, indirectly committed a very large amount of their own money to these undertakings. In dealing with our investees, Charlie and I will be supportive, analytical, and objective. We recognize that we are working with experienced CEOs who are very much in command of their own businesses but who nevertheless, at certain moments, appreciate the chance to test their thinking on someone without ties to their industry or to decisions of the past.</p>	<p>这需要靠好的经营团队再加上可以忍受的产业环境，不过我们相信伯克希尔本身对这四家公司的资金挹注，也能够对这些公司与其股东的长远利益有所帮助，这是由于他们可以确信现在这些公司的背后有一个稳定又关心公司的大股东在默默地支持他们，再与我们被投资公司相处时，我们通常会采取支持、客观并给予分析建议的态度，我们了解这些公司的 CEO 对于其所处的产业都相当的清楚，但我想他们应该有会很珍惜我们这些与产业背景完全不相关的客观人士所给他们的经验交流。</p>
<p>As a group, these convertible preferreds will not produce the returns we can achieve when we find a business with wonderful economic prospects that is unappreciated by the market. Nor will the returns be as attractive as those produced when</p>	<p>这些可转换特别股的报酬当然比不上那些具有经济优势却还没被市场发现的好股票，或许也比不上那些我们可以买下 80%以上股权的优良企业购并案，但大家要知道后面这两种投资机</p>

<p>we make our favorite form of capital deployment, the acquisition of 80% or more of a fine business with a fine management. But both opportunities are rare, particularly in a size befitting our present and anticipated resources.</p>	<p>会相当的稀少，实在是可遇不可求，尤其是以我们现在的资金规模，实在是很难找的到适合的投资标的。</p>
<p>In summation, Charlie and I feel that our preferred stock investments should produce returns moderately above those achieved by most fixed-income portfolios and that we can play a minor but enjoyable and constructive role in the investee companies.</p>	<p>总而言之，查理跟我认为这类的可转换特别股投资应该可以让我们获得比一般固定收益债券更好的投资利益，同时我们也可以在那些被投资公司扮演好具建设性的少数关键角色。</p>
<p><b>Zero-Coupon Securities</b></p>	<p>零息债券</p>
<p>In September, Berkshire issued \$902.6 million principal amount of Zero-Coupon Convertible Subordinated Debentures, which are now listed on the New York Stock Exchange. Salomon Brothers handled the underwriting in superb fashion, providing us helpful advice and a flawless execution.</p>	<p>去年九月，伯克希尔发行了9亿美元的零息可转换次顺位债券，目前并已在纽约证券交易所挂牌交易，由所罗门公司负责本次的债券承销工作，提供了我们宝贵的建议与完美无缺的执行结果。</p>
<p>Most bonds, of course, require regular payments of interest, usually semi-annually. A zero-coupon bond, conversely, requires no current interest payments; instead, the investor receives his yield by purchasing the security at a significant discount from maturity value. The effective interest rate is determined by the original issue price, the maturity value, and the amount of time between issuance and maturity.</p>	<p>大部分的债券当然需要按时支付利息，通常是每半年一次，但是零息债券却不须要马上支付利息，而是由投资人在以相当大的折价幅度在取得债券时预先扣除，实质的利率则取决于发行的债券价格、到期面值与发行时间的长短而定。</p>
<p>In our case, the bonds were issued at 44.314% of maturity value and are due in 15 years. For investors purchasing the bonds, that is the mathematical equivalent of a 5.5% current payment compounded semi-annually. Because we received only 44.31 cents on the dollar, our proceeds from this offering were \$400 million (less about \$9.5 million of offering expenses).</p>	<p>以我们这次发行的债券来说，发行价是面额的44.314%，十五年到期，对于买下这次债券的投资人，约可获得相当于5.5%的年报酬率，因为我们只拿到44.31美分，所以这次扣除950万美元的发行费用，我们实得的款项是4亿美元。</p>
<p>The bonds were issued in denominations of \$10,000 and each bond is convertible into .4515 shares of Berkshire Hathaway. Because a \$10,000 bond cost \$4,431, this means that the conversion price was \$9,815 per Berkshire share, a 15% premium to the market price then existing. Berkshire can call the bonds at any time after September 28, 1992 at their accreted value (the original issue</p>	<p>这次发行的债券面额是10,000美元，每张债券可以申请转换为0.4515股的伯克希尔股份，因为每张债券的发行价大约是4,431美元，所以代表转换为伯克希尔的价格大概是9,815美元，约为现在市价15%的溢价，同时伯克希尔有权在1992年9月28日以后加计利息(5.5%的年利率)赎回这些</p>

<p>price plus 5.5% compounded semi-annually) and on two specified days, September 28 of 1994 and 1999, the bondholders can require Berkshire to buy the securities at their accreted value.</p>	<p>债券，至于债券持有人也有权在 1994 年与 1999 年的 9 月 28 日要求公司加计利息买回其所持有的债券。</p>
<p>For tax purposes, Berkshire is entitled to deduct the 5.5% interest accrual each year, even though we make no payments to the bondholders. Thus the net effect to us, resulting from the reduced taxes, is positive cash flow. That is a very significant benefit. Some unknowable variables prevent us from calculating our exact effective rate of interest, but under all circumstances it will be well below 5.5%. There is meanwhile a symmetry to the tax law: Any taxable holder of the bonds must pay tax each year on the 5.5% interest, even though he receives no cash.</p>	<p>就税负的观点而言，虽然没有马上支付利息，但伯克希尔每年仍可享受 5.5% 利息支出的所得税扣抵，由于减少了税负支出，所以就现金流量的角度而言，我们每年还有现金净流入，这是一项不错的好处，当然一些不可知的变处，使我们无法确定这次发行真正的资金成本，但不管怎样，应该都低于 5.5%，而相对的债券持有人每年还是要支付 5.5% 的利息所得税，虽然他们根本没有收到任何的现金利息收入。</p>
<p>Neither our bonds nor those of certain other companies that issued similar bonds last year (notably Loews and Motorola) resemble the great bulk of zero-coupon bonds that have been issued in recent years. Of these, Charlie and I have been, and will continue to be, outspoken critics. As I will later explain, such bonds have often been used in the most deceptive of ways and with deadly consequences to investors. But before we tackle that subject, let's travel back to Eden, to a time when the apple had not yet been bitten.</p>	<p>去年我们与其它公司所发行的类似债券(尤其是 Loews 与摩托罗拉公司)，与这几年盛行的零息债券有相当大的差异，对于后者，查理跟我一直有相当的意见，后面我会再详加说明，我们认为这些债券隐藏着欺骗行为，对买下他们的投资人有相当不利的影 响，不过在谈论这个话题之前，让我们回溯时光到亚当还未引诱夏娃啃下苹果之前的时代。</p>
<p>If you're my age you bought your first zero-coupon bonds during World War II, by purchasing the famous Series E U. S. Savings Bond, the most widely-sold bond issue in history. (After the war, these bonds were held by one out of two U. S. households.) Nobody, of course, called the Series E a zero-coupon bond, a term in fact that I doubt had been invented. But that's precisely what the Series E was.</p>	<p>如果你像我这样的年纪曾在二次世界大战期间第一次买进最有名的 E 系列美国储蓄零息债券，(这种广为流传的债券几乎每两个家庭最会有人持有)，当然在当时没有人会把它当作是零息债券的一种，因为这名词根本就还未出现，但基本上它就是一种零息债券。</p>
<p>These bonds came in denominations as small as \$18.75. That amount purchased a \$25 obligation of the United States government due in 10 years, terms that gave the buyer a compounded annual return of 2.9%. At the time, this was an attractive offer: the 2.9% rate was higher than that generally available on Government bonds and the holder faced no market-fluctuation risk,</p>	<p>这种债券的面额最小的只有 18.75 美元，买下 10 年后美国政府必须偿还 25 美元，投资人大概可以获得 2.9% 的年投资报酬率，在当时这是相当不错的一项投资，2.9% 的年利率远高于普通的政府债券利率，且持有人不必担心利率波动的风险，而且他可以随时予以变现，利息不会被打折太多。</p>

<p>since he could at any time cash in his bonds with only a minor reduction in interest.</p>	
<p>A second form of zero-coupon U. S. Treasury issue, also benign and useful, surfaced in the last decade. One problem with a normal bond is that even though it pays a given interest rate – say 10% – the holder cannot be assured that a compounded 10% return will be realized. For that rate to materialize, each semi-annual coupon must be reinvested at 10% as it is received. If current interest rates are, say, only 6% or 7% when these coupons come due, the holder will be unable to compound his money over the life of the bond at the advertised rate. For pension funds or other investors with long-term liabilities, “reinvestment risk” of this type can be a serious problem. Savings Bonds might have solved it, except that they are issued only to individuals and are unavailable in large denominations. What big buyers needed was huge quantities of “Savings Bond Equivalents.”</p>	<p>第二种形式的美国国库零息债券出现在十几年前，也相当的不错，一般的债券有一个很大的问题，那就是虽然它的票面是 10%，但持有人却不一定能够保证就能得到 10%的报酬率，因为要能获得 10%的话就必须所收到的 10%利息收入也能再运用投资也能得到 10%以上才行，若是所得的利息之后只能得到 6%或 7%的报酬，则最后结算的报酬率可能没有办法达到 10%的预定利率，这对于退休基金或是其它具有长期负债的投资者来说，再投资所可能遇到的风险可能是一个很严重的问题，储蓄债券则可以解决这样的问题，只可惜它只能发行给个人而且面额都不大，对于大买家来说，它们需要的是类似这种储蓄债券的替代品。</p>
<p>Enter some ingenious and, in this case, highly useful investment bankers (led, I’m happy to say, by Salomon Brothers). They created the instrument desired by “stripping” the semi-annual coupons from standard Government issues. Each coupon, once detached, takes on the essential character of a Savings Bond since it represents a single sum due sometime in the future. For example, if you strip the 40 semi-annual coupons from a U. S. Government Bond due in the year 2010, you will have 40 zero-coupon bonds, with maturities from six months to 20 years, each of which can then be bundled with other coupons of like maturity and marketed. If current interest rates are, say, 10% for all maturities, the six-month issue will sell for 95.24% of maturity value and the 20-year issue will sell for 14.20%. The purchaser of any given maturity is thus guaranteed a compounded rate of 10% for his entire holding period. Stripping of government bonds has occurred on a large scale in recent years, as long-term investors, ranging from pension funds to individual IRA accounts,</p>	<p>这时创意十足的银行家就适时出现了，(我很高兴的向各位报告那就是所罗门兄弟公司)，它们从标准的政府债券中，分拆出大家所想要的零息债券，每一张债券都跟储蓄债券一样，在未来的某一天到期后可以拿回完整的一笔钱，举例来说如果你可以将 20 年期每半年付息的债券，分拆成 40 张到期日分别为半年到 20 年不等的零息债券，之后再将到期日相同的债券并起来对外出售，假设现行的殖利率为 10%，半年期的价格大概是 95.24%，20 年期的则只有 14.20%，如此一来所有购买这种债券的投资者就可以明确的确保它可以获得的报酬率，分拆债券这几年因符合长期的退休基金与个人的 IRA 帐户投资者需求，广受欢迎而大量流行。</p>

<p>recognized these high-grade, zero-coupon issues to be well suited to their needs.</p>	
<p>But as happens in Wall Street all too often, what the wise do in the beginning, fools do in the end. In the last few years zero-coupon bonds (and their functional equivalent, pay-in-kind bonds, which distribute additional PIK bonds semi-annually as interest instead of paying cash) have been issued in enormous quantities by ever-junkier credits. To these issuers, zero (or PIK) bonds offer one overwhelming advantage: It is impossible to default on a promise to pay nothing. Indeed, if LDC governments had issued no debt in the 1970's other than long-term zero-coupon obligations, they would now have a spotless record as debtors.</p>	<p>但就像是华尔街经常会发生的，不管什么好东西到最后都会变质，最近几年来零息债券（以及功能类似的 pay-in-kind 债券，只发放 PIK 债券取代现金），有一大部份是垃圾债券等级，对这些发行公司来说，零息债券有一个很大的好处，因为在发行后直到到期日前根本就不必付出任何资金所以根本就不存在无法偿付的情况，事实上，LDC 政府在 1970 年后除了长期零息债券之外就没有发行过其它债券，所以就一个债务人来说，它们到现在还拥有完美无暇的记录。</p>
<p>This principle at work - that you need not default for a long time if you solemnly promise to pay nothing for a long time - has not been lost on promoters and investment bankers seeking to finance ever-shakier deals. But its acceptance by lenders took a while: When the leveraged buy-out craze began some years back, purchasers could borrow only on a reasonably sound basis, in which conservatively-estimated <i>free</i> cash flow - that is, operating earnings plus depreciation and amortization less normalized capital expenditures - was adequate to cover both interest and modest reductions in debt.</p>	<p>这原则实在是管用，你大可以正经八百的说你一定不会还不出钱，原因是因为你有好长一段时间可以不必支付一毛钱，直到支持者与投资银行家再发明出更刺激的融资方式之前，不过债权人也要花好长一段时间才能支持这种做法，当融资购并热开始风行的几年之前，投资者只能借到一点钱，因为债权人会保守地估计其未来的现金流量，亦即营业收益加折旧与摊销再扣除资本支出，必须要能够确保未来的利息支出与本金的支付。</p>
<p>Later, as the adrenalin of deal-makers surged, businesses began to be purchased at prices so high that all free cash flow necessarily had to be allocated to the payment of interest. That left nothing for the paydown of debt. In effect, a Scarlett O'Hara "I'll think about it tomorrow" position in respect to principal payments was taken by borrowers and accepted by a new breed of lender, the buyer of original-issue junk bonds. Debt now became something to be refinanced rather than repaid. The change brings to mind a <i>New Yorker</i> cartoon in which the grateful borrower rises to shake the hand of the bank's lending officer and gushes: "I don't know how I'll ever repay you."</p>	<p>之后随着肾上腺素升高，买价持续飙升使得所有的预估现金流量都必须被分配用来支付利息，至于本金的部份根本就不在预计偿付范围之内，接着贷款者对于本金偿还的态度就变得像乱世佳人中的郝思佳一样，“管他的，明天再说吧！”，而更离谱的是偏偏就有借钱者愿意吃这一套，那就是专门买垃圾债券的投资者，债务从此以后只要再融资即可，根本就不用考虑要偿还，这种心态的转变在纽约卡通中描写的罪贴切，一个贷款人痛哭零涕地握着银行员的手说到，“我实在不知道该如何”偿还”你对我的恩情。”</p>

<p>Soon borrowers found even the new, lax standards intolerably binding. To induce lenders to finance even sillier transactions, they introduced an abomination, EBDIT - Earnings Before Depreciation, Interest and Taxes - as the test of a company's ability to pay interest. Using this sawed-off yardstick, the borrower ignored depreciation as an expense on the theory that it did not require a current cash outlay.</p>	<p>很快的其它借款人又找到更新、更宽松的约束方式，为了拐骗金主借钱来从事更离谱的交易，这群人又引进了一个新名词叫做扣除折旧、利息与税负前的盈余 EBDIT，来衡量一家公司偿债的能力，利用这种较低的标准，借款人故意忽略了折旧也是一种费用，虽然它不会马上有现金的支出。</p>
<p>Such an attitude is clearly delusional. At 95% of American businesses, capital expenditures that over time roughly approximate depreciation are a necessity and are every bit as real an expense as labor or utility costs. Even a high school dropout knows that to finance a car he must have income that covers not only interest and operating expenses, but also realistically-calculated depreciation. He would be laughed out of the bank if he started talking about EBDIT.</p>	<p>这样的态度摆明了就是掩耳盗铃，95%的美国企业，长期而言其资本支出大概与平时提列的累积折旧费用相当，所花的每一分钱都与日常的劳工薪资或水电成本一样实在，即使是中学的中辍生也知道养一台车子不只是为了要负担利息与日常油钱保养费用而已，还必须精确地考量到每月实际摊销的折旧，若是他跑到银行摆出 EBDIT 这一套说法，保证一下子就会被轰出来。</p>
<p>Capital outlays at a business can be skipped, of course, in any given month, just as a human can skip a day or even a week of eating. But if the skipping becomes routine and is not made up, the body weakens and eventually dies. Furthermore, a start-and-stop feeding policy will over time produce a less healthy organism, human or corporate, than that produced by a steady diet. As businessmen, Charlie and I relish having competitors who are unable to fund capital expenditures.</p>	<p>在企业资本支出当然可以暂时不去考虑，就像是一个人可以一天或甚至一个礼拜不吃东西，但若是这种情况便做是一种坏习惯的话，身体很快就会发生不适的状况，甚至有死亡的危险，更甚者，有一餐没一餐的做法比起稳定的进食习惯，更可能使得一个健康的人身体机能变差，不管是人体或是企业都是如此，身为一个生意人，查理跟我对于竞争对手可能没有资金进行资本支出来感到欣喜。</p>
<p>You might think that waving away a major expense such as depreciation in an attempt to make a terrible deal look like a good one hits the limits of Wall Street's ingenuity. If so, you haven't been paying attention during the past few years. Promoters needed to find a way to justify even pricier acquisitions. Otherwise, they risked - heaven forbid! - losing deals to other promoters with more "imagination."</p>	<p>或许你会认为排除一项主要的费用诸如折旧等使得原本一桩很烂的交易变成不错的交易，是华尔街聪明才智极致的表现，，那你可能是完全没有注意到华尔街过去几年的发展，支持者必须再找到一个更有看头的做法，来合理解释价格更离谱的购并案，不然的话，他们就必须冒犯最严重的天条-被其它更有“创意”的支持者把生意抢走。</p>
<p>So, stepping through the Looking Glass, promoters and their investment bankers proclaimed that EBDIT should now be measured</p>	<p>所以穿过外面的那道玻璃，支持者与其投资银行宣称 EBDIT 应该可以只跟要付的利息做比较就好，意思是说在</p>

<p>against cash interest only, which meant that interest accruing on zero-coupon or PIK bonds could be ignored when the financial feasibility of a transaction was being assessed. This approach not only relegated depreciation expense to the let's-just-ignore-it corner, but gave similar treatment to what was usually a significant portion of interest expense. To their shame, many professional investment managers went along with this nonsense, though they usually were careful to do so only with clients' money, not their own. (Calling these managers "professionals" is actually too kind; they should be designated "promotees.")</p>	<p>评估一项投资案的时候，那些记帐不须马上支付的利息根本就可以不必纳入考量，这样的方式不但是把折旧丢到没人注意的角落边，还将大部分的利息费用用同样的方式对待，可耻的是，许多专业投资银行家竟然昧着良心附和，反正只要确定这是客户而不是他们自己的钱就好，(称呼这群人为专业人士实在是太恭维他们了，他们应该被归类为抬轿者)。</p>
<p>Under this new standard, a business earning, say, \$100 million pre-tax and having debt on which \$90 million of interest must be paid currently, might use a zero-coupon or PIK issue to incur another \$60 million of annual interest that would accrue and compound but not come due for some years. The rate on these issues would typically be very high, which means that the situation in year 2 might be \$90 million cash interest plus \$69 million accrued interest, and so on as the compounding proceeds. Such high-rate reborrowing schemes, which a few years ago were appropriately confined to the waterfront, soon became models of modern finance at virtually all major investment banking houses.</p>	<p>在这种新的标准之下，一家公司假设税前有 1 亿美元的获利，同时最近一年有 9 千万的利息支出，大可以运用零息债券或是 PIK 债券来额外负担 6 千万只要记帐却不须马上支付利息与本金，而这种债券的利率通常非常高，到了第二年，公司可能要承担 9 千万的付现息与 6,900 万的记帐息，之后随着复利记帐息持续增加，而这种高利率的融资计划，在刚开始几年还能获得有效控制，但不久之后就变成所有大型投资银行必备推荐给客户的标准融资工具。</p>
<p>When they make these offerings, investment bankers display their humorous side: They dispense income and balance sheet projections extending five or more years into the future for companies they barely had heard of a few months earlier. If you are shown such schedules, I suggest that you join in the fun: Ask the investment banker for the <i>one-year</i> budgets that his own firm prepared as the last few years began and then compare these with what actually happened.</p>	<p>当他们推出这样的新案子时，投资银行展现他们幽默的一面，他们将损益表与资产负债表的预估展延为五年或甚至更长的一段期间，虽然在几个月之前，他们可能连这家公司的名字都没听过，我想如果你那天碰到这种预估表，我建议你可以参与这样的游戏：跟这位投资银行家要一份他们自己公司的过去几年的年度预算，然后跟他们实际的结果必较一下，你就知道是怎么回事了。</p>
<p>Some time ago Ken Galbraith, in his witty and insightful <i>The Great Crash</i>, coined a new economic term: "the bezzle," defined as the current amount of undiscovered embezzlement. This financial</p>	<p>许久以前 Ken Galbraith 在他的名著“大恐慌”中，发明了一个新的经济名词-Bezzle,用来代表现有未被发现的贪污舞弊，这种财经现象有一个很</p>



<p>creature has a magical quality: The embezzlers are richer by the amount of the bezzle, while the embezzlees do not yet feel poorer.</p>	<p>奇特的特质，那就是贪污舞弊者因为贪污舞弊而发大财，但问题是受害者却一点也没有被剥夺变穷的感觉。</p>
<p>Professor Galbraith astutely pointed out that this sum should be added to the National Wealth so that we might know the Psychic National Wealth. Logically, a society that wanted to <i>feel</i> enormously prosperous would both encourage its citizens to embezzle and try not to detect the crime. By this means, "wealth" would balloon though not an erg of productive work had been done.</p>	<p>Galbraith 教授真知卓见地点出大家应该把这个数字统计一下，加进国民财富当中，从而我们可以知道心理上的国民财富为多少，理论上一个社会若想要觉得自己经济繁荣发展就应该多多鼓励人民去贪污舞弊，并试着不要去揭发它，透过这种方式，一个国家的财富可以大幅地增长，虽然实际上它什么有生产力的事都没做。</p>
<p>The satirical nonsense of the bezzle is dwarfed by the real-world nonsense of the zero-coupon bond. With zeros, one party to a contract can experience "income" without his opposite experiencing the pain of expenditure. In our illustration, a company capable of earning only \$100 million dollars annually – and therefore capable of paying only that much in interest – magically creates "earnings" for bondholders of \$150 million. As long as major investors willingly don their Peter Pan wings and repeatedly say "I believe," there is no limit to how much "income" can be created by the zero-coupon bond.</p>	<p>但是这种不合理的贪污舞弊，在现实社会中却被零息债券给比了下去，利用这些“零”一家公司可以大大方方靠着这纸签约，利用借款享受所带来的收入，但另外一方面却不知承担支付支出的痛苦，以我们先前提到的例子，一家每年可以赚 1 亿美元的公司，利用这种方法，在债券投资人的面前，却可以把膨胀到 1 亿 5,000 万美元，只要投资人愿意充当彼得潘，不断地说“我相信你”，只要你愿意零息债券所创造的收入是没有上限的。</p>
<p>Wall Street welcomed this invention with the enthusiasm less-enlightened folk might reserve for the wheel or the plow. Here, finally, was an instrument that would let the Street make deals at prices no longer limited by actual earning power. The result, obviously, would be more transactions: Silly prices will always attract sellers. And, as Jesse Unruh might have put it, transactions are the mother's milk of finance.</p>	<p>华尔街以热情拥抱这项新的发明，后知后觉的人可能就准备等着卷铺盖走路，终于在这里大家找到一个可以不必理会公司实际获利能力的融资方法，结果很明显，当然就会有更多的生意上门，离谱的价格一定有卖家愿意出，就像 Jesse Unruh 可能会说的一句话，交易就像是金融世界的母乳。</p>
<p>The zero-coupon or PIK bond possesses one additional attraction for the promoter and investment banker, which is that the time elapsing between folly and failure can be stretched out. This is no small benefit. If the period before all costs must be faced is long, promoters can create a string of foolish deals – and take in lots of fees – before any chickens come home to roost from their earlier ventures.</p>	<p>此外零息与 PIK 债券还有一项特点使得支持者与银行家更愿意推行，就是东窗事发的时间可以再延长，这点可是相当的重要，如果交易所衍生的后果要很长一段时间才会浮现，那么支持者就可以在这段时间做更多的交易，从中赚取更多的手续费，直到事件东窗事发之前。</p>

<p>But in the end, alchemy, whether it is metallurgical or financial, fails. A base business can not be transformed into a golden business by tricks of accounting or capital structure. The man claiming to be a financial alchemist may become rich. But gullible investors rather than business achievements will usually be the source of his wealth.</p>	<p>不过到最后，炼金术，不管是冶金的或是财务上的，终究是会落空，一个烂公司不可能只靠着会计或财务技巧而摇身一变成为好公司，那个宣称会炼金术的财务专业人士或许会发大财，但他靠的却是容易上当的投资人而不是企业经营。</p>
<p>Whatever their weaknesses, we should add, many zero-coupon and PIK bonds will not default. We have in fact owned some and may buy more if their market becomes sufficiently distressed. (We've not, however, even considered buying a new issue from a weak credit.) No financial instrument is evil per se; it's just that some variations have far more potential for mischief than others.</p>	<p>不过这些债券有多少缺点，但我们却必须承认许多零息与PIK债券应该不会还不出钱来，事实上我们自己也投资了一些，而且若是债券市场情况再变差一点，我们可能还会买的更多，（当然我们从来就不会考虑去买那些新发行债信又差的垃圾债券），就本质而言，没有一项财务工具是不对的，只是有一些含有相当高度的可能伤害在里面。</p>
<p>The blue ribbon for mischief-making should go to the zero-coupon issuer unable to make its interest payments on a current basis. Our advice: Whenever an investment banker starts talking about EBDIT - or whenever someone creates a capital structure that does not allow all interest, both payable and accrued, to be comfortably met out of current cash flow <i>net of ample capital expenditures</i> - zip up your wallet. Turn the tables by suggesting that the promoter and his high-priced entourage accept zero-coupon fees, deferring their take until the zero-coupon bonds have been paid in full. See then how much enthusiasm for the deal endures.</p>	<p>所有的罪过应该归咎于债券发行者没有办法在现在就立即支付利息，我们的建议是当任何投资银行家开始提到EBDIT之前，或是任何人在对你提议一项可以不必支付任何利息的金融工具时，为了你自己的现金流量着想，赶快把你的荷包看紧，换个角度建议这些推销者是否也能接受等这些零息债券真正偿还本金之后，再缴交手续费，看看这些人的热情还能支撑多久。</p>
<p>Our comments about investment bankers may seem harsh. But Charlie and I - in our hopelessly old-fashioned way - believe that they should perform a gatekeeping role, guarding investors against the promoter's propensity to indulge in excess. Promoters, after all, have throughout time exercised the same judgment and restraint in accepting money that alcoholics have exercised in accepting liquor. At a minimum, therefore, the banker's conduct should rise to that of a responsible bartender who, when necessary, refuses the profit from the next drink</p>	<p>我们对于这些投资银行家的批判或许是激烈了一点，但查理跟我以我们这种无可救药的保守作风，相信他们确实应该要做好把关的工作，保护投资人免于这些推销者过度的引诱，因为推销者对于佣金的饥渴就像是酗酒者对于酒精的沉溺一样，最低限度，投资银行家也要肩负起吧台调酒师的角色，必要的时候，就算少赚一杯酒钱，也要劝客户少喝一点，不幸的是最近几年来，许多大型的投资银行都认为这样的基本道德规范是一项很严重的</p>

<p>to avoid sending a drunk out on the highway. In recent years, unfortunately, many leading investment firms have found bartender morality to be an intolerably restrictive standard. Lately, those who have traveled the high road in Wall Street have not encountered heavy traffic.</p>	<p>限制，因为其它很多大胆的业者，可以更自由的大行其道。</p>
<p>One distressing footnote: The cost of the zero-coupon folly will not be borne solely by the direct participants. Certain savings and loan associations were heavy buyers of such bonds, using cash that came from FSLIC-insured deposits. Straining to show splendid earnings, these buyers recorded – but did not receive – ultra-high interest income on these issues. Many of these associations are now in major trouble. Had their loans to shaky credits worked, the owners of the associations would have pocketed the profits. In the many cases in which the loans will fail, the taxpayer will pick up the bill. To paraphrase Jackie Mason, at these associations it was the managers who should have been wearing the ski masks.</p>	<p>最后还有一个令人不平的附带说明，零息债券的代价并不只由直接参与者自己承担而已，一些储贷机构由于是这些垃圾债券的大买家，利用由联邦政府所保险的人民储蓄存款来投资，为了尽量美化帐面盈余数字，这些单位将这些即使还没有收到的超高利息收入全部认列，许多储贷机构现在却因此面临严重的问题，若是他们那些债信不佳的债务人付出本金，当然状况就可以顺利解决，但问题是通常他们都付不出本金，到最后还是必须由整体纳税义务人来买单，套句 Jackie Mason 的话，应该是由这些储贷机构的经理人来戴区棍球面罩。</p>
<p><b>Mistakes of the First Twenty-five Years (A Condensed Version)</b></p>	<p>头 25 年所犯的的错误(浓缩版)</p>
<p>To quote Robert Benchley, “Having a dog teaches a boy fidelity, perseverance, and to turn around three times before lying down.” Such are the shortcomings of experience. Nevertheless, it’s a good idea to review past mistakes before committing new ones. So let’s take a quick look at the last 25 years.</p>	<p>套用 Robert Benchley 的名言：“要一只狗教小孩子忠诚、忍耐，并此能够滚三圈再在地上躺好”，这就是经验传承的难处，不过不论如何，再犯下一错误之前，最好能够先反省一下以前的那些错误，所以让我们花点时间回顾一下过去 25 年的经验。</p>
<p>o My first mistake, of course, was in buying control of Berkshire. Though I knew its business – textile manufacturing – to be unpromising, I was enticed to buy because the price looked cheap. Stock purchases of that kind had proved reasonably rewarding in my early years, though by the time Berkshire came along in 1965 I was becoming aware that the strategy was not ideal.</p>	<p>首先我所犯的的第一个错误，当然就是买下伯克希尔纺织的控制权，虽然我很清楚纺织这个产业没什么前景，却因为它的价格实在很便宜而受其所引诱，虽然在早期投资这样的股票确实让我获利颇丰，但在 1965 年投资伯克希尔后，我就开始发现这终究不是个理想的投资模式。</p>
<p>If you buy a stock at a sufficiently low price, there will usually be some hiccup in the fortunes of the business that gives you a chance to unload at a decent profit, even though the long-term performance of the business may be terrible. I</p>	<p>如果你以很低的价格买进一家公司的股票，应该很容易有机会以不错的获利出脱了结，虽然长期而言这家公司的经营结果可能很糟糕，我将这种投资方法称之为“烟屁股”投资法，在</p>

<p>call this the "cigar butt" approach to investing. A cigar butt found on the street that has only one puff left in it may not offer much of a smoke, but the "bargain purchase" will make that puff all profit.</p>	<p>路边随处可见的香烟头捡起来可能让你吸一口，解一解烟瘾，但对于隐君子来说，也不过是举手之劳而已。</p>
<p>Unless you are a liquidator, that kind of approach to buying businesses is foolish. First, the original "bargain" price probably will not turn out to be such a steal after all. In a difficult business, no sooner is one problem solved than another surfaces - never is there just one cockroach in the kitchen. Second, any initial advantage you secure will be quickly eroded by the low return that the business earns. For example, if you buy a business for \$8 million that can be sold or liquidated for \$10 million and promptly take either course, you can realize a high return. But the investment will disappoint if the business is sold for \$10 million in ten years and in the interim has annually earned and distributed only a few percent on cost. Time is the friend of the wonderful business, the enemy of the mediocre.</p>	<p>不过除非你是清算专家，否则买下这类公司实在是属于傻瓜行径，第一长期而言，原来看起来划算的价格到最后可能一点都不值得，在经营艰困的企业中，通常一个问题才刚解决不久，另外一个问题就又接踵而来，厨房里的蟑螂绝对不会只有你看到的那一只而已，第二先前的价差优势很快地就会被企业不佳的绩效所侵蚀，例如你用 800 万美元买下一家清算价值达 1,000 万美元的公司，若你能马上把这家公司给处理掉，不管是出售或是清算都好，换算下来你的报酬可能会很可观，但是若这家公司要花上你十年的时间才有办法把它给处理掉，而在这之前你只能拿回一点点可怜的股利的话，相信我时间虽然是好公司的朋友，但却是烂公司最大的敌人。</p>
<p>You might think this principle is obvious, but I had to learn it the hard way - in fact, I had to learn it several times over. Shortly after purchasing Berkshire, I acquired a Baltimore department store, Hochschild Kohn, buying through a company called Diversified Retailing that later merged with Berkshire. I bought at a substantial discount from book value, the people were first-class, and the deal included some extras - unrecorded real estate values and a significant LIFO inventory cushion. How could I miss? So-o-o - three years later I was lucky to sell the business for about what I had paid. After ending our corporate marriage to Hochschild Kohn, I had memories like those of the husband in the country song, "My Wife Ran Away With My Best Friend and I Still Miss Him a Lot."</p>	<p>或许你会认为这道理再简单不过了，不过我却必须经历惨痛的教训才真正的搞懂，在买下伯克希尔不久之后，我又买了巴尔的摩百货公司、Hochschild Kohn 与一家叫多元零售公司(后来与伯克希尔合并)，我以相当的折价幅度买下这些公司，经营的人也属一流，整个交易甚至还有额外的利益，包含未实现的房地产增值利益与后进先出法的存货会计原则，我到底还漏掉了什么？还好三年之后，算我走狗运，能够以成本价左右的价格脱身，在跟 Hochschild Kohn 公司结束关系之后，我只有一个感想，就像一首乡村歌曲的歌词所述的，“我的老婆跟我最要好的朋友跑了，我是多么地怀念他！”</p>
<p>I could give you other personal examples of "bargain-purchase" folly but I'm sure you get the picture: It's far better to buy a wonderful company at a fair price than a fair company at</p>	<p>我可以给各位另外一个个人经验，以合理的价格买下一家好公司要比用便宜的价格买下一家普通的公司来的好的多，像查理老早就明白这个道理，</p>

<p>a wonderful price. Charlie understood this early; I was a slow learner. But now, when buying companies or common stocks, we look for first-class businesses accompanied by first-class managements.</p>	<p>我的反应则比较慢，不过现在当我们投资公司或股票时，我们不但选择最好的公司，同时这些公司还要有好的经理人。</p>
<p>o That leads right into a related lesson: Good jockeys will do well on good horses, but not on broken-down nags. Both Berkshire's textile business and Hochschild, Kohn had able and honest people running them. The same managers employed in a business with good economic characteristics would have achieved fine records. But they were never going to make any progress while running in quicksand.</p>	<p>从这里我们又学到了一课，好的马还要搭配好骑师才能有好成绩，像伯克希尔纺织与Hochschild, Kohn也都有才能兼具的人在管理，很不幸的他们所面临的是流沙般的困境，若能将这些入摆在体质更好的公司相信他们应该会有更好的成绩。</p>
<p>I've said many times that when a management with a reputation for brilliance tackles a business with a reputation for bad economics, it is the reputation of the business that remains intact. I just wish I hadn't been so energetic in creating examples. My behavior has matched that admitted by Mae West: "I was Snow White, but I drifted."</p>	<p>我曾说过好几次，当一个绩效卓越的经理人遇到一家恶名昭彰的企业，通常会后者占上风，但愿我再也没有那么多精力来创造新的例子，我以前的行为就像是Mae West曾说的：“曾经我是个白雪公主，不过如今我已不再清白。” o</p>
<p>A further related lesson: Easy does it. After 25 years of buying and supervising a great variety of businesses, Charlie and I have <i>not</i> learned how to solve difficult business problems. What we have learned is to avoid them. To the extent we have been successful, it is because we concentrated on identifying one-foot hurdles that we could step over rather than because we acquired any ability to clear seven-footers.</p>	<p>另外还学到一个教训，在经历25年企业管理与经营各种不同事业的岁月之后，查理跟我还是没能学会如此去解决难题，不过我们倒学会如何去避免他们，在这点上我们倒做的相当成功，我们专挑那种一呎的低栏，而避免碰到七呎的跳高。</p>
<p>The finding may seem unfair, but in both business and investments it is usually far more profitable to simply stick with the easy and obvious than it is to resolve the difficult. On occasion, tough problems <i>must</i> be tackled as was the case when we started our Sunday paper in Buffalo. In other instances, a great investment opportunity occurs when a marvelous business encounters a one-time huge, but solvable, problem as was the case many years back at both American Express and GEICO. Overall, however, we've done better by avoiding dragons than by slaying them.</p>	<p>这项发现看起来似乎是不太公平，不管是在经营企业或是投资通长坚持在容易又明显的好公司会比死守在有问题的公司要来的好，当然有时困难的问题也有被解决的机会，像是我们刚开始在经营水牛城报纸一样，或是有时一家好公司也会有暂时的难关，像是以前美国运通与GEICO都曾经一度发生状况，不过总的来说，我们尽量做到回避妖龙，而不是冒险去屠龙。</p>
<p>o My most surprising discovery: the overwhelming importance in business of an unseen force that</p>	<p>我最意外的发现是企业一种看不到的巨大影响力，我们称之为“系统规范”，</p>

<p>we might call "the institutional imperative." In business school, I was given no hint of the imperative's existence and I did not intuitively understand it when I entered the business world. I thought then that decent, intelligent, and experienced managers would automatically make rational business decisions. But I learned over time that isn't so. Instead, rationality frequently wilts when the institutional imperative comes into play.</p>	<p>在学校时没有人告诉我这种规范的存在，而我也不是从一开始进入商业世界就知道有这回事，我以为任何正当、聪明有经验的经理人都会很自动的做这样的决策，但慢慢地我发现完全就不是这么一回事，相反的理性的态度在系统规范的影响下都会慢慢地变质。</p>
<p>For example: (1) As if governed by Newton's First Law of Motion, an institution will resist any change in its current direction; (2) Just as work expands to fill available time, corporate projects or acquisitions will materialize to soak up available funds; (3) Any business craving of the leader, however foolish, will be quickly supported by detailed rate-of-return and strategic studies prepared by his troops; and (4) The behavior of peer companies, whether they are expanding, acquiring, setting executive compensation or whatever, will be mindlessly imitated.</p>	<p>举例来说(1)就好像是受牛顿第一运动定律所规范，任何一个组织机构都会抵抗对现有方向做任何的改变(2)就像拥有会有工作来填满所有的时间，企业的计划或购并案永远有足够的理由将资金耗尽(3)任何一个崇拜领导者的组织，不管有多离谱，他的追随者永远可以找到可以支持其理论的投资评估分析报告(4)同业的举动，不管是做扩张、购并或是订定经理人待遇等都会在无意间彼此模仿。</p>
<p>Institutional dynamics, not venality or stupidity, set businesses on these courses, which are too often misguided. After making some expensive mistakes because I ignored the power of the imperative, I have tried to organize and manage Berkshire in ways that minimize its influence. Furthermore, Charlie and I have attempted to concentrate our investments in companies that appear alert to the problem.</p>	<p>是组织的动力而非腐败或愚蠢，误导他们走上这些路子，也因为我忽略了这种规律的力量，使我为这些所犯的错误付出高昂的代价，之后我便试图组织管理伯克希尔尽量让这种规律降低其影响程度，同时查理跟我也试着将我们的投资集中在对于这种问题有相当警觉的公司之上。</p>
<p>After some other mistakes, I learned to go into business only with people whom I like, trust, and admire. As I noted before, this policy of itself will not ensure success: A second-class textile or department-store company won't prosper simply because its managers are men that you would be pleased to see your daughter marry. However, an owner - or investor - can accomplish wonders if he manages to associate himself with such people in businesses that possess decent economic characteristics. Conversely, we do not wish to join with managers who lack admirable qualities,</p>	<p>再犯下其它几个错误之后，我试着尽量只与我们所欣赏喜爱与信任的人往来，就像是我之前曾提到的，这种原则本身不会保证你一定成功，二流的纺织工厂或是百货公司不会只因为管理人员是那种你会想把女儿嫁给他的就会成功的，然而公司的老板或是投资人却可以因为与那些真正具有商业头脑的人打交道而获益良多，相反地我们不会希望跟那些不具令人尊敬的特质为伍，不管他的公司有多吸引人都一样，我们永远不会靠着与坏人</p>

no matter how attractive the prospects of their business. We've never succeeded in making a good deal with a bad person.	打交道而成功。
o Some of my worst mistakes were not publicly visible. These were stock and business purchases whose virtues I understood and yet didn't make. It's no sin to miss a great opportunity outside one's area of competence. But I have passed on a couple of really big purchases that were served up to me on a platter and that I was fully capable of understanding. For Berkshire's shareholders, myself included, the cost of this thumb-sucking has been huge.	其实有些更严重的错误大家根本就看不到，那是一些明明我很熟悉了解的股票或公司，但却因故没有能完成投资，错失一些能力之外的大好机会当然没有罪，但是我却白白错过一些自动送上门，应该把握却没有好好把握的好买卖，对于伯克希尔的股东，当然包括我自己本身在内，这种损失是难以估计的。
o Our consistently-conservative financial policies may appear to have been a mistake, but in my view were not. In retrospect, it is clear that significantly higher, though still conventional, leverage ratios at Berkshire would have produced considerably better returns on equity than the 23.8% we have actually averaged. Even in 1965, perhaps we could have judged there to be a 99% probability that higher leverage would lead to nothing but good. Correspondingly, we might have seen only a 1% chance that some shock factor, external or internal, would cause a conventional debt ratio to produce a result falling somewhere between temporary anguish and default.	另外我们一贯保守财务政策可能也是一种错误，不过就我个人的看法却不认为如此，回想起来，很明显的我们只要能够再多用一点财务杠杆操作（虽然较之他人还是很保守），就可以得到远比现在每年平均 23.8%还要高的投资报酬率，即使是在 1965 年我们也可以百分之九十九地确定高一点的财务杠杆绝对只有好处没有坏处，但同时我们可能也会有百分之一的机会，不管是从内部或是外部所引发令人异想不到的因素，使得我们负债比率提高到介于一时冲高到负债倒闭之间。
We wouldn't have liked those 99:1 odds - and never will. A small chance of distress or disgrace cannot, in our view, be offset by a large chance of extra returns. If your actions are sensible, you are certain to get good results; in most such cases, leverage just moves things along faster. Charlie and I have never been in a big hurry: We enjoy the process far more than the proceeds - though we have learned to live with those also.	我们一点都不会想要有那种 99 比 1 的可能性，以后也不会，一点挫败或是侮辱小小的可能性永远没有办法可以用很有可能大捞一笔的大好机会来弥补，只要你的行为合理，你就一定能够得到好的结果，在大部分的状况下，融资杠杆顶多只会让你移动的更快，查理跟我从来都不会着急，我们享受过程更甚于结果，虽然我们也必须学会去承担后者。
We hope in another 25 years to report on the mistakes of the first 50. If we are around in 2015 to do that, you can count on this section occupying many more pages than it does here.	我们希望 25 年后还能向各位报告伯克希尔头 50 年所犯的的错误，我想公元 2015 年的年报，大家应该可以确定这一部份将占据更多的版面。
<b>Miscellaneous</b>	其它事项
We hope to buy more businesses that are similar	我们希望能够买进更多像我们现在拥

<p>to the ones we have, and we can use some help. If you have a business that fits the following criteria, call me or, preferably, write.</p>	<p>有一样的企业，当然我们可以透过大家的协助，如果你拥有符合以下条件的企业，记得打电话或者是写信告诉我。</p>
<p>Here's what we're looking for:(1) Large purchases (at least \$10 million of after-tax earnings), (2) demonstrated consistent earning power (future projections are of little interest to us, nor are "turnaround" situations), (3) businesses earning good returns on equity while employing little or no debt, (4) management in place (we can't supply it), (5) simple businesses (if there's lots of technology, we won't understand it), (6) an offering price (we don't want to waste our time or that of the seller by talking, even preliminarily, about a transaction when price is unknown). We will not engage in unfriendly takeovers. We can promise complete confidentiality and a very fast answer - customarily within five minutes - as to whether we're interested. We prefer to buy for cash, but will consider issuing stock when we receive as much in intrinsic business value as we give. Our favorite form of purchase is one fitting the Blumkin-Friedman-Heldman mold. In cases like these, the company's owner-managers wish to generate significant amounts of cash, sometimes for themselves, but often for their families or inactive shareholders. At the same time, these managers wish to remain significant owners who continue to run their companies just as they have in the past. We think we offer a particularly good fit for owners with such objectives. We invite potential sellers to check us out by contacting people with whom we have done business in the past.</p>	<p>我们想找的企业条件(1)巨额交易(每年税后盈余至少有一千万美元)(2)持续稳定获利(我们对有远景或具转机的公司没兴趣)(3)高股东报酬率(并且甚少举债)(4)具备管理阶层(我们无法提供)(5)简单的企业(若牵涉到太多高科技,我们弄不懂)(6)合理的价格(在价格不确定前,我们不希望浪费自己与对方太多时间)我们不会进行敌意的购并,并承诺完全保密并尽快答复是否感兴趣(通常不超过五分钟),我们倾向采现金交易,除非我们所换得的内含价值跟我们付出的一样多,否则不考虑发行股份。我们最喜欢的交易对象之一是像B太太-Heldman家族那样,公司经营者希望能马上有一大笔现金,不管是给自己、家人或是其它股东,最好这些经营者如往常一样能够继续留在公司,我想我们可以提供具有以上想法的经营者,一个满意的方式,我们也欢迎可能的卖方与那些过去与我们合作过的对象打听。</p>
<p>Charlie and I frequently get approached about acquisitions that don't come close to meeting our tests: We've found that if you advertise an interest in buying collies, a lot of people will call hoping to sell you their cocker spaniels. Our interest in new ventures, turnarounds, or auction-like sales can best be expressed by a Goldwynism: "Please include me out."</p>	<p>另一方面查理跟我也常常接到一些不符合我们条件的询问,包括新事业、转机股、拍卖案以及最常见的中介案。我们发现如果你登广告要买牧羊犬,结果却有一大堆人打电话来要卖你长耳猎犬,在此重申我们对这些交易,只有高德温的另一句话可以形容,请把我排除在外。</p>



<p>Besides being interested in the purchase of businesses as described above, we are also interested in the negotiated purchase of large, but not controlling, blocks of stock comparable to those we hold in Capital Cities, Salomon, Gillette, USAir and Champion. Last year we said we had a special interest in large purchases of convertible preferreds. We still have an appetite of that kind, but it is limited since we now are close to the maximum position we feel appropriate for this category of investment.</p>	<p>除了以上买下整家公司的购并案外，我们也会考虑买进一大部份不具控制权的股份，就像我们在资本城、所罗门、吉列、美国航空与冠军企业这几个 Case 一样的公司，去年我曾告诉各位我们对于买进大笔金额的可转换特别股相当有兴趣，到现在这种态度还是没改变，只不过由于目前这部份的部位已经接近我们认为适当的水位。</p>
<p>Two years ago, I told you about Harry Bottle, who in 1962 quickly cured a major business mess at the first industrial company I controlled, Dempster Mill Manufacturing (one of my "bargain" purchases) and who 24 years later had reappeared to again rescue me, this time from problems at K&amp;W Products, a small Berkshire subsidiary that produces automotive compounds. As I reported, in short order Harry reduced capital employed at K&amp;W, rationalized production, cut costs, and quadrupled profits. You might think he would then have paused for breath. But last year Harry, now 70, attended a bankruptcy auction and, for a pittance, acquired a product line that is a natural for K&amp;W. That company's profitability may well be increased 50% by this coup. Watch this space for future bulletins on Harry's triumphs.</p>	<p>两年前，我曾跟各位提到 Harry Bottle 这个人，他在 1962 年曾帮我解决我个人所控制的第一家公司 Dempster 纺织制造公司(又是一个便宜货)，一个大难题，接着在 24 年后又重出江湖来拯救我，那次换做 K&amp;W 一家伯克希尔所属专门生产自动组件的小公司，就像我曾提到的，Harry 很快地就有效地降低 K&amp;W 的资金负担、大砍成本使获利倍增，你或许认为任务完成后，他铁定要休息一下喘口气，但是去年高龄 70 岁的他，又参与一家破产公司的拍卖，以极少数的资金取得符合 K&amp;W 使用的产品线，经过这次斩获，公司的获利又因此将增加 50%以上，请大家好好拭目以待，这个专门替 Harry 准备的专栏。</p>
<p>With more than a year behind him of trading Berkshire's stock on the New York Stock Exchange, our specialist, Jim Maguire of Henderson Brothers, Inc. ("HBI"), continues his outstanding performance. Before we listed, dealer spreads often were 3% or more of market price. Jim has maintained the spread at 50 points or less, which at current prices is well under 1%. Shareholders who buy or sell benefit significantly from this reduction in transaction costs.</p>	<p>Henderson 兄弟公司的 Jim Maguire 是纽约证交所专门帮我们买卖伯克希尔股票的交易员，一年下来他的表现相当称职，在伯克希尔上市挂牌之前，公司股份买卖的价差多在 3%甚至以上，但 Jim 却能将价差维持在 50 点以下，这使得股东在买卖本公司股份的交易成本降到 1%以下。</p>
<p>Because we are delighted by our experience with Jim, HBI and the NYSE, I said as much in ads that have been run in a series placed by the NYSE. Normally I shun testimonials, but I was pleased in this instance to publicly compliment the</p>	<p>因为我们与 Jim、NYSE 与纽约证交所这次合作愉快的经验，使我尽可能在纽约证交所安排的活动中免费帮他们打广告，通常我种场合我是能免则免，但这次我很高兴能够公开地赞扬交易</p>

Exchange.	所的表现。
Last summer we sold the corporate jet that we purchased for \$850,000 three years ago and bought another used jet for \$6.7 million. Those of you who recall the mathematics of the multiplying bacteria on page 5 will understandably panic: If our net worth continues to increase at current rates, and the cost of replacing planes also continues to rise at the now-established rate of 100% compounded annually, it will not be long before Berkshire's entire net worth is consumed by its jet.	去年夏天我们把三年前以 85 万美元买的公司专机给卖掉，另外又以 670 万美元买了一架二手飞机，大家只要想到先前我提过的细胞复制的数字游戏就会觉得很惊讶，如果我们公司的净值持续以相同速度增长，而更换飞机的成本同样也以每年 100% 的速度上升，大家会发现，伯克希尔庞大的净值很快就会被这架飞机给吃光光。
Charlie doesn't like it when I equate the jet with bacteria; he feels it's degrading to the bacteria. His idea of traveling in style is an air-conditioned bus, a luxury he steps up to only when bargain fares are in effect. My own attitude toward the jet can be summarized by the prayer attributed, apocryphally I'm sure, to St. Augustine as he contemplated leaving a life of secular pleasures to become a priest. Battling the conflict between intellect and glands, he pled: "Help me, Oh Lord, to become chaste - but not yet."	查理对于我将飞机比喻成细菌的做法不太高兴，他认为这样岂不污辱了细菌，他个人最理想的旅行方式是坐有空调冷气的巴士，这还是当车票有打折时才有的奢侈做法。对于这架专机我个人一贯的态度是圣奥古斯丁当初想要脱离世俗的富裕生活出家去到教士一样，在理智与荣耀的中间天人交战，他乞求上天，救救我吧，让我成为一个圣洁的人，不过不是现在！
Naming the plane has not been easy. I initially suggested "The Charles T. Munger." Charlie countered with "The Aberration." We finally settled on "The Indefensible."	替这架飞机命名可不是一件简单的事，一开始我建议取名叫做查理孟格号，查理反击说应该叫神经有问题号，最后双方妥协决定称它为“无可辩解号”。
About 96.9% of all eligible shares participated in Berkshire's 1989 shareholder-designated contributions program. Contributions made through the program were \$5.9 million, and 2,550 charities were recipients.	大约有 96.9% 的有效股权参与 1989 年的股东指定捐赠计划，总计约 590 万美元捐出的款项分配给 2,550 家慈善机构。
We urge new shareholders to read the description of our shareholder-designated contributions program that appears on pages 52-53. If you wish to participate in future programs, we strongly urge that you immediately make sure your shares are registered in the name of the actual owner, not in the nominee name of a broker, bank or depository. Shares not so registered on August 31, 1990 will be ineligible for the 1990 program.	我们敦促新加入的股东，仔细阅读年报上有关股东捐赠计划的详细内容，如果在未来年度内，你想要参加这类的计划，我们强烈建议你股份登记在自己而不是受托人的名下，必须在 1990 年 8 月 31 日之前完成登记，才有权利参与 1990 年的计划。
The annual meeting this year will take place at	今年的股东会预计在 1990 年 4 月 30

<p>9:30 a.m. on Monday, April 30, 1990. Attendance grew last year to about 1,000, very close to the seating capacity of the Witherspoon Hall at Joslyn Museum. So this year's meeting will be moved to the Orpheum Theatre, which is in downtown Omaha, about one-quarter of a mile from the Red Lion Hotel. The Radisson-Redick Tower, a much smaller but nice hotel, is located across the street from the Orpheum. Or you may wish to stay at the Marriott, which is in west Omaha, about 100 yards from Borsheim's. We will have buses at the Marriott that will leave at 8:30 and 8:45 for the meeting and return after it ends.</p>	<p>日, 星期一早上 9 点 30 分举行, 去年股东会参加人数突破一万人, 差点超过开会场地的座位容量, 所以今年的会场将会移到奥玛哈市中心的 Orpheum 中心, 对街有一家不错的旅馆叫 Radisson-Redick, 另外距离红狮旅馆约有 1 英里远, 当然你也可以选择离波仙珠宝店 100 公尺远的 Marriott, 届时将会有巴士接送大家往返股东会会场。</p>
<p>Charlie and I always enjoy the meeting, and we hope you can make it. The quality of our shareholders is reflected in the quality of the questions we get: We have never attended an annual meeting anywhere that features such a consistently high level of intelligent, owner-related questions.</p>	<p>查理跟我一直都很喜欢开股东会, 我也希望大家能够来参加, 我们股东的素质可由大家所提出的问题看得出来, 我们参加过很多股东会, 但从来没有别的公司的股东像伯克希尔的股东一样由高智能水准与经营者荣枯与共的股东组合。</p>
<p>An attachment to our proxy material explains how you can obtain the card you will need for admission to the meeting. Because weekday parking can be tight around the Orpheum, we have lined up a number of nearby lots for our shareholders to use. The attachment also contains information about them.</p>	<p>后面附有股东会开会投票的相关资料, 跟各位解释如何拿到入场所许的识别证, 因为开会当天会场不好停车, 我们特地为大家预留了一些位置, 附件也有相关说明供大家参考。</p>
<p>As usual, we will have buses to take you to Nebraska Furniture Mart and Borsheim's after the meeting and to take you to downtown hotels or to the airport later. I hope that you will allow plenty of time to fully explore the attractions of both stores. Those of you arriving early can visit the Furniture Mart any day of the week; it is open from 10 a.m. to 5:30 p.m. on Saturdays, and from noon to 5:30 p.m. on Sundays.</p>	<p>一如往常, 会后我们备有巴士带大家到内布拉斯加家具店与波仙珠宝店或是到饭店与机场, 希望大家能有多一点的时间好好探索这两家店的奥妙, 当然早几天到的股东也可利用假日逛逛家具店, 星期六从早上 10 点到下午 5 点 30 分, 星期日均从中午开到下午 5 点 30 分。</p>
<p>Borsheim's normally is closed on Sunday, but we will open for shareholders and their guests from noon to 6 p.m. on Sunday, April 29th. Ike likes to put on a show, and you can rely on him to produce something very special for our shareholders.</p>	<p>波仙星期天通常不开门营业, 但在股东会期间特别破例, 4 月 29 日星期天从中午开到下午 6 点, Ike 特地为股东们准备了一场秀, 相信他一定可以让大家见识到一些特别的东西。</p>
<p>In this letter we've had a lot to say about rates of compounding. If you can bear having your own</p>	<p>今年我们提到很多次有关复利的事, 若是你能忍受个人净值暂时倒退一天</p>

rate turn negative for a day - not a pretty thought, I admit - visit Ike on the 29th.	的话, 虽然不建议常常这样做, 记得在 29 号去看看 Ike 的秀吧!
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