

| Buffett's Letters To Berkshire Shareholders 1977 | 巴菲特致股东的信 1977 年 |
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| <p>Operating earnings in 1977 of \$21, 904, 000, or \$22. 54 per share, were moderately better than anticipated a year ago. Of these earnings, \$1. 43 per share resulted from substantial realized capital gains by Blue Chip Stamps which, to the extent of our proportional interest in that company, are included in our operating earnings figure. Capital gains or losses realized directly by Berkshire Hathaway Inc. or its insurance subsidiaries are not included in our calculation of operating earnings. While too much attention should not be paid to the figure for any single year, over the longer term the record regarding aggregate capital gains or losses obviously is of significance.</p> | <p>1977 年本公司的营业净利为 2, 190 万美元，每股约当 22. 54 美元，表现较年前的预期稍微好一点，在这些盈余中，每股有 1. 43 美元的盈余，系蓝筹邮票大量实现的资本利得，本公司依照投资比例认列投资收益所贡献，至于伯克希尔本身及其保险子公司已实现的资本利得或损失，则不列入营业利益计算，建议大家不必太在意单一期间的盈余数字，因为长期累积的资本利得或损失才是真正的重点所在。</p> |
| <p>Textile operations came in well below forecast, while the results of the Illinois National Bank as well as the operating earnings attributable to our equity interest in Blue Chip Stamps were about as anticipated. However, insurance operations, led again by the truly outstanding results of Phil Liesche' s managerial group at National Indemnity Company, were even better than our optimistic expectations.</p> | <p>纺织事业的表现远低于预估，至于伊利诺国家银行的成绩以及蓝筹邮票贡献给我们的投资利益则大致如预期，另外，由 Phil Liesche 领导的国家产险保险业务的表现甚至比我们当初最乐观的期望还要好。</p> |
| <p>Most companies define "record" earnings as a new high in earnings per share. Since businesses customarily add from year to year to their equity base, we find nothing particularly noteworthy in a management performance combining, say, a 10% increase in equity capital and a 5% increase in earnings per share. After all, even a totally dormant savings account will produce steadily rising interest earnings each year because of compounding.</p> | <p>通常公司会宣称每股盈余又创下历史新高，然而由于公司的资本会随着盈余的累积扩增，所以我们并不认为这样的经营表现有什么大不了的，比如说每年股本扩充 10%或是每股盈余成长 5%等等，毕竟就算是静止不动的定存帐户，由于复利的关系每年都可稳定地产生同样的效果。</p> |
| <p>Except for special cases (for example, companies with unusual debt-equity ratios or those with important assets carried at unrealistic balance sheet values), we believe a more appropriate measure of managerial economic performance to be return on equity capital. In 1977 our operating earnings on beginning equity capital amounted to 19%, slightly better than last year and above both our own long-term average and that of American industry in aggregate. But, while our operating earnings per share were up 37% from the year before, our beginning capital was up 24%, making the</p> | <p>除非是特殊的情况(比如说负债比例特别高或是帐上持有重大资产未予重估)，否则我们认为“股东权益报酬率”应该是衡量管理当局表现比较合理的指针，1997 年我们期初股东权益的报酬率约为 19%，这比去年同期稍微好一点，但远高于本身过去长期以及当年美国企业整体的平均数，所以虽然我们每股的盈余成长了 37%，但由于期初的资本也增加了 34%，这使得我们实际的表现并没有想象中那么</p> |

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| gain in earnings per share considerably less impressive than it might appear at first glance. | 好。 |
| We expect difficulty in matching our 1977 rate of return during the forthcoming year. Beginning equity capital is up 23% from a year ago, and we expect the trend of insurance underwriting profit margins to turn down well before the end of the year. Nevertheless, we expect a reasonably good year and our present estimate, subject to the usual caveats regarding the frailties of forecasts, is that operating earnings will improve somewhat on a per share basis during 1978. | 我们预期未来年度将很难再达到 1977 年这样的报酬率水准，一方面是因为期初资本又增加了 23%，一方面我们预期保险核保利润率会在年底以前开始反转，尽管如此，大家还是可以期待丰收的一年，而我们现在的估计是，虽然预测有其先天上的限制，我认为每股营业利益在 1978 年应该还有些许成长的空间。 |
| Textile Operations | 纺织事业 |
| The textile business again had a very poor year in 1977. We have mistakenly predicted better results in each of the last two years. This may say something about our forecasting abilities, the nature of the textile industry, or both. Despite strenuous efforts, problems in marketing and manufacturing have persisted. Many difficulties experienced in the marketing area are due primarily to industry conditions, but some of the problems have been of our own making. | 1977 年纺织事业的表现依旧低迷不振，过去两年我们乐观的预期纷纷落空，这或许也说明了我们预测能力的薄弱，或是纺织产业的本质，尽管一再地努力与挣扎，行销与制造的问题依旧存在，虽然市场上面临的困境与产业情势相关，但也有不少问题是我们自己造成。 |
| A few shareholders have questioned the wisdom of remaining in the textile business which, over the longer term, is unlikely to produce returns on capital comparable to those available in many other businesses. Our reasons are several: (1) Our mills in both New Bedford and Manchester are among the largest employers in each town, utilizing a labor force of high average age possessing relatively non-transferable skills. Our workers and unions have exhibited unusual understanding and effort in cooperating with management to achieve a cost structure and product mix which might allow us to maintain a viable operation. (2) Management also has been energetic and straightforward in its approach to our textile problems. In particular, Ken Chace's efforts after the change in corporate control took place in 1965 generated capital from the textile division needed to finance the acquisition and expansion of our profitable insurance operation. (3) With hard work and some imagination regarding manufacturing and marketing configurations, it seems reasonable that at least modest profits in the textile division can be achieved in the future. | 部份股东开始质疑我们是否应该继续留在纺织产业，虽然就长期而言其投资报酬率明显低于其它的投资，但我们的理由有以下几个：(1) 我们在纽贝福及 Manchester 的工厂都是当地最大的聘雇业者，员工的年龄偏高，缺乏转换工作的能力，同时我们的员工及其公会也已经尽其所能地与经营阶层配合努力改善成本结构及产品组合，以使我们的经营得以维持下去(2) 管理阶层也相当努力同时坦承面对产业的问题，尤其是在 1965 年经营权易主后，Ken Chace 依然尽力尽力地协助我们把纺织部门产生稳定的资金流入转到获利更加的保险事业投资与购并之上(3) 努力工作加上对制造与行销组合的乐观预期，我们的纺织事业在未来看起来应该可以维持一个起码的利润空间。 |
| Insurance Underwriting | 保险事业 |

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| <p>Our insurance operation continued to grow significantly in 1977. It was early in 1967 that we made our entry into this industry through the purchase of National Indemnity Company and National Fire and Marine Insurance Company (sister companies) for approximately \$8.6 million. In that year their premium volume amounted to \$22 million. In 1977 our aggregate insurance premium volume was \$151 million. No additional shares of Berkshire Hathaway stock have been issued to achieve any of this growth.</p> | <p>我们的保险事业在 1977 年持续大幅地成长,早在 1967 年我们以 860 万美元购并国家产险及国家海上火险公司(两者为姊妹公司)的方式进军保险业,当年他们的保费收入大约为 2,200 万美元,时至今日,1977 年的累积年保费收入已达 1.51 亿美元,必须强调的是,在此期间,伯克希尔没有再发行过任何一股新股以支应成长。</p> |
| <p>Rather, this almost 600% increase has been achieved through large gains in National Indemnity's traditional liability areas plus the starting of new companies (Cornhusker Casualty Company in 1970, Lakeland Fire and Casualty Company in 1971, Texas United Insurance Company in 1972, The Insurance Company of Iowa in 1973, and Kansas Fire and Casualty Company in late 1977), the purchase for cash of other insurance companies (Home and Automobile Insurance Company in 1971, Kerkling Reinsurance Corporation, now named Central Fire and Casualty Company, in 1976, and Cypress Insurance Company at yearend 1977), and finally through the marketing of additional products, most significantly reinsurance, within the National Indemnity Company corporate structure.</p> | <p>相反地,这 600% 的成长几乎都是来自于国家产险本身的传统业务的稳定成长再加上新创立的公司(包含 1970 年的 Cornhusker 产险、1971 年的 Lakeland 火险、1972 年的德州联合保险、1973 年的爱荷华保险及 1977 年的堪萨斯火险公司等),以购并方式买下的(1971 年的家庭与汽车保险、1976 年现已更名为中央火险的 Kerkling 再保险以及 1977 年的赛普路斯保险公司),以及最后透过行销新业务—主要以国家保险名下进行的再保险业务所得。</p> |
| <p>In aggregate, the insurance business has worked out very well. But it hasn't been a one-way street. Some major mistakes have been made during the decade, both in products and personnel. We experienced significant problems from (1) a surety operation initiated in 1969, (2) the 1973 expansion of Home and Automobile's urban auto marketing into the Miami, Florida area, (3) a still unresolved aviation "fronting" arrangement, and (4) our Worker's Compensation operation in California, which we believe retains an interesting potential upon completion of a reorganization now in progress. It is comforting to be in a business where some mistakes can be made and yet a quite satisfactory overall performance can be achieved. In a sense, this is the opposite case from our textile business where even very good management probably can average only modest results. One of the lessons your management has learned – and, unfortunately, sometimes re-learned – is the importance of being in businesses where tailwinds prevail rather</p> | <p>总的来说,保险事业的表现还算不错,但情况并非全然如此,过去十年来,我们也犯过一些大错,不论是在产品或是人员方面,比如说我们在以下方面就曾遇到重大的困难:(1)1969 年推出的保证责任险(2)1973 年扩充佛罗里达迈阿密地区的家庭及汽车保险业务(3)目前尚未解决的航空"前置"安排(4)我们在加州的劳工退休金业务,我们相信这业务一旦改组完成应该还是相当有潜力。保险这行业虽然小错不断,但大致上还是可以获得的不错的成果,就某些方面而言,这情况与纺织业刚好完全相反,管理阶层相当优秀,但却只能获得微薄的利润,各位的管理阶层所学到的一课,很不幸一再学到的就是,选择顺风而非逆风产业环境的重要性。</p> |

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| than headwinds. | |
| In 1977 the winds in insurance underwriting were squarely behind us. Very large rate increases were effected throughout the industry in 1976 to offset the disastrous underwriting results of 1974 and 1975. But, because insurance policies typically are written for one-year periods, with pricing mistakes capable of correction only upon renewal, it was 1977 before the full impact was felt upon earnings of those earlier rate increases. | 1977 年保险业核保的顺风不断地从后方吹来, 保费大幅度的调整在 1976 年正式生效后, 适时地抵消 1974 年及 1975 年惨痛的核保记录, 而由于保单的签订通常以一年为期, 所以定价的修正通常必须等到换新约时, 所以实际上费率的上涨一直等到 1977 年才充分反应在盈余之上。 |
| The pendulum now is beginning to swing the other way. We estimate that costs involved in the insurance areas in which we operate rise at close to 1% per month. This is due to continuous monetary inflation affecting the cost of repairing humans and property, as well as “social inflation”, a broadening definition by society and juries of what is covered by insurance policies. Unless rates rise at a comparable 1% per month, underwriting profits must shrink. Recently the pace of rate increases has slowed dramatically, and it is our expectation that underwriting margins generally will be declining by the second half of the year. | 可惜的是钟摆再度开始摆荡到另一方向, 我们预估保险理赔成本以每个月 1% 的幅度增加, 主要的原因除了持续性的通货膨胀使得修复人体及财产的成本不停上涨, 另一方面社会通膨, 亦即社会及陪审团对于保单理赔范围不断扩大解释的倾向, 因此除非费率每个月也能同步上涨 1%, 否则核保利益肯定会缩水, 只是最近保费调涨的速度明显趋缓, 所以我们预期下半年的核保利润空间将大幅缩减。 |
| We must again give credit to Phil Liesche, greatly assisted by Roland Miller in Underwriting and Bill Lyons in Claims, for an extraordinary underwriting achievement in National Indemnity’s traditional auto and general liability business during 1977. Large volume gains have been accompanied by excellent underwriting margins following contraction or withdrawal by many competitors in the wake of the 1974-75 crisis period. These conditions will reverse before long. In the meantime, National Indemnity’s underwriting profitability has increased dramatically and, in addition, large sums have been made available for investment. As markets loosen and rates become inadequate, we again will face the challenge of philosophically accepting reduced volume. Unusual managerial discipline will be required, as it runs counter to normal institutional behavior to let the other fellow take away business – even at foolish prices. | 讲到这里, 我们必须再度将殊荣归于 Phil Liesche, 在核保部门 Roland Miller 以及理赔部门 Bill Lyons 的大力协助下, 国家产险 1977 年在传统的汽车及责任险业务方面又大放异彩, 保费收入不但大幅成长, 相较于其它同业不堪 1974-75 年的危机陆续退出市场, 其优异的核保利益更属难得, 国家产险的核保利益大幅地成长, 此外可供投资的资金亦迅速累积, 只可惜这样的情况维持不了多久, 这些业者又会再度卷土重来, 随着市场紧绷情势转为宽松, 费率又将变得失控, 届时我们又必须回复过去冷静地接受保费收入锐减的考验, 严格的核保纪律绝对必须维持, 如此我们才能抗拒直觉, 眼睁睁地看着其它业者以疯狂的价格抢走生意。 |
| Our reinsurance department, managed by George Young, improved its underwriting performance during 1977. Although the combined ratio (see definition on page 12) | 1977 年由 George Young 管理的再保险部门改善了其核保的绩效, 虽然高达 107.1 的综合比率不算理想(相关 |

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| of 107.1 was unsatisfactory, its trend was downward throughout the year. In addition, reinsurance generates unusually high funds for investment as a percentage of premium volume. | 定义请参阅第 12 页), 但至少趋势是向下, 此外再保险的保费收入依然贡献大量的资金以供我们进行投资。 |
| At Home and Auto, John Seward continued to make progress on all fronts. John was a battlefield promotion several years ago when Home and Auto's underwriting was awash in red ink and the company faced possible extinction. Under his management it currently is sound, profitable, and growing. | 至于 John Seward 领导的家庭与汽车保险在各个方面都有重大进展, 几年前当该公司因核保大幅亏损, 面临倒闭危机时, John 跳上火线, 在他的管理之下, 公司的营运渐上轨道。 |
| John Ringwalt's homestate operation now consists of five companies, with Kansas Fire and Casualty Company becoming operational late in 1977 under the direction of Floyd Taylor. The homestate companies had net premium volume of \$23 million, up from \$5.5 million just three years ago. All four companies that operated throughout the year achieved combined ratios below 100, with Cornhusker Casualty Company, at 93.8, the leader. In addition to actively supervising the other four homestate operations, John Ringwalt manages the operations of Cornhusker which has recorded combined ratios below 100 in six of its seven full years of existence and, from a standing start in 1970, has grown to be one of the leading insurance companies operating in Nebraska utilizing the conventional independent agency system. Lakeland Fire and Casualty Company, managed by Jim Stodolka, was the winner of the Chairman's Cup in 1977 for achieving the lowest loss ratio among the homestate companies. All in all, the homestate operation continues to make excellent progress. | John Ringwalt 负责的 Homestate 业务旗下主要包含五家公司, 其中堪萨斯火险在 Floyd Taylor 筹备下于 1977 年底正式营运, Homestate 1977 年的保费净收入达到 2,300 万美元, 三年前不过只有 550 万美元, 其余四家的年度综合比率都低于 100, 其中 Cornhusker 甚至只有 93.8, John 在努力管理其它四家公司的同时, 更让 Cornhusker 过去七年有六年的综合比率低于 100, 从 1970 年正式营运以来, 该公司已顺利成为内布拉斯加州传统独立经纪系统的领导业者, 至于由 Jim Stodolka 带领的 Lakeland 火险则荣获 1977 年主席杯的头衔, 因为去年该公司的综合比率最低, 总的来说, Homestate 集团的营运在去年大有进展。 |
| The newest addition to our insurance group is Cypress Insurance Company of South Pasadena, California. This Worker's Compensation insurer was purchased for cash in the final days of 1977 and, therefore, its approximate \$12.5 million of volume for that year was not included in our results. Cypress and National Indemnity's present California Worker's Compensation operation will not be combined, but will operate independently utilizing somewhat different marketing strategies. Milt Thornton, President of Cypress since 1968, runs a first-class operation for policyholders, agents, employees and owners alike. We look forward to working with him. | 我们旗下保险事业最新加入的成员是位于加州的赛普路斯保险, 至于劳工退休金保险则因为是在 1977 年底以现金买下, 所以其 1,250 万美元的保费收入并未列入我们当年的营运记录, 赛普路斯与国家产险现有的劳工退休金保险业务不会合并, 而会采用不同的行销策略各自独立经营, 赛普路斯现任总裁 Milt Thornton, 在保户、业务员、员工及股东方面的营运管理皆属一流, 对于能与他一起共事, 我们相当期待。 |

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| Insurance companies offer standardized policies which can be copied by anyone. Their only products are promises. It is not difficult to be licensed, and rates are an open book. There are no important advantages from trademarks, patents, location, corporate longevity, raw material sources, etc., and very little consumer differentiation to produce insulation from competition. It is commonplace, in corporate annual reports, to stress the difference that people make. Sometimes this is true and sometimes it isn't. But there is no question that the nature of the insurance business magnifies the effect which individual managers have on company performance. We are very fortunate to have the group of managers that are associated with us. | 保险公司提供的制式保单很容易为其它同业所模仿，他们唯一的产品就是承诺，保险执照不难取得，而费率也是公开的，这行业商标、专利、地点、企业年资、原物料等都不重要，消费者对于产品也很难产生特别的偏好，在企业的年报中，常常看到有人强调自己不同于其它同业的特殊之处，有时这样的说法有道理，有时没什么道理，但不可否认的是，保险事业的本质使得经理人的表现，对于公司绩效的影响具有举足轻重的地位，很幸运的是与我们共事的是一群优秀的经理人。 |
| Insurance Investments | 保险事业的投资 |
| During the past two years insurance investments at cost (excluding the investment in our affiliate, Blue Chip Stamps) have grown from \$134.6 million to \$252.8 million. Growth in insurance reserves, produced by our large gain in premium volume, plus retained earnings, have accounted for this increase in marketable securities. In turn, net investment income of the Insurance Group has improved from \$8.4 million pre-tax in 1975 to \$12.3 million pre-tax in 1977. | 过去两年我们保险事业投入的资金成本(扣除对关系企业蓝筹邮票的投资)已从原先的 1.346 亿美元成长到 2.528 亿美元，保险准备的成长，主要是由于保费收入的大幅增加，加上保留的盈余，是我们投资部位之所以大幅增加的原因，也因此，我们整体保险事业因为投资而增加的净收益也由 1975 年税前 840 万美元的利益成长到 1977 年的 1,230 万美元。 |
| In addition to this income from dividends and interest, we realized capital gains of \$6.9 million before tax, about one-quarter from bonds and the balance from stocks. Our unrealized gain in stocks at yearend 1977 was approximately \$74 million but this figure, like any other figure of a single date (we had an unrealized loss of \$17 million at the end of 1974), should not be taken too seriously. Most of our large stock positions are going to be held for many years and the scorecard on our investment decisions will be provided by business results over that period, and not by prices on any given day. Just as it would be foolish to focus unduly on short-term prospects when acquiring an entire company, we think it equally unsound to become mesmerized by prospective near term earnings or recent trends in earnings when purchasing small pieces of a company; i.e., marketable common stocks. | 除了股利与利息收入之外，我们还实现了税前 690 万美元的资本利得，四分之一来自债券，剩下的则来自股票，至于 1977 年年底未实现的资本利得大约在 7,400 万美元之谱，对于这个数字，就像任何单一日期的数字，(1974 年底帐上有 1,700 万美元的未实现损失)大家不必看得太认真，因为我们持股部位比较大的投资，往往要持有很长一段时间，所以我们的投资绩效依据的是这些被投资公司在这段期间的经营表现，而不是特定时期的股票价格，就像我们认为买下一家公司却只关心他的短期状况是件很傻的事，同样地持有公司部份所有权—也就是股票，我们认为只关心短期盈余或者是盈余短暂的变动也不应该。 |
| A little digression illustrating this point may be interesting. Berkshire Fine Spinning Associates and | 离题一下，有一点很有趣足以说明上述情况，伯克希尔纺纱与 Hathaway |

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| <p>Hathaway Manufacturing were merged in 1955 to form Berkshire Hathaway Inc. In 1948, on a pro forma combined basis, they had earnings after tax of almost \$18 million and employed 10,000 people at a dozen large mills throughout New England. In the business world of that period they were an economic powerhouse. For example, in that same year earnings of IBM were \$28 million (now \$2.7 billion), Safeway Stores, \$10 million, Minnesota Mining, \$13 million, and Time, Inc., \$9 million. But, in the decade following the 1955 merger aggregate sales of \$595 million produced an aggregate loss for Berkshire Hathaway of \$10 million. By 1964 the operation had been reduced to two mills and net worth had shrunk to \$22 million, from \$53 million at the time of the merger. So much for single year snapshots as adequate portrayals of a business.</p> | <p>工业是在 1955 年合并成为伯克希尔 Hathaway 公司的，再将时间往回推到 1948 年，在拟制合并的基础上，当年他们合计税前盈余达到 1,800 万美元，旗下拥有十个遍布新英格兰地区的工厂，员工人数一万人，在当时的环境，他们算是经济成长的重要动力之一，因为 IBM 在同一年度的盈余也不过 2,800 万美元(现在的年获利达到 27 亿美元)，另外 Safeway 商店 1,000 万、3M 只有 1,300 万而时代杂志则为 900 万，然而在双方合并后的十年内，累计营收虽然有 5.95 亿，但结算亏损却达到 1,000 万美元，时至 1964 年，公司的营运仅剩两家工厂，净值更从合并时的 5,300 万美元大幅缩减至 2,200 万美元，所以我们可以这样说，单一年度所透露出公司营运的景况实在是极其有限。</p> |
| <p>We select our marketable equity securities in much the same way we would evaluate a business for acquisition in its entirety. We want the business to be (1) one that we can understand, (2) with favorable long-term prospects, (3) operated by honest and competent people, and (4) available at a very attractive price. We ordinarily make no attempt to buy equities for anticipated favorable stock price behavior in the short term. In fact, if their business experience continues to satisfy us, we welcome lower market prices of stocks we own as an opportunity to acquire even more of a good thing at a better price.</p> | <p>我们投资股票的选择方式与买进整家企业的模式很相近，我们想要的企业必须是(1)我们可以了解的行业(2)具有长期竞争力(3)由才德兼具的人士所经营(4)吸引人的价格，我们从来不试着去买进一些短期股价预期有所表现的股票，事实上，如果其企业的表现符合我们的预期，我们反而希望他们的股价不要太高，如此我们才有机会以更理想的价格买进更多的股权。</p> |
| <p>Our experience has been that pro-rata portions of truly outstanding businesses sometimes sell in the securities markets at very large discounts from the prices they would command in negotiated transactions involving entire companies. Consequently, bargains in business ownership, which simply are not available directly through corporate acquisition, can be obtained indirectly through stock ownership. When prices are appropriate, we are willing to take very large positions in selected companies, not with any intention of taking control and not foreseeing sell-out or merger, but with the expectation that excellent business results by corporations will translate over the long term into</p> | <p>我们过去的经验显示，一家好公司部份所有权的价格，常常要比协议谈判买下整家要来得便宜许多，也因此想要拥有价廉物美的企业所有权，直接购并的方式往往不可得，还不如透过间接拥有股权的方式来达到目的，当价格合理，我们很愿意在某些特定的公司身上持有大量的股权，这样做不是为了要取得控制权，也不是为了将来再转卖出或是进行购并，而是期望企业本身能有好的表现，进而转化为企业长期的价值以及丰厚的股利收入，不论是少数股权或是多数股权皆</p> |

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| correspondingly excellent market value and dividend results for owners, minority as well as majority. | 是如此。 |
| Such investments initially may have negligible impact on our operating earnings. For example, we invested \$10.9 million in Capital Cities Communications during 1977. Earnings attributable to the shares we purchased totaled about \$1.3 million last year. But only the cash dividend, which currently provides \$40,000 annually, is reflected in our operating earnings figure. | 这类的投资初期对于我们的经营利益的助益或许不大，举例来说，1977 年我们投资了 1,090 万美元在资本城通讯公司之上，去年依照持股比例应可分得的盈余约为 130 万美元，但实在反应在我们财务报表上的却只有区区 4 万美元的现金股利。 |
| Capital Cities possesses both extraordinary properties and extraordinary management. And these management skills extend equally to operations and employment of corporate capital. To purchase, directly, properties such as Capital Cities owns would cost in the area of twice our cost of purchase via the stock market, and direct ownership would offer no important advantages to us. While control would give us the opportunity – and the responsibility – to manage operations and corporate resources, we would not be able to provide management in either of those respects equal to that now in place. In effect, we can obtain a better management result through non-control than control. This is an unorthodox view, but one we believe to be sound. | 资本城拥有优良的资产与优异的管理阶层，而这些管理技能同样也延伸至营运面及资金管理面，想要直接买下资本城所要花费的成本可能是两倍于间接透过股票市场投资，更何况直接拥有权对我们并没有多大的好处，控制权虽然让我们拥有机会，但同样也带来责任去管理企业的营运及资源，我们根本就没有能力提供现有管理阶层关于这些方面额外任何的助益，事实上，与其管还不如不管，更能得到好的结果，这样的观念或许很反常，但却是我们认为比较合适的。 |
| Banking | 银行业 |
| In 1977 the Illinois National Bank continued to achieve a rate of earnings on assets about three times that of most large banks. As usual, this record was achieved while the bank paid maximum rates to savers and maintained an asset position combining low risk and exceptional liquidity. Gene Abegg formed the bank in 1931 with \$250,000. In its first full year of operation, earnings amounted to \$8,782. Since that time, no new capital has been contributed to the bank; on the contrary, since our purchase in 1969, dividends of \$20 million have been paid. Earnings in 1977 amounted to \$3.6 million, more than achieved by many banks two or three times its size. | 1977 年伊利诺国家银行的资产报酬率约为其它规模较大同业的三倍，一如往常，这样的成绩，还搭配给予存户最优惠的利率，同时维持风险最低流动性最高的资产组合，Gene Abegg 在 1931 年以 25 万美元成立这家银行，在第一个完整的营业年度，盈余就达到 8,782 美元，从那时候开始，银行就没有再办理任何一次增资，相反地，当我们在 1969 年买下该公司时，马上就领到了 2,000 万美元的现金股利，1977 年的盈余更达到 360 万美元，甚至比规模大他两三倍的银行同业还多。 |
| Late last year Gene, now 80 and still running a banking operation without peer, asked that a successor be brought in. Accordingly, Peter Jeffrey, formerly President and Chief Executive Officer of American National Bank of Omaha, has joined the Illinois National Bank effective March 1st as President and Chief | 去年现年 80 岁依然一马当先专注于银行营运的 Gene，要求新的接任者接手，因此前奥玛哈美国国家银行的总裁 Peter Jeffrey 于 3/1 正式加入伊利诺国家银行担任新总裁。 |

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| Executive Officer. | |
| Gene continues in good health as Chairman. We expect a continued successful operation at Rockford' s leading bank. | 老当益壮的 Gene 依然担任董事长, 我们预期该银行仍将成为 Rockford 地区首区一指的银行 (伊利诺州城市)。 |
| Blue Chip Stamps | 蓝筹邮票 |
| We again increased our equity interest in Blue Chip Stamps, and owned approximately 36 1/2% at the end of 1977. Blue Chip had a fine year, earning approximately \$12.9 million from operations and, in addition, had realized securities gains of \$4.1 million. | 我们再度增加对蓝筹邮票的持股权益, 截至 1977 年底, 持有的股权比例大约是 36.5%, 蓝筹邮票去年的表现相当不错, 营业利益达到 1,290 万美元, 此外还有 410 万的已实现资本利得。 |
| Both Wesco Financial Corp., an 80% owned subsidiary of Blue Chip Stamps, managed by Louis Vincenti, and See' s Candies, a 99% owned subsidiary, managed by Chuck Huggins, made good progress in 1977. Since See' s was purchased by Blue Chip Stamps at the beginning of 1972, pre-tax operating earnings have grown from \$4.2 million to \$12.6 million with little additional capital investment. See' s achieved this record while operating in an industry experiencing practically no unit growth. Shareholders of Berkshire Hathaway Inc. may obtain the annual report of Blue Chip Stamps by requesting it from Mr. Robert H. Bird, Blue Chip Stamps, 5801 South Eastern Avenue, Los Angeles, California 90040. | 蓝筹邮票持有 80%股权的 Wesco 金融公司 (由 Louis Vincenti 所管理) 及持有 99%股权的子公司喜斯糖果 (由 Chuck Huggins 所管理) 在 1977 年都有重大进展, 自从喜斯糖果在 1972 年被蓝筹邮票所买下后, 就没有挹注任何额外的资本, 其税前盈余从 420 万美元成长到 1,260 万美元, 尤其难得的是喜斯所处的产业环境, 几乎没有成长, 若有需要伯克希尔的股东可向 Mr. Robert (地址加州洛杉矶 5801 South Eastern Avenue) 索取蓝筹邮票的年报。 |